

Business Modeling Strategy Of Sharia Banking Wholesale Banking In Indonesia Based On The Principles Of Tawhidi String Relation (TSR)

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Abstract

This study aims to Designing a Sharia Banking Wholesale Banking Business Modeling Strategy in Indonesia based on the principle of Tawhidi String Relation (TSR), knowing the right solution in Designing a Sharia Banking Wholesale Banking Business Modeling Strategy in Indonesia based on the principle of Tawhidi String Relation (TSR), Knowing the Modeling Strategy of Sharia Banking Wholesale Banking Business in Indonesia based on the principle of Tawhidi String Relation (TSR). This study used the Delphi method to determine the research model, data obtained from respondents consisting of experts, practitioners, academics, and regulators in this study were selected using the purposive sampling method. then the model was tested using the Analytic Network Process through the Super Decision software, then the research continued with the SEM-PLS test through Smart-PLS software. Based on the formulation of the problem, test results and research objectives, the researcher generally concluded that in determining the wholesale banking business modelling strategy based on the principles of Tauhidi String Relation (TSR), Islamic Banking in Indonesia needs to pay attention to several things based on current conditions, the strengths for Islamic banking are the Customer and Finance aspects, the weaknesses are Finance and Infrastructure, Islamic banking opportunities exist in the finance aspect, and Islamic banking must be aware of threats

coming from the customer and finance aspects. Prior to this study, there was no reference for Islamic banking in establishing a wholesale banking segment business model, so Islamic banking became less focused on establishing its business growth strategy. These findings are a solution for Islamic banks in running the wholesale banking segment business, so that currently the Management of Islamic banking has known several crucial factors as a shaper of the wholesale banking business model that can be applied to Islamic banking in Indonesia

Keywords: Delphi, Analytical Network Process, Tawhidi String Relationship, Structural Equation Model – Partial Least Square, SWOT, Business Model, Wholesale Banking

1. Introduction

The definition of the wholesale banking segment may vary in each bank, this is influenced by the bank's strategy in managing its business and adjusted to the resources owned by the bank (Chakrabarty, 2015). Of course, the understanding of the wholesale banking segment in the bank business can be in the form of bank services to customers who are involved in the wholesale business (Abdullahi, 2018; Afkar, 2017; Hannggraeni, 2019; Hassan, 2015). In the world of wholesale practitioners, this is the business of distributing goods by buying products in large quantities from goods supply companies, then sorting these goods into small units of a certain size and then redistributing them to business people, industry, offices, households, and so on. Banking regulators in Indonesia, namely BI and OJK do not specifically define the meaning of wholesale banking, but this has become a general term that describes the existence of a classification of services and is generally stratified according to the type of size, group and specificity of the services provided by the Bank (Ahmed et al., 2020; Aliyu et al., 2017; Alkhaldi, 2020). In banking services, several segments are often known, such as; private, micro, consumer, retail, commercial, corporate, wholesale, trade services, and various services provided by banks in Indonesia. Indonesia needs structured proactive thinking and steps as an effort to improve the performance of Islamic banking in Indonesia by winning business competition against conventional banking which is still very dominant in Indonesia. These thoughts and strategic steps will be poured into research that focuses on the wholesale banking business modeling strategy which is tested

based on a method approach based on monotheistic principles, namely TSR. In fact, this research cannot be separated from the principles of monotheism because the object of research is the Islamic banking industry, which should apply Islamic principles that do not conflict with monotheism. In its application, researchers will use the canvas business model (Osterwalder, 2015) combined with the Analytical Network Process method, (L Saaty, 2004) and the Structural Equation Model - Partial Least Square (Anwar et al, 2019) with a data collection method based on a focus group discussion mechanism, through the SWOT Analysis dimension (Amalia et al., 2015; Apriyanti, 2018; Arif, 2015). To discuss the problems that occur as well as alternative solutions that can be processed in the form of business model strategies that can be used by stakeholders in the world of Islamic banking practitioners in Indonesia. Sharia banking is a support for the upholding of the Islamic economy in Indonesia. As we all know that Indonesia has a Muslim population as the majority, so it is only natural that Indonesia has a dream of making the Islamic economy a source of national strength that will bring about the goal of maqosit sharia for all Indonesian people. The Indonesian economy, which until now is still dominated by a capitalist banking system that is not fully Islamic, is a challenge in itself, so strategic thoughts are needed that collect specific advantages in order to win the competition with capitalist economic actors in the Indonesian financial market. Currently there is no research that examines how the right business model for Islamic banking in Indonesia is to increase market share, therefore this research is very important. The results of this research will be a Wholesale Banking Business Modeling Strategy for Islamic Banking in Indonesia which has been studied by incorporating elements of analysis and study of tawhid in it. This study uses the religiosity variable which will examine how the strategy for the Wholesale Banking business model is appropriate for Islamic banking in Indonesia in order to improve performance and be able to compete in the banking industry in Indonesia. This will differentiate this research from previous research in which research that supports knowledge and information about a wholesale banking financing business model in Islamic banking can be applied in all Islamic banking in Indonesia in order to have a multiplier effect on the Indonesian economy.

2. Tawhidi String Relation

The tawhidi theory of knowledge is the most primordial and the teaching of the oneness of Allah which is the premise of a priori

knowledge. This a priori premise coexists with the monotheistic legal precepts in the a posteriori derivation of worldly knowledge. It is such a continuous relational relationship and recursive feedback between a priori and a posteriori that is explained axiomatically, establishing a comprehensive foundation of Islamic belief. Tawhidi epistemology explains the formation of knowledge (Choudhury, 2013; Choudhury, 2015; Choudhury, 2016). In its premise, TSR describes all knowledge in the world (θ) as a small part of God's knowledge (Ω). Allah's knowledge is spread among human beings with different levels of mastery ($\theta_1, \theta_2, \theta_3, \dots, N$). TSR emphasizes the process of interaction, integration, and evolution (IIE) of human knowledge. This theory is built by placing Allah as the supreme owner of all knowledge, Al-Qur'an and As Sunnah as a source of knowledge through the process of evolution of human thought which is then implemented. The process of implementing science carried out by humans must be re-evaluated with reference to the Al-Qur'an and As Sunnah. The measure of the evolution of a body of knowledge obtained by studying it is empirically evaluated by the circular causation method. The basic epistemology of any strictly Islamic thought must be based on tawhidi or the oneness of Allah. The oneness of Allah as tawhidi is reflected in the unity of Divine law. The recognition of the oneness of Allah can be seen in Q.S Al-Baqarah verse 255: "Allah! There is no god 'worthy of worship' except Him, the Ever-Living, All-Sustaining. Neither drowsiness nor sleep overtakes Him. To Him belongs whatever is in the heavens and whatever is on the earth. Who could possibly intercede with Him without His permission? He 'fully' knows what is ahead of them and what is behind them, but no one can grasp any of His knowledge—except what He wills 'to reveal'. His Seat encompasses the heavens and the earth, and the preservation of both does not tire Him. For He is the Most High, the Greatest."

Apart from that, the acknowledgment of the oneness of Allah can also be found in Q.S Al Hajj verse 62:

"That is because Allah 'alone' is the Truth and what they invoke besides Him is falsehood, and Allah 'alone' is truly the Most High, All-Great." Referring to these verses, it can be concluded that Allah is the ruler of the universe and does not benefit those who worship other than Allah. The verse also emphasizes that the source of all sources of knowledge (roots of knowledge) is absolutely the power of Allah. Allah SWT as the 'causa prima' in the creation of the

universe with His law and knowledge, then Allah SWT gave the holy book of the Qur'an to humans and jinn where the Qur'an is a supply of knowledge and Allah's law for humans in carrying out the mandate as God's representative on earth (khalifah). The Qur'an as the word of God requires a medium of transformation and explanation for humans, which is carried out by the Prophet in the form of As Sunnah (life, sayings, and attitudes of the Prophet). In order to obtain divine knowledge and divine law, humans need joint activities through a shuratic process. The use of the term shuratic comes from the word shura or deliberation to indicate that this method is consultative and dynamic. This methodology is an attempt to produce knowledge that is transcendent, as well as supported by empirical and rational truths. A Muslim believes that the main and absolute truth comes from Allah and believes that the Qur'an is the main source and the beginning of all knowledge (primordial stock of knowledge). The Qur'an is basically more general principles, not as practical knowledge. The implementation of the verses of the Qur'an by the Prophet, which was later referred to as As Sunnah became the next source of knowledge. Al-Qur'an and As Sunnah can then be elaborated into laws using the epistemological deduction method, namely drawing general principles contained in these two sources to be applied in individual reality. Islamic economic epistemology requires ijihad by using reason, with the methods of deduction and induction. Ijihad is divided into two, namely istimbathi ijihad which is deductive in nature and ijihad tathbiqi which is inductive. The shuratic process can be summed up as a method for producing knowledge that has empirical roots of truth (truth based on empirical process). The concept of the shuratic process can be described as shown in Figure 1:

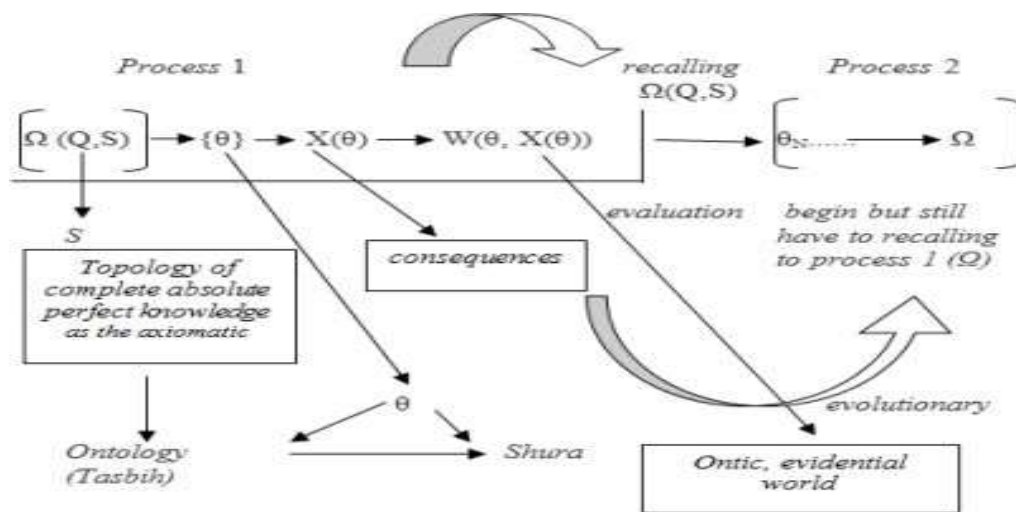


Figure 1. Shuratic Process Concept

TSR provides notation with mathematical symbols to interacting elements ranging from epistemology, ontology, to ontic. This is referred to as topology, whose purpose is that the philosophy of TSR can be explained in a mathematical-based logic flow, even though these symbols do not have to or do not need to contain a certain number of values (Choudhury, 2017; Choudhury et al, 2018; Choudhury et al, 2019).

3. Research Design

This research is designed with a method that has been adjusted systematically from the formulation of the problem, analysis of the problem and the results of the solutions that will be offered later (Bizri et al, 2018; Bos et al, 2015; Bourhime et al, 2018). Basically, this research uses a descriptive qualitative approach, a qualitative descriptive method is used to build a concrete analysis of the determination of the business strategy for the wholesale Islamic banking segment in Indonesia. The qualitative method will identify the existence of factors that are used as a basis for making long-term decisions regarding the implementation of these policies. This study combines several data analysis methods, namely Delphi, Analytic Network Process (ANP), Structural Equity Model – Partial Least Square (SEM-PLS), all of which are carried out using the Tawhidi String Relationship (TSR) principles discovered by Choudhury (2013). All of these analytical methods are used sequentially in answering the objectives of this study. This research is a field research supported by literator studies regarding Islamic

banking business models using the Business Model Canvas concept initiated by Alex Osterwalder (2010) as an initial research framework. The concept of the Business Model Canvas in this study is modified with an Islamic bank business model which consists of aspects of customer, finance, infrastructure and offering of an Islamic bank which is the object of this research. In addition, the qualitative method is carried out by means of one on one discussion processes and in-depth interviews, literature studies namely muamalah fiqh studies, studies of banking business models, comparative studies of business models in order to obtain information from primary and secondary sources (Ascarya, 2005; Atmadja et al, 2016; Ayaz, 2019). This method is not only carried out before the business model construction process is carried out but also carried out after the draft model is produced, namely in the context of evaluating the model with stakeholders and other related parties (Banerjee et al., 2015; Begum et al, 2018; Bilal et al, 2020).

4. Results and Discussion

After carrying out all tests in the research, starting from determining the model based on expert opinion through the deliberation mechanism and in-depth interviews which were processed using the Delphi method to produce a business model platform, then conducted in-depth interviews and FGDs with 9 experts from Practitioners, Regulators, Government, Academics and Customers and then the results are represented in a questionnaire that is ready to be inputted for basic analysis using the Analytical Network Process (ANP) method through softwear super decision, after obtaining the best alternative from the ANP test results, then the researcher continues the test from the end of the ANP this is the beginning of the input process in the analysis using the Structural Equation Model (SEM-PLS) method through SMART-PLS softwear, the test is carried out several times according to the perception of the strategy categorized based on the SWOT approach until the results are obtained which variables really have validity, reliability and relevance to be accepted as a model, for that the following results are obtained, 1. The wholesale banking business strategy model for Islamic banking in Indonesia through the approach to the strength aspect of Islamic banking $Ws = f (CS, F) \otimes f (ba+dsn+Mi)$; 2. The wholesale banking business strategy model for Islamic banking in Indonesia through the weakness aspect approach of Islamic banking $Ws = f (F, Inf) \otimes f$

($M_i + n_l + r_{mf}$); 3. The wholesale banking business strategy model for Islamic banking in Indonesia through the opportunity aspect approach owned by Islamic banking $W_s = f(F) \otimes f(M_i)$; 4. The wholesale banking business strategy model for Islamic banking in Indonesia through the threat aspect approach of Islamic banking $W_s = f(CS, F) \otimes f(ba, dn)$. If the overall test results are consolidated, the equation that can explain the wholesale banking business modeling strategy for Islamic banking in Indonesia is as follows: $W_s\text{-SWOT} = ((CS + F) \otimes f(ba + d_{sn} + M_i)) + ((F + Inf) \otimes f(M_i + n_l + r_{mf})) + ((F) \otimes f(M_i)) + ((CS + F) \otimes f(ba, dn))$ if the entire process of the research results is described in the form of an equation then the wholesale banking business modeling strategy for Islamic banking in Indonesia based on the Tauhidi String Relation (TSR) principle will be: $\Omega(Q.S) \otimes W_s[\theta^*] = \{S+W+O+T\} = f(ba + d_{sn} + M_i) + f(M_i + n_l + r_{mf}) + f(M_i) + f(ba, dn) \{\theta\} \otimes W\{\theta, X(\theta)\}$. If the equation is extracted again by uniforming the SWOT elements, so that Islamic banking views all elements in SWOT concentration as equally important variables and sees all variables as important, then the recommended equation for the wholesale banking business model strategy for Islamic banking in Indonesia is based on the Tauhidi String Relation principle. $\Omega(Q.S) \otimes W_s[\theta^*] = f((ba + d_{sn} + M_i + n_l + r_{mf}) \{\theta\} \otimes W\{\theta, X(\theta)\})$. So that it can be translated that in establishing a Wholesale Banking business modeling strategy for Islamic banking in Indonesia based on the TSR principle, Islamic banks must focus on business alliances, distribution networks, margin income, customer lending, risk management functions.

5. Conclusion

Based on the formulation of the problem, test results and research objectives, in general the researcher concludes that in establishing a wholesale banking business modeling strategy based on the principles of Tawhidi String Relation (TSR), Islamic Banking in Indonesia needs to pay attention to several things based on current conditions, which are the strengths for Islamic banking are the Customer and Finance aspects, the weaknesses are Finance and Infrastructure, the opportunities for Islamic banking are in the Finance aspect, and Islamic banking must be alert to threats that come from the Customer and Finance aspects. From these several aspects, it can be described in detail the conclusions of the research results that in order to design a wholesale banking business modeling strategy the important factors that must be

considered by Islamic banking in Indonesia are the Business Alliance, Distribution Network, Margin Income, Lending Customer and Risk Management Function.

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