

PROSPECTS AND CHALLENGES POST THE CONVERSION OF CONVENTIONAL BANKS TO ISLAMIC: A CASE STUDY OF ISLAMIC RURAL BANK (BPRS) RIZKY BAROKAH

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Abstract

Since the passage of Law No. 21 of 2008 on Islamic banking, the development of Islamic banks in Indonesia has grown significantly. Converting conventional banks to Islamic banks is one of the strategies supported to increase the accessibility of Islamic banking. Therefore, this study explores the opportunities and challenges faced by Islamic Rural Bank (BPRS) Rizky Barokah after its conversion. This study used a qualitative descriptive approach collecting data through observation, interviews, documentation and literature reviews. The results of the research show that BPRS Rizky Barokah's conversion offers opportunities that support the bank's development, such as an increased customer improved financial stability, enhanced reputation, greater operational efficiency and the creation of unique sharia-compliant products. However, challenges include low Islamic financial literacy, product innovation to meet customer demands, customer retention, limited expertise in Islamic finance that does not meet market expectations and ensuring sharia compliance in all operations. Despite these challenges, BPRS Rizky Barokah has implemented effective strategies to address them and optimize the benefits of conversion.

Keywords: Conversion, Islamic Bank, Opportunities, Challenges

Abstrak

Sejak disahkannya Undang-Undang tentang perbankan Syariah No 21 Tahun 2008, perkembangan bank syariah di Indonesia meningkat dengan signifikan. Salah satu strategi yang didorong untuk memperluas jangkauan perbankan syariah adalah konversi Bank Konvensional menjadi Bank Syariah. Maka dari itu penelitian ini bertujuan untuk mengeksplorasi peluang dan tantangan BPRS Rizky Barokah pasca konversi. Penelitian ini menggunakan pendekatan kualitatif deskriptif dengan pengumpulan data melalui observasi, wawancara, dokumentasi, dan studi pustaka. Hasil dari penelitian ini menunjukkan bahwa konversi BPRS Rizky Barokah memberikan berbagai peluang yang dapat mendukung pertumbuhan bank, seperti peningkatan jumlah nasabah, stabilitas kinerja keuangan yang semakin baik, peningkatan reputasi bank, efisiensi operasional, serta pengembangan keunikan produk dan layanan berbasis Syariah. Namun, di balik peluang tersebut, BPRS Rizky Barokah juga menghadapi sejumlah tantangan seperti

rendahnya literasi keuangan syariah, inovasi produk untuk memenuhi kebutuhan nasabah yang semakin kompleks, mempertahankan loyalitas nasabah, keterbatasan sumber daya manusia dibidang keuangan syariah yang belum memenuhi ekspektasi pasar serta memastikan kepatuhan syariah dalam seluruh operasional dan produk bank. Untuk menghadapi tantangan ini, BPRS Rizky Barokah menerapkan strategi yang efektif agar peluang dari konversi dapat dimanfaatkan secara optimal.

Kata Kunci: *Konversi, Perbankan Syariah, Peluang, Tantangan*

Introduction

In the past decade, Indonesia has experienced substantial growth in the industry of Islamic banking, Increasing the public's awareness of the importance of following Sharia principles in financial activities is one of the primary factors guiding that development (Tuzzuhro et al., 2023), This is especially relevant in Indonesia, where the majority of the population is Muslim, amounting to 245.56 million, or 87.2% of the 281.6 million population (BPS, 2024a). In addition, this development is also driven by supportive regulations, such as Law No. 10 of 1998 on Banking, which provides for the development of Sharia-compliant financial services with the permission for Conventional Banks to implement a dual banking system or open Sharia business units (Syarlas, 2021), as well as Law No. 21 of 2008 on Islamic Banking which explicitly establishes the legal basis for the operation of Islamic Banks and the principles that must be adhered to. This law ensures legal protection for the Islamic banking system, thus encouraging investors, customers, and practitioners to engage in this sector with confidence (Mallarangeng and Mustari, 2022).

The existence of Islamic banks plays an important role in anticipating various challenges in the financial sector and strengthening more stable financial system amidst increasingly advanced and complex economic developments. Therefore, the development of Islamic banking is carried out by implementing a new strategy, namely through the acquisition and conversion of conventional banks into Islamic banks (Fahdiansyah, 2021). In Indonesia, there are two ways to convert Conventional Banks into Islamic Banks:

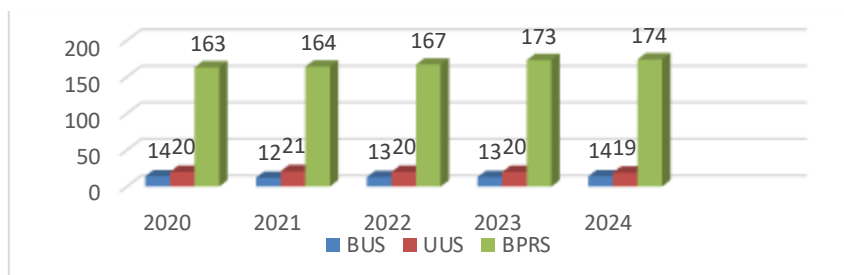
1. Separating the Syariah business unit (spin off) from its parent (conventional) bank to form an Islamic Bank.

2. Converting the entire Conventional Bank and its sharia business unit into a Sharia Bank (Ananda, 2020) .

This process has been successfully carried out by Bank Aceh in 2016 which significantly increased the market share of Islamic banking from 4.83% in 2015 to 5.33% in 2016. This increase was driven by Bank Aceh's total assets which reached IDR 21.90 trillion or around 5% of total national banking assets (Aceh, 2016). In 2018, bank NTB successfully converted into bank NTB Syariah which contributed to the increase in market share of Islamic banking to 5.78% (KNEKS, 2019). In addition, several BPRS have also successfully converted and experienced an increase in assets including LPN Taeh Baruh Syariah, Kedung Artho Syariah, Artha Aceh Sejahtera Syariah, Jam Gadang Syariah (OJK, 2024a). This shows that the conversion of Conventional Banks to Sharia has a significant impact on the growth of the Islamic banking industry nationally. According to mihajat (2024) To enlarge the market share of Islamic banks in Indonesia, conversion is a more effective step, because when relying on normal channels, it will be difficult to compete with conventional banking which is already very large.

In Indonesia, the conversion of conventional banks into Islamic banks must adhere to the regulations outlined in Law No. 40 of 2007 on Limited Liability Companies and POJK No. 64/POJK.03/2016 about the Changes in Business Activities of Conventional Banks into Islamic Banks. The POJK states that only with the permission of the OJK conventional banks can change their business activities to become Islamic banks (Azani & Basri, 2022). Based on article 2 of POJK No. 64 of 2016, there are two ways to make this change, namely by changing Conventional Commercial Banks into Sharia Commercial Banks and Rural Banks (BPR) into Islamic Rural Banks Banks (BPRS), In addition, Rural Banks (BPR) who want to change their business activities to Sharia must be guided by SEOJK No.7/SEOJK.03/2023 concerning changes in BPR business activities into BPRS. However, according to Adha et al. (2020) the development of Islamic banking carried out through conversion from Conventional Banks is not only limited to being legally valid, but must also be implemented with a comprehensive approach, including management and supervision.

Based on data from the Indonesian Services Authority, the number of BUS, UUS and BPRS in Indonesia until December 2024 is as follows.



Source: Statistical Data of Islamic Banking

This graph shows fluctuations in the number of Islamic Commercial Banks (BUS) and Islamic Business Units (UUS) from 2020 to 2024. Meanwhile, BPRS, although not showing fluctuations, experienced a consistent increase from 163 in 2020 to reach 174 in 2024. The number of Islamic Bank offices currently includes 2,005 BUS offices, 384 UUS offices, and 678 BPRS offices. The increase in the number of Islamic Banks in Indonesia has contributed to market share growth, from 5.99% in 2020 to 7.46% in 2024, which is distributed by Islamic Commercial Banks (BUS) by 67.30%, Islamic Business Units (UUS) by 30%, and Islamic Rural Banks (BPRS) by 2.7%.

Based on previous research By Yoesoef & Khairisma (2020) at bank Aceh Syariah shows that the conversion of conventional banks into Islamic banks has a positive impact on the welfare of the community through financing provided based on sharia principles. then Fathin (2024) states that the conversion of conventional banks to the sharia system has a significant positive impact on the financial performance of banks, especially in increasing assets and profits. This also happened at BPRS Rizky Barokah which successfully converted to an Islamic Bank in January 2024 and experienced an increase in assets from 61,184,432 in September 2023 to 71,308,101 in September 2024 which reflects a post-conversion positive trend. However, according to Wijaya (2017), if major changes occur, such as bank conversion, of course, it is not only influenced by positive things that support the organization to progress but also influenced by negative factors that can hinder the success of a change. Therefore, the purpose of this study is to explore more deeply the opportunities and challenges of BPRS Rizky Barokah post-conversion

as well as the strategies implemented to overcome existing challenges. Thus, BPRS Rizky Barokah can make changes comprehensively, optimally, sustainably and is expected to contribute to increasing the market share of Islamic banking so as to strengthen its position in the national banking sector.

Research Methods

This research uses a qualitative method with a case study approach to obtain a comprehensive picture of the problem under study in the hope of producing information that is comprehensive, in-depth, natural and in accordance with actual conditions (Abduh et al., 2023). According to Moleong (2022) qualitative methods are used to understand a phenomenon from the perspective of individuals, social values, and historical context. This approach focuses on the meaning behind a person's experience which is used to develop theory or encourage participation in issues such as politics, cooperation, and social change. To obtain information about the opportunities, challenges and strategies of BPRS Rizky Barokah, the author uses primary and secondary data. Primary data was obtained through interviews with the director, employees and customers as well as through observation and documentation. While secondary data is obtained through literature studies such as the Central Agency of Statistics (BPS), books, reports, journals, and other data sources related to the conversion of Conventional Banks into Islamic Banks. Data analysis is carried out by systematically compiling the results of observations, interviews and documentation then grouping according to categories, synthesizing, compiling into patterns and making conclusions to facilitate the understanding of researchers and readers (Miles et al., 2013).

Discussion

Background of BPRS Rizky Barokah Conversion

PT BPRS Rizky Barokah was established on 20 January 1997 as an individually owned company that operates conventionally with the main purpose of raising funds and channeling funds to micro, small and medium entrepreneurs (MSMEs). In 2008, PT Permodalan Nasional Madani (Persero) became one of the shareholders of PT BPRS

Rizky Barokah to support the development of microfinance institutions. In 2020, the share ownership of PT BPRS Rizky Barokah shifted to PT PNM Ventura Syariah which later became the Controlling Shareholder (PSP) (BPRS Rizky Barokah, 2024a). As a sharia-based entity, the PSP encouraged the conversion of PT BPRS Rizky Barokah into an Islamic Bank to facilitate consolidated reporting. In addition, BPRS Rizky Barokah was at that time the only non-Sharia entity under PNMVS. Based on the feasibility study conducted, the conversion of BPRS Rizky Barokah has great potential in South Tangerang because in the Banten region at that time there were only eight BPRS and now the number has increased to nine after the conversion of BPRS Rizky Barokah (BPRS Rizky Barokah, 2022a)

This conversion has been planned since the General Meeting of Shareholders (GMS) on 30 January 2020 with the first step in the form of improving financial performance (BPRS Rizky Barokah, 2020). The hope of this conversion is to make BPRS Rizky Barokah a leading Islamic Bank in the South Tangerang and surrounding areas. besides that, the conversion encourages BPRS Rizky Barokah to continue to provide and introduce Sharia-based banking products and services to help the community including MSMEs in conducting.

On 21 December 2022, BPRS Rizky Barokah applied to OJK for permission to change its business activities to Islamic banks. After going through a long and comprehensive review process, the Financial Services Authority (OJK) approved the change of business activities through the decision of the OJK Board of Commissioners No. KEP-3/D.03/2024 concerning Licensing of Changes in Business Activities of Rural bank (BPR) into Islamic Rural Bank (BPRS) in January 2024. With this approval, BPRS Rizky Barokah officially started operations in accordance with sharia principles on 1 February 2024 (BPRS Rizky Barokah, 2024b).

The main motivation behind this conversion is religious. The management of BPRS Rizky Barokah believes that life is not only about pursuing material gain, but also seeking blessings by staying away from usury. Operating with a sharia system, not only brings blessings to employees, directors, and management but also to the wider community who transact with BPRS Rizky Barokah. The conversion of BPRS Rizky Barokah is reflected

in its operations that raise funds through wadiah and mudharabah-based deposit savings products, while the distribution of funds uses murabahah, mudharabah, musyarakah, and ijarah contracts. In addition, BPRS Rizky Barokah also places its funds in sharia deposits with other banks. According to Purnama et al. (2024), Although the business activities of Islamic Rural Banks (BPRS) are generally the same as those of Rural Banks (BPR), BPRS must comply with Sharia principles in every operation. BPRS is not allowed to accept deposits in the form of giro, engage in payment transactions, conduct foreign exchange transactions, participate in equity participation or conduct insurance business. As mentioned by Syathiri & Adhitama (2022) The main function of BPRS and BPR is to distribute financing/credit to micro, small and medium enterprises that cannot be served by commercial banks. Thus, BPRS Rizky Barokah has a broader goal, not only to increase profitability, but also to have a sustainable positive impact on society, encourage financial inclusion and create a fairer and more blessed economic ecosystem for all parties involved.

Prospects and Challenges BPRS Rizky Barokah Post the Conversion to Islamic bank

The conversion carried out by BPRS Rizky Barokah has certainly considered various supporting and inhibiting factors in its implementation. Although faced with a number of challenges, BPRS Rizky Barokah remains optimistic that it can overcome them and continue to develop as an innovative and trusted Islamic Bank. One of the advantages of this conversion is the lack of competition in the Islamic banking sector in the banten region there are only 9 BPRS with a majority Muslim population in Banten Province which reaches 11.75 million people or 94% of the total 12.43 million people so that BPRS Rizky Barokah has a great opportunity to control market share in the area (BPS, 2024 b). The National Planning and Development Agency stated in the Indonesia Sharia Economic Masterplan 2019-2024 that the majority Muslim population in Indonesia makes the country a very potential market for Sharia-based products and services (BAPPENAS, 2019).

The presence of BPRS Rizky Barokah in South Tangerang is an answer to the community's need for banking products and services that are in accordance with Sharia

principles and prioritize justice and transparency, because at that time there was no other BPRS operating in the area around the current BPRS Rizky Barokah. This condition provides a great opportunity for BPRS Rizky Barokah to develop and expand the reach of Islamic financial services.

According to Asrofi (2021) The development of Islamic banking in Indonesia is basically a response to the expectations and needs of the community, among others:

1. Provide products and services to people who reject the concept of interest.
2. Providing financing based on the principle of partnership for business development is harmonious inter-investor relations.
3. Providing cooperative products and services such as the elimination of the perpetual interest effect, limiting speculative activities that do not support productivity and focusing on financing that takes into account moral principles.

However, the main challenge faced by BPRS Rizky Barokah is the low literacy of the community towards Islamic finance in Indonesia which is currently still at 39.11% (OJK, 2024b). To overcome this, BPRS Rizky Barokah actively provides basic Islamic banking education and products to the community such as in schools in markets and in potential places. This step aims to improve the community's understanding of the principles of Islamic banking and attract their interest to become customers. To attract community interest, BPRS Rizky Barokah not only focuses on financial literacy, but also continues to innovate in product development to meet the increasingly complex needs of the community as this is also one of the challenges that must be faced. To understand these needs, BPRS Rizky Barokah uses interview, observation and trend analysis methods. Through interviews and feedback from customers, BPRS Rizky Barokah found that many customers want to save, but are constrained by time to come directly to the bank. Responding to this need, BPRS Rizky Barokah provides a *pick-up service* as a solution that makes it easier for customers to save. Through observation, it shows that the majority of people in Bintaro, South Tangerang come from the upper middle class so that BPRS Rizky Barokah presents Hajj and Umrah savings products to meet customer worship needs. The trend of rising gold prices is also the basis for BPRS Rizky Barokah to launch gold installment products as an attractive investment option. trend analysis is

considered the most effective approach in formulating products that suit the needs and expectations of the community. according to Ekawaty et al. (2020) to create a product that is superior to similar products in the market, innovation is needed that is able to provide added value or characteristics that distinguish the product from competitors. Companies are required to continue to innovate, because innovation is an important aspect that has a positive and significant impact on attracting customer interest in the products and services offered.

BPRS Rizky Barokah is faced with intense competition, both with other Islamic banks and with conventional banks because each bank seeks to create innovative products to obtain the best position and increase the collection of funds from the public (Anggraini & Tambunan, 2023). When compared to Islamic banking, conventional banking has long played a role as a financial institution serving the people of Indonesia. Fortunately, BPRS Rizky Barokah is a converted Islamic Bank, where it already has experience and understanding of the operational mechanisms of Conventional Banks so that it can formulate more effective strategies to develop more innovative Islamic products and services to suit customer needs and strengthen its appeal in the banking industry.

The fundamental uniqueness of Islamic banking products lies in the contracts used. In Conventional Banks, the lending and borrowing system is carried out by giving money directly to the customer, while in Islamic banks the transaction is carried out with the mechanism of purchasing goods by the bank for the customer and often involves a third party, because in the Islamic view, money is not a commodity that can be rented or traded for profit. Money only functions as a medium of exchange (Darmawan, 2016). In Conventional Banks, profit-related agreements are usually in the form of interest, while in Islamic Banks profit agreements are in the form of margins or profit sharing. Another difference is seen in the mechanism of credit repayment before maturity. In Conventional Banks, customers are subject to penalties or fines. While in Islamic Banks, customers actually get *takhfif* or deductions. As stipulated in the National Sharia Council Fatwa No. 23/DSN-MUI/III/2002 concerning Repayment Discounts in Murabahah. The fatwa regulates that Islamic Financial Institutions (LKS) are allowed to provide discounts to

customers who make repayments faster than the agreed time provided that the discount is not agreed in the contract.

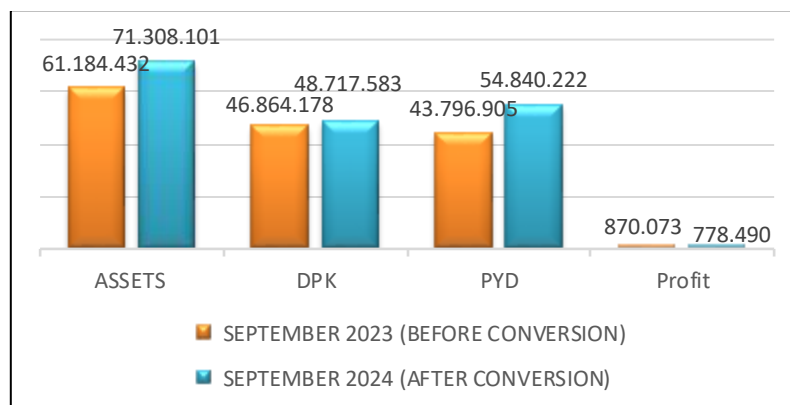
According to Alfaisaly (2024), although acquiring new customers is difficult, maintaining and retaining old customers is much more difficult due to increasingly fierce competition in the banking industry even though the costs required to serve old customers tend to be lower than the costs of attracting new customers. Based on the survey results of the Conversion plan, about 92.5% of BPRS Rizky Barokah customers who previously used the conventional banking system chose to switch to the Islamic banking system (Barokah, 2022b), this indicates customer interest in the sharia principles that will be applied by BPRS Rizky Barokah. To maintain the loyalty of existing customers, BPRS Rizky Barokah ensures that the service after conversion is at least equivalent or better than the previous conventional service without reducing the quality of service received by maintaining customer satisfaction. In addition, BPRS Rizky Barokah also conducts continuous communication with customers so that they feel cared for and continue to trust the bank. The service quality of BPRS Rizky Barokah did not experience significant changes after the conversion, because since the beginning BPRS Rizky Barokah has provided good service to customers. The most noticeable change is, previously in the conventional system did not say greetings, while after switching to Islamic banking, greetings became part of the service. Services in Islamic banks are considered better than conventional banks, because in Islamic banks apply the principle of sharing profits and losses. According to Ayatullah et al. (2024) retaining customers is a surefire strategy that has a significant effect on attracting new customers through word of mouth or referrals. Where old customers provide recommendations to friends or acquaintances according to the testimonials that are felt both products and services. Good service must fulfill several dimensions, including:

1. Tangible, the company must provide adequate facilities such as buildings, parking areas, service rooms and other facilities to show its existence.
2. Responsiveness, the company must be able to provide assistance to customers quickly and precisely and convey clear information.

3. Reliability, the company must be consistent in providing services according to the promises that have been made.
4. Assurance, employees must have the knowledge, skills, and courtesy to build customer trust.
5. Empathy, the company must provide sincere attention and a personal approach in serving customers.

These five aspects are known as the dimensions of service quality (SERVQUAL). Othman and Owen added a compliance dimension, which refers to the company's ability to comply with Islamic law and carry out operations based on Sharia principles (Meilani & Sugiarti, 2022).

By converting to Islamic Bank, the reputation of BPRS Rizky Barokah has increased, which is reflected in its improved financial performance despite the recent conversion. The Board of Directors played an active role in socializing the conversion status of BPRS Rizky Barokah to Islamic bank, so that this information was well known among the Perbarindo and Asbisindo Associations. Based on the OJK Quarterly publication report, the financial performance growth of BPRS Rizky Barokah is as follows.



Source: OJK, BPRS Rizky Barokah Quarterly Publication Report

The graph above shows the financial performance of BPRS Rizky Barokah before and after conversion. After the conversion, assets, PYD and DPK experienced an increase. assets grew by 10,123,669 or 16.55% from 61,184,432 to 71,308,102. DPK

grew by 1,853,405 or 3.95% from 46,864,178 to 48,717,583. PYD also grew by 11,043,317 or 25.21% from 43,796,905 to 54,840,222. This increase illustrates public interest in BPRS Rizky Barokah products or services, thus increasing the number of customers. Before conversion, the number of customers was recorded as 1,271 in October 2023, while after conversion it increased to 2,560 in November 2024 (BPRS Rizky Barokah, 2024c).

While the profit of BPRS Rizky Barokah decreased by 91.583 or 10.53% from 870,073 to 778,490. This happened because of the recording adjustment according to PSAK 101 which requires banks that switch to Islamic system to start recording from scratch to ensure that income and expenses are in accordance with sharia principles, especially for transactions that were not in accordance before. but profits continued to grow from the beginning of the conversion, namely 188,784 in March 2024 to 778,490 in September 2024.

In addition, the BOPO ratio of BPRS Rizky Barokah is still relatively efficient at 90% in September 2024 (OJK, 2024c), this is possible because Islamic banking applies the profit-sharing principle in its operations. With this principle, banks do not have an obligation to pay interest but rather share profits or losses based on an agreed ratio and adjusted to the bank's condition, both when making profits and experiencing losses. If the income from financing decreases, the return for depositors also decreases and vice versa, this is more flexible to manage the cost of funds. According to Bakhouché et al. (2022), Islamic banks are considered more efficient in their operations and are able to strengthen the stability of the banking system, especially during economic crises due to the risk sharing mechanism which is a basic principle in Islamic banking operations.

The trust of BPRS Rizky Barokah customers is certainly accompanied by high expectations of services and products that are truly in accordance with the principles of sharia. They expect full operational compliance with Islamic law as well as transparency in financing and operations. Inability to meet these expectations, such as if there are elements of hidden usury or unfair practices, can damage the bank's reputation and customer trust. According to Anas et al. (2022) Any violation of Sharia principles has the

potential to cause the risk of bank losses such as a decline in health levels, a decline in corporate governance, financial and reputational losses.

With the Syariah label, BPRS Rizky Barokah has a moral burden that must be accounted for. Compliance with sharia principles is the main thing upheld by BPRS Rizky Barokah. The bank ensures that every product, service and all of its operations comply with sharia principles under the supervision of the Sharia Supervisory Board (DPS). Before launching a product, BPRS Rizky Barokah always seeks opinion or advice from the DPS and ensures its compliance with sharia principles before socializing it. Although the DPS does not reside in the office, BPRS Rizky Barokah holds regular meetings every month to monitor the bank's condition. In addition, online consultations are conducted if there are matters that require clarification, and there is a compliance division and internal audit present daily in the office to ensure operations are running in accordance with sharia principles. According to Mukhibad et al. (2023), the DPS is an important part of the supervisory structure of Islamic banks that collaborates with the board of directors (BOD) to provide advice and consultation to managers or division heads implementing banking operations. The roles and responsibilities of the Sharia Supervisory Board (DPS) at an Islamic Bank.

1. Directing, providing direction, advice and counsel on Sharia principles to the board directors.
2. Reviewing, namely examining and evaluating the application of DSN fatwas in Islamic Banks in accordance with the stipulated provisions.
3. Supervising is controlling or supervising the application of Fatwa DSN in bank operations.
4. Marketing, namely providing socialization and education about Sharia principles and products to the public through various media such as khutbahs, taklim assemblies and recitations (Jamil et al., 2021).

Although the Sharia Supervisory Board (DPS) is an independent institution, DPS still requires the support of all employees and management to ensure compliance with Sharia principles at every stage and process of Islamic bank operations in accordance with established standards (Faizi, 2024). However, the challenge is that human resources (SDI)

who understand Islamic finance or banking are still very limited, not only in BPRS Rizky Barokah but in all Islamic financial institutions. Sri Mulyani as Minister of Finance said that every year Indonesia produces 40,000 human resources who have competence in the field of Islamic economics. However, in practice 80% to 90% of the workforce at LKS comes from a conventional economic education background (Elena, 2021). Based on data from the National Committee for Sharia Economics and Finance (KNEKS), (2019) shows that around 38% of human resources in Islamic banking come from conventional economic backgrounds, while only 9.1% come from Islamic economic education. According to Latifah & Ritonga (2020) the number of human resources who have a deep understanding of Islamic finance in Indonesia is still very limited, both in terms of theoretical and practical competencies. This has not been able to keep up with the Islamic banking movement that has existed since 1992. This lack of human resources can result in weak bank financial performance. Human resources (SDI) are key to the success of bank conversion. However, OJK has not set specific standards for SDI qualifications in the conversion process, so it is entirely dependent on the bank's internal policies. This can become a problem if the ability of SDI is not in accordance with the operational needs of Islamic banks after conversion (Nafisah, 2020).

In facing these challenges, BPRS Rizky Barokah has prepared its human resources well before the conversion by providing basic Islamic banking training. Nevertheless, the employee turnover that occurred still affected the process. So that employees who have attended basic Islamic banking training (PDPS) share knowledge with colleagues who have not attended PDPS, BPRS Rizky Barokah also organizes ongoing training tailored to the needs of each division. And every Friday, employees attend a Zoom session organized by PNMVS as a shareholder that discusses various aspects of sharia. In addition, BPRS Rizky Barokah implements a selective recruitment system with criteria for prospective employees who are Muslim, have relevant competencies, minimum 1-2 years of work experience, and minimum D3 education. BPRS Rizky Barokah also applies the learning by doing method where new employees will learn directly with seniors. Every new employee is required to read and understand all applicable SOP as part of their orientation process. BPRS Rizky Barokah emphasizes the importance of integrity in every

human resource, because SDI with integrity tends to work with discipline, comply with existing procedures, and maintain ethics, so as to improve overall organizational performance and contribute to sustainable company growth. According to (Fahmi, 2014). Human Resource management in Islamic banks must be prepared from the start. Because SDI plays an important role in supporting operations and greatly affects the performance, productivity and success of the bank. In Islamic banking, the quality of SDI is more emphasized on the integration of knowledge, skills, Islamic morals and personal integrity.

Conclusion

After converting to a Islamic Bank, BPRS Rizky Barokah became the only BPRs in Bintaro, South Tangerang, which gave BPRS Rizky Barokah the opportunity to dominate the market in the region. The conversion process was carried out through an in-depth study by considering various supporting factors and obstacles. The opportunities obtained by BPRS Rizky Barokah include an increase in the number of customers, better financial performance stability, improved bank image and reputation, increased efficiency in operations, and the development of unique Sharia-based products and services. However, challenges remain, such as low Islamic financial literacy, the need for product innovation, maintaining customer loyalty, limited competent human resources, and ensuring operations in accordance with sharia principles. Nevertheless, BPRS Rizky Barokah is optimistic that it can face these challenges with the strategies implemented to continue to grow as an innovative and trusted Islamic Bank.

Future researchers are advised to conduct research with a minimum time span of 3 to 5 years after conversion. So that changes in the bank after the conversion are more measurable and clear, because in that period the conversion process and adaptation to Islamic banking are more mature and the impact is more pronounced. As for BPRS Rizky Barokah, it is recommended to utilize technology in the products and services offered. Given that society is very dependent on technology in various aspects of life, including in financial transactions. So the use of technology will have great potential in attracting new customers, increasing operational efficiency and expanding the range of services to more people.

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