



Analysis of Business Risk Management Strategy. Study At PT, BPRS Al-Washliyah

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Abstract

The strategy for managing Islamic banking from the smallest ones such as Sharia Business Units (UUS), Sharia Rural Banks (BPRS), to the size of Islamic financial institutions, such as Bank Muamalat Indonesia and Bank Syariah Indonesia (BSI) still needs to be carried out on research related to risk management in Indonesia. in it. This article tries to explore the risk management strategy of PT. Bank Perkreditan Rakyat (BPRS) Al-Washliyah North Sumatra Province. The methodology used is a literature study approach to national and international articles/journals, as well as books and other literature related to the risk management of Islamic banking. The main finding of this research is that risk management is not only needed to keep the business operational, but also as a strategy to create maximum benefits of risk management, namely ensuring the achievement of goals, minimizing the possibility of bankruptcy, increasing company profits, and providing security. company.

Keywords: Risk Management, Management Strategy, Al-Washliyah.

1. Introduction

Al-Washliyah's charities include the field of economists, one of which is envisaged by establishing in the economic field, such as establishing the Islamic bank PT. Islamic People's Credit Bank (PT. BPRS) Al-Washliyah. Al-Washliyah is an Islamic community organization whose efforts and objectives are stated in the Articles of Association and Bylaws of Al-Washliyah. Al Jam'iyatul Washliyah, abbreviated as Al-Washliyah, is the largest Islamic community organization in North Sumatra Province, and the third largest in Indonesia after Nahdlatul Ulama (NU) and Muhammadiyah. The existence of Al-Washliyah is no longer in doubt. Through its various charities, both in the educational and social fields, Al-Washliyah has been able to increase its strategic role for increasing organizational progress. However, from an economic point of view, it is undeniable that this organization is still less than optimal. Although in terms of charity, Al-Washliyah's efforts have been able to increase its strategic role for improving the welfare of the people. However, in terms of business risk management, it still needs to be improved. In the context of this research, Al-Washliyah owns a Sharia Bank called PT. Sharia Rural Bank (PT. BPRS AW), how exactly is Al-Washliyah's strategy to manage PT. BPRS Al-Wahiliyah taken? Has the size of this organizational structure not been maximized in order to grow PT. BPRS Al-Washliyah?

This is in line with the results of previous research by Burhanuddin, that the management aspect of Al-

Washliyah can be found in 27 cities/regencies of North Sumatra out of 33 total cities/regencies of North Sumatra. Meanwhile, Muhammadiyah is only in 19 cities/districts. However, the number of business units in the education sector of Muhammadiyah North Sumatra is more numerous than that of Al-Washliyah, namely 591: 164. The social business sector of the Muhammadiyah and Al-Washliyah orphanage units is 7: 9, while the social business sector of Muhammadiyah hospitals/polyclinics and Al-Washliyah -Washliyah is 18: 0 (nil). In addition, North Sumatra Muhammadiyah has 257 mosques and 137 mu'allas, while Al-Washliyah data is not obtained, even if there are relatively small ones. Regarding an Al-Washliyah hospital/clinic that once existed, it was located on Jalan Stadium Teladan Jl. The Medan Arca building has been closed since 2004, no longer operating. This former location is now in the lok, where a lecture building has been built for postgraduate students at the Al-Washliyah Muslim Nusantara University (UMN).

This article will discuss sharia-based business risk management strategies; related to PT. BPRS Al-Washliyah, where this can be used as research material (information) by further researchers.

This research is a literature study, where one concept is carried out by examining various literature related to risk management in sharia-based businesses, from books, national journals, international journals, and others. In this case the authors took national and international journals and can explore the phenomena in this study. According

to Danial and Warsiah,: Literature study is research conducted by researchers by collecting a number of books, magazines related to the problem under study and research objectives. This technique aims to reveal various theories that are relevant to the problem being faced/researched as reference material in discussing research results.

This study aims to explore Islamic banking risk management, in the study of risk management strategies at PT. BPRS Al-Washliyah, because risk management is not only needed to keep the business operational so that it can survive, but also as a strategy to create the maximum benefits of risk management.

For this reason, a literature study is used on journal articles both nationally and internationally, which have been published since the last five years, and explores various journals and books and other related literature by classifying them based on the desired data, so that there is something that distinguishes this paper from previous research.

Previous Studies	Writing now
Tasriani and Andi Irfan: Communication Media of Social Sciences and Culture, Vol. 12, No. 1 January-June 2015. Title : Implementation and Management of Risk Management (Risk) Mitigation of risks carried out in financing, namely fiduciary risk as a risk that is legally responsible for violations of investment contracts, both non-compliance with sharia provisions or mismanagement (mismanagement) of investor funds . The highest risks in murabahah financing are both in congestion in installment payments and in collateral. Principles in sharia transactions in the form of the principles of brotherhood, justice, benefit, balance and universality have been applied.	Strategi Pengelolaan Manajemen Resiko Syariah banking. Study at PT. BPRS Al-Washliyah. This research explores the risk management strategy of PT. Al-Washliyah Islamic People's Credit Bank (BPRS). The main findings generated in this regard, risk management is not only needed to keep the business operational so that it can survive, but also as a strategy to create the maximum benefits of risk management, namely ensuring the achievement of goals, reducing the possibility of bankruptcy, increasing company profits, and providing company security.
Afriyeni and Romi Susanto. Padang Academy of Finance and Banking. Title : Risk Management In Sharia Bank. . Namely describing the values of maqāsid Syar'ah in the corridors of the current management of Islamic banking institutions.	This study explains that maqasid sharia is not only needed to formulate economic policies, including monetary, fiscal and financial public policies, but also to create sharia banking products and other real sectors.
Aisyah, R, S., Putri, V, Nur, A., Ratna, S, D., "Operational Risk Analysis of PT. BPRS Al-Washliyah During the Covid-19 Pandemic" AL - MUHTARIFIN: Islamic Banking and Islamic Economic Journal [ONLINE], Volume 1	This study corroborates the results of previous research, namely the business risk management strategy at PT. BPRS Al-Washliyah.

This research aims to determine the daily operational risks at PT. BPRS Al Washliyah.

The method used in this study is qualitative, with a case study approach and interviews as well as observation. The results of this study indicate that operational risk is divided into two, namely risk to the customer and risk to the bank, including increased operating expenses, decreased profits and limited office hours. Factors causing operational risk are divided into internal factors from the bank and external factors from customers. The way BPRS Al-Washliyah responds is by focusing on these two factors, optimizing supervision for all employees (internal) and also optimizing supervision for customers (external). PT. BPRS Al-Washliyah was chosen because the company is a company that processes Islamic banking products, besides that PT. BPRS Al-Washliyah also cooperates with many institutions, both educational and non-educational institutions. Also guided by Islamic law, all transactions and reports prepared by BPRS AL-Washliyah are based on contracts and rules that apply in Islamic law, so that all activities are transparent and have clear directions.

2. Research Methods

Data Types and Sources

This study uses secondary data for the last 5 years that have been published as scientific journals both nationally and internationally related to Islamic banking risk management. These journals can be obtained or accessed online from published journals. The methodology used in this research is, 1) qualitative method approach with descriptive statistics study of literature on journals and research on risk management of Islamic banking Maqashid Syariah. Qualitative research method is a research method based on the philosophy of postpositivism used to examine the condition of natural objects, (as opposed to experiments) where the researcher is the key instrument, the data collection technique is done by triangulation (combined), the data analysis is inductive/qualitative, and the results of qualitative research emphasize meaning rather than generalization (Sugiyono: 2008).

Qualitative research is descriptive. The data analyzed is not to accept or reject the hypothesis (if any). The results of the analysis are in the form of a

description of the observed symptoms and do not have to be in the form of numbers or coefficients between variables (Subana and Sudrajat: 2005).

3. Literatur

a. Islamic Bank

The world of Islamic banking is a financial institution whose basis and management guidelines are based on the values and guidelines of Islamic law. The values of these principles and concepts are based on sources of Islamic teachings, namely the Qur'an and Hadith; as well as Ijma' and qiyas. Regarding banks, according to the Law of the Republic of Indonesia No. 10 of 1998, dated November 10, 1998 concerning banking, banking is a business entity that collects funds from the public in the form of deposits and distributes them to the community in the form of credit in the form of credit and or other forms or forms in order to improve the standard of living of the people at large. (Kasmir, 2009: 24). Meanwhile, Islamic banks according to Law no. 10 of 1998 concerning Islamic banking; is a business entity in the form of a bank that operates its business based on the principle of profit sharing in accordance with the principles of Islamic teachings on the law of usury. As a business entity, in its business activities, banks, especially Islamic banks, face risks that have the potential to cause losses.

A business in its journey does not rule out the possibility of facing risks. Business risks are always avoided, so they need to be managed properly without reducing the results to be achieved. Risks that are managed properly can provide benefits to the bank in generating profits. As one of the pillars of the financial sector in carrying out the intermediation function and financial services, the banking sector clearly needs an efficient risk management strategy. Efficiency in Islam is recommended, because it is in accordance with Islamic teachings itself. This shows that all activities in the economy, including in the field of Islamic finance, must be based on Islamic economic philosophy, namely at-Tawhid wa al-'ada, wa al-maṣlahah. Thus, sharia banking is essentially perfect, without injustice, but is fair and prioritizes welfare, as long as it is managed properly and correctly according to the instructions of Islamic teachings. The expected economic behavior both when starting the process, in the process and after the process still refers to maqasid sharia.

From what was mentioned above, it can be concluded that a strategy is needed to be able to manage risk management in sharia-based businesses, such as PT. BPRS Al-Washliyah.

b. Strategy

In the language of strategy, it means blueprints, designs, tricks, programs, plans, strategies, policies,

policies, strategies, approaches, and politics. Strategy in the Greek word *strategia* which means the art or science of being a general. (M. Hanafi, tt: 146) Now strategies are being developed in various fields, for example in business, sports, economics, marketing, trade, management, and others. Whereas in the field of strategic management it is usually associated with activities and decisions that focus on long-term interactions between the organization and its environment. (Ernie Trisnawati Sule and Kurniawan Saefullah, 2012: 132). According to Griffin strategy as a comprehensive plan to achieve organizational goals. The strategy is intended to maintain the continuity of the organization in the environment where the organization carries out its activities. 4 Strategy can also be defined as a short term or long term plan on how the company will achieve its mission. Strategy is also a guideline for determining future decisions and results in accordance with the direction in which the company will move. Strategy is different from tactics. If tactics have a narrower scope and shorter time, although in general the two words are often mixed up. Then the strategy is a set of ways as a whole related to the implementation of ideas, a plan within a certain time.

From the description above, it can be understood that a business risk management strategy needs to be selected according to a business that is being run properly and correctly. Because this affects the income and development of the business itself.

c. Management

Management in the KBBI Dictionary contains four meanings: a. process, method, act of managing; b. the process of carrying out certain activities by mobilizing the power of other people; c. processes that help formulate organizational policies and objectives; d. process that provides oversight of all matters involved in implementing policies and achieving objectives. Managing business as a process that provides oversight of all matters involved in implementing policies and achieving goals, the process of carrying out certain activities by mobilizing the energy of other people.

On the one hand it is said to be management as management because it is a process of planning and decision making, organizing, leading and controlling the organization of human, financial, physical and information resources to achieve organizational goals efficiently and effectively. On the other hand, management is an effort to achieve a certain goal through the activities of other people. finance/funding, human resources, marketing and others.

Thus management is the implementation or management so that something that is managed can

run smoothly, effectively and efficiently. In other words, management is an important part of the management process, so that in managing a business a business management model will be found.

d. Sharia Banking Risk Management.

1) Risk Management.

The term risk in the KBBI dictionary is an unpleasant (harmful, harmful) result of an action or action. Management, risk is uncertainty that contains the possibility of loss in the form of assets or loss of profit or economic ability. (BN. Marbun, 2003: 317). Risk can be said as a chance of loss or destruction. According to Ferry N. Idroes, it provides a broader understanding of risk, namely as a threat or possibility of an action or event that has an impact opposite to the goal to be achieved (Ferry N. Idroes, 2008: 4). Bank Indonesia itself provides a definition of risk contained in the PBI as the potential for an event to occur which may cause losses to the Bank. Risk is often said to be uncertainty or uncertainty. Uncertainty is often interpreted as a situation where there are several possible events and each event will cause a different result. However, the level of likelihood or probability of the event itself is not known quantitatively. While the basic understanding of risk is related to the uncertainty measured quantitatively.

In this way, we can conclude that risk management is a logical and systematic method of identifying, quantifying, determining attitudes, establishing solutions and monitoring and reporting risks that occur in each activity or process. In this case, sharia banking, like other businesses, has the potential to face risks

2) Risk Management Philosophy.

Learn from the history of the establishment of Bank Muamalat Indonesia in 1992, where this Islamic bank is expected to fulfill the expectations of Muslims, namely as an institutionalized pioneer of Islamic finance in Indonesia. Namely to optimize profits, increase the application of business systems with value for its stakeholders. This requires support from various internal and external parties. Credibility and performance of leaders, employees, systems, products and services, networks and Islamic banking technology are needed.

However, it cannot be denied that the development of Islamic banks in Indonesia has been affected by globalization, which is rapid, for example, information and technology as well as financial innovation. This makes the financial sector, where Islamic banking is sheltered, to become increasingly complex, dynamic and competitive. Thus these conditions, both directly and indirectly,

can affect and pose a risk to Islamic banking in Indonesia. . These unique risks include sharia compliance risk, financing risk, yield risk, investment risk and so on.

Islamic banking managers need to improve strategies to be able to overcome and manage the risks that occur and those that will occur. It is hoped that managers will not only be able to master traditional risk management techniques and instruments that do not conflict with sharia provisions, but also the unique risk management instrument techniques found in Islamic banking. It becomes our emphasis here, even though the challenges are such great business risks, if Islamic banks return to their basic characteristics, namely prioritizing the use of profit-sharing contracts in raising and distributing funds, it is possible for Islamic banks to be in a more stable position. This is because losses on the asset side (financing) will be directly absorbed with risk sharing on the liability side (fundraising).

3) Types of Risk in Islamic Banking

Islamic banking as an investment and banking institution that operates according to sharia principles. Funds that can be raised must be in accordance with sharia and the allocation of investments made aims to grow the economy and social community. Various risks that may arise, according to Zamir Iqbal and Abbas Mirakhor, risks faced by Islamic banking are grouped into four classifications, namely:

(i) Financial risks that have a direct impact on the assets and liabilities of a bank. This financial risk itself is divided into three parts including credit risk, market risk, and equity investment risk (specifically for non-bank financing).

(ii) Business risk, which is related to bank competition and prospects for bank success in market changes. Business risk includes return risk and withdrawal risk.

(iii) Treasury risk includes risk originating from institutional financial resource management in terms of cash management, equity management, short-term liquidity management and asset liability management (MAL).

(iv) Government risk which includes operational risk, transparency risk, sharia risk and reputation risk.

Benefits and Purpose of Risk Management.

If the implementation of risk management is carried out properly, it will have the following benefits:

(i) Ensure the achievement of objectives.

(ii) Reducing the possibility of bankruptcy.

(iii) Increasing company profits

Provide company security

: According to Veithzal Rivai, the objectives of risk management are as follows:

- 1) The objectives to be achieved before the risk occurs relate to matters including: i) Economic matters, for example efforts to overcome possible losses in the most economical way, which is carried out by starting financial analysis. Things that are non-economic in nature, namely efforts to overcome anxiety because the possibility of certain perils occurring can cause very high anxiety and fear. iii) Risk management measures carried out by third parties or parties outside the company, for example using or installing certain work safety equipment in the workplace when working, insure the assets used as collateral. The objectives after the occurrence of risks to be achieved involve the following matters: (i) (i) Saving the company's operations
- 2) Look for efforts so that the company's operations can continue after the company has been insolvent.
- 3) Ensuring that the company's revenue continues to flow, although not in full
- 4) Trying to continue business growth for companies that are currently developing their business. iv) Trying to continue to be able to carry out social responsibility from the company.

In general, the objectives of risk management are:

- 1) Providing or providing information about risks to regulators
- 2) Ensuring that the bank does not experience unacceptable losses.
- 3) Minimizing losses from various uncontrolled loss risks
- 4) Measuring exposure and concentration of risk
- 5) Allocating capital in limiting risk. (Ronny Kountur, 2004): 8).

4. Argument

From the description above, journal articles related to Islamic banking risk management, which are becoming trends or issues that are developing more about Islamic financial institutions such as Islamic Banking. On the other hand, with regard to BPRS and the like, relatively little information has been published, even though until now there are still many surviving in the lower middle class society. This is one of the things that distinguishes this research from previous research, where this research focuses on risk management strategies in Islamic organizations, such as Al-Washliyah. The strategy that needs further study to be implemented is the Pancaamal strategy, namely optimizing management, empowerment and synergy between business charities managed by Al-Washliyah in

order to grow and develop the Islamic bank PT. BPRS Al-Washliyah now and in the future.

Indeed, risk management in financial institutions receives special attention from organizational leaders. However, not all carry out the risk management strategy optimally, so that it can have a negative impact on operations and even the existence of the institution itself.

5. Results and Discussions

Study results:

- 1) Al-Washliyah has a Sharia Bank called PT. Sharia People's Credit Bank (PT. BPRS AW). It still needs to be strengthened in terms of Al-Washliyah's strategy of managing PT. BPRS Al-Wahiliyah was taken away? This is because it turns out that the size of this organizational structure has not been maximized in the context of growing PT. BPRS Al-Washliyah
- 2) Islamic banks as bank financial institutions that are managed by the basics of sharia, both in the form of values, principles and concepts. It is necessary to apply the right strategy because as a business entity, in its business activities it is possible to face risks that have the potential to bring losses. The application of good risk management will be beneficial, among others: guaranteeing the achievement of goals, reducing the possibility of bankruptcy, increasing company profits, and providing company security. The main findings that will be produced in this study.
- 3) The main findings produced in this study, that risk management is not only needed to keep a business operational so that it can survive, but also as a strategy to create maximum benefits of risk management, namely ensuring the achievement of goals, reducing the possibility of bankruptcy, increasing company profits, and providing security. company.

6. Conclusion

Sharia-based business managers in implementing business management strategies will be maximized by maximizing the understanding of leaders and employees in Islamic financial (bank) literacy. Islamic banks must have a management strategy to start managing risk, determine the benefits and objectives of risk management, as well as strategies for identifying, measuring and mitigating risks. Then carry out a reporting monitoring strategy on the implementation of risk management carried out.

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