

## THE EFFECTIVENESS OF IMPLEMENTING ISLAMIC LEADERSHIP IN BMT CIVIL SOCIETY OF NORTH SUMATRA

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**Abstract:** This research aims to determine the effectiveness of the application of Islamic leadership in the Civil Society BMT of North Sumatra. This research was carried out using qualitative research consisting of interviews, observation and documentation. The results of this research show that the Islamic leadership of North Sumatra Civil Society BMT (MASDA SUMUT) is one of the sharia financial services cooperatives that plays a role in increasing community economic empowerment. Islamic leadership BMT Civil Society of North Sumatra (MASDA SUMUT) uses a type or model of leadership in which this leadership provides freedom in completing tasks or work, provides confidence in the work of its employees, provides freedom of opinion, provides opportunities to provide suggestions for a decision. Leadership in Islam does not only explain that a leader must carry out his leadership with the rules that a leader must have. Islam means that leaders who carry out their leadership must also be accompanied by love in guiding and controlling the people. It can be concluded that the application of Islamic leadership has provided positive results in several aspects such as Economic Empowerment, Transparency and Accountability, and improving the quality of human resources.

**Keywords:** Leadership, Islam and Sharia Cooperatives

### Introduction

Nowadays many theories about leadership have emerged, this shows the importance of the meaning of leadership in a group or organization. Leadership is an important discussion because it is a complex matter involving leaders, followers and situations, besides that leadership can occur anywhere and at any time. However, it turns out that theory does not match reality, even effective leadership is a rare ingredient, especially in Indonesia, seen from the practice of leadership which always ends in failure, many of which can be seen from cases such as corruption, people living in poverty, the rich getting richer, the poor get poorer.

Leadership practices are currently experiencing a crisis of effective results which should make a major contribution to the development of human life, but are starting to become chaotic due to the rise of unhealthy leadership practices which have a negative impact on the development of an agency or institution. To prevent cases that have occurred and there is a need for leadership practices that return to Islamic leadership practices that are based on the Koran and hadith, therefore the implementation of Islamic leadership will be able to undergo changes to current leadership practices. And can create leadership that leads to rahmatan lil alamin.

Baitul Maal wat Tamwil (BMT) Civil Society of North Sumatra. BMT, which was founded on March 27 2007, is a form of positive response to the development of Sharia-based microfinance institutions and banks. BMT itself was founded with the aim of helping underprivileged people obtain financing (credit) so that it was born in 1995 and was initiated in Taman Indonesia Indah and at that time we also reported it to Mr. Soeharto as the second president of Indonesia, then Mr. President of Indonesia namely Mr President Soeharto has approved and established 1000 BMTs in Indonesia.

One of the non-bank financial institutions that was inaugurated is called BMT. So, after being approved, we continued to operate and registered with the government with the legality that was suitable for this BMT and the initial idea was an LKM (Microfinance Institution) where the operational system was divided into two, namely the cooperative system and the banking system. However, on the way to getting an answer in determining the official legality and suitability of Sharia Cooperatives, there are those who name microfinance institutions and Sharia cooperatives as for BMT MFIs. As for the products processed by BMT, namely "Funds from members to members return to members". So that is BMT's identity which has been taken to become the identity of the cooperative. So, coming back to the aim of the North Sumatra civil society BMT, it was founded to help micro businesses that have not been helped by banks. So we were born everywhere at that time when 1000 BMTs were founded by Mr. Soeharto and with the help of other BUMNs. Over time, the journey of Indonesian leadership has continued to change until today, of course each leader has their own concentration in the administration of their development, so that currently the concentration of sharia leadership itself continues to develop but there is a lack of attention by the government towards savings and loan institutions and other regulations.

### **Literature review**

Islamic leadership is a concept contained in the Qur'an and Sunnah, which includes human life from individuals, couples, families and even human beings or groups. This concept includes both ways of leading and being led for the implementation of Islamic teachings to ensure a better life in this world and the hereafter as the goal. Leaders must have a moral character through increasing belief in God so as to give birth to four spiritual powers in the form of faith, Islam, piety and ihsan. These four characters can be measured by five key parameters in the form of Islamic behavior which concerns justice, trustworthiness, virtue, trying to improve oneself and keeping promises. Spiritual values involving faith, Islam, piety and ihsan are part of the performance dimensions for Islamic leadership (Rizqi, 2010). I am on behalf of Yusman as chairman of the North Sumatra civil society BMT as chairman and leader of the North Sumatra sharia cooperative center and BMT is by implementing the sharia values taught by especially the Messenger of Allah that the leader must be able to listen, protect, carry out this program in accordance with the vision and mission of non-bank financial institutions which was not as vibrant as in previous years. In other words, civil society BMT is integrated independence which aims to provide people who have financial constraints with financing. Islamic leadership not only includes spiritual aspects, but also includes financial principles that are in accordance with sharia. The application of Islamic leadership in the North Sumatra Civil Society BMT is expected to increase integrity, transparency

and accountability in financial management, which is an important aspect in the sharia banking business. Leadership is the process of influencing the activities of a person or group in an effort to achieve goals in a particular situation (Rais, 2001).

### Islamic Leadership

Islamic leadership is defined as the ability to direct and convince subordinates or staff to voluntarily carry out cooperative activities to achieve goals. In Islam, the concept of leadership is believed to have a unique value beyond simply following subordinates and achieving organizational goals. There are transcendental values that Islamic leadership strives for in any organization. These values become the basis for carrying out leadership activities. (Subhan, 2013). Leadership in Islam does not only explain a leader who must carry out his leadership with the rules that a leader must have. Islam means that leaders who carry out their leadership must also be accompanied by love in guiding and controlling the people. (Judge, 2022). The concept of a leader in Islam or hereinafter referred to as Islamic leadership is a leadership model that has transcendental values that are firmly based on the sources of the Al-Quran and As-Sunnah on the practices of Rasullullah, his companions, and al-khulafa' al-rasyidin.

The North Sumatra Civil Society BMT Institute as a vehicle for Islamic leadership has business management as a process that will be used as a reference by Islamic leadership in carrying out activities to achieve goals. Management is seen as the embodiment of righteous deeds which must be based on good intentions. These good intentions will give rise to motivation to achieve good results for the sake of shared prosperity. There are at least four foundations for developing management according to Islamic views, namely, truth, honesty, openness, expertise. Leadership in a company is a necessity when facing various kinds of problems, such as: structure, coalition, power, and including environmental conditions. Although leadership in a company is required to move resources (people) in a coordinated manner in order to achieve maximum goals. However, the facts show that many company leaders still use conventional models in influencing morale and satisfaction (Shalihah, 2015).

Islamic leadership is natural for every human being which also motivates Islamic leadership. The evidence regarding this matter is found in Q.S.Al-Baqarah: 30:

وَإِذْ قَالَ رَبُّكَ لِلْمَلٰٓئِكَةِ اِنِّىْ جَاعِلٌ فِى الْاَرْضِ خَلِیْفَةً ۗ قَالُوْۤا اَتَجْعَلُ فِیْهَا مَنْ یُّفْسِدُ فِیْهَا وَیَسْفِكُ الدِّمَآءَ وَنَحْنُ نُسَبِّحُ بِحَمْدِكَ وَنُقَدِّسُ لَكَ ۗ قَالَ اِنِّىْۤ اَعْلَمُ مَا لَا تَعْلَمُوْنَ

Meaning: "Remember when your Lord said to the angels: "Indeed, I will make a caliph on earth." they said: "Why do you want to make (caliph) on earth someone who will cause damage to it and shed blood, even though we always glorify you by praising you and purifying you?" God says: "Surely I know what you do not know."

The words of the Prophet "every one of you is a leader and every leader is held accountable". Humans who are given a trust can maintain that trust and Allah has equipped humans with conceptual abilities or potential (fitrah). and free will to use and maximize their potential.

## **Method**

This research conducted qualitative data research. The qualitative approach is the most important and appropriate method to use, because it aims to explain phenomena in depth through data collection. Data is all the information needed to make a decision. In this research the author conducted research to determine the effectiveness of the application of Islamic leadership in the BMT Civil Society of North Sumatra, the type of research used was qualitative research

## **Place and time of research**

The location in this research is the BMT CIVIL SOCIETY OF NORTH SUMATRA which is located at Jl. Sidomulyo No. 96 Hamlet Deli Serdang Medan, North Sumatra, Postal code 20371. Carrying out research to obtain data in accordance with the title

## **Method of collecting data**

Primary data is a data source that directly provides data to data collectors. Data is collected by the researcher himself directly from the first source or place where the research object is carried out. Researchers use the results of interviews obtained from informants regarding the research topic as primary data, stating that primary data is the type of data that researchers obtain and collect directly in the field.

Secondary data is a data source that does not directly provide data to data collectors, for example through other people or through documents. In this research, the secondary data sources are in accordance with the Employment Law, books, journals, articles related to research topics regarding internal control systems for payroll systems and procedures in an effort to support labor cost efficiency.

## **Discussion and Discussion Results**

### **History of BMT Civil Society Of North Sumatra**

BMT is an abbreviation of the term Baitul Maal wat Tamwil. In short, bait al-mal is an institution that collects community funds which are distributed without the aim of making a profit. Meanwhile, Bait at-Tamwil is an institution that collects funds (money) to be distributed with a profit and commercial orientation. In order to raise the level and dignity and defend the interests of the wider community, BMT carries out economic development for the community as a step to distance the community from the long circle of loan sharks. Starting with the intention and desire, a Sharia microfinance institution (LKMS) was born, namely the North Sumatra Civil Society BMT. With information combined with knowledge and experience, these professional staff succeeded in establishing a BMT in Sei Rotan village. This cannot be separated from the efforts, determination, hard work and support of various other parties, so this North Sumatra civil society BMT has a program and work plans to improve and improve the performance of BMTs continue to be carried out, including changes to the community's views on other BMTs.

Changes continue to be made, including the absolute most important thing being changes to the work system for the better, as well as the administration system and the membership or candidate approach system and its role, it can even be said to have a fairly large role in developing the economy of the people or society, especially in the Tembung area. From the start, BMT was

initiated to provide assistance to lower economic groups who were previously entangled in the cycle of capital and poverty. The first vision and mission to be carried out is how to make BMT able to provide many benefits in society. At that time, BMT did not care about what the community gave, but what BMT could provide for improvements that directly touched the community, including raising funds. At that time, it could be said that individuals did not expect savings. But what is very unfortunate for BMT is the lack of attention from the government.

### **Company Vision, Mission and Goals**

#### **a. Vision**

To become a financial institution that is independent, strong, healthy, large and trustworthy in terms of serving the efforts of members and the surrounding community towards justice and a life of material and spiritual prosperity.

#### **b. Mission**

Waiting to develop micro or small entrepreneurs to be tough and professional in their determination to eradicate poverty, reduce the gap between the poor and the rich and improve the welfare of members and society by applying the Islamic economic system.

#### **Objectives of North Sumatra Civil Society BMT**

The aim is to spread economic equality for members and society who are facing the era of technology and the global economy.

### **Company Products**

The following are the products from the collection of BMT Civil Society Savings funds:

1. Children's Education Savings (TADIKA)
2. Eid Al-Fitr Savings (TADURI)
3. Qurban Savings (TAQUR)
4. Mandiri Sejahtera Savings (TAMARA)
5. Term Savings (Tajaka)

Savings can only be taken according to the agreed term, namely 3, 6 or 12 months

### **Financing:**

1. Mudharabah Financing
2. Murabaha Financing
3. Musyarakah Financing
4. Financing Qordhul Hasan

### **Organizational structure of the company**

Organizational structure is a basic framework that unites the functions of a company which results in the emergence of relationships between individuals and systematic and related relationship patterns to form a unity in an effort to achieve goals. In general, this organizational

structure aims to form a sub-division or section that works according to what has been determined by the Main Commissioner as outlined in the Decree of the Minister of Finance of the Republic of Indonesia Number 131/KMK.017/1995. Where in the organizational structure we can see the charts or parts explained in detail. The purpose of the company's organizational structure is to make it easier to form and determine the people or personnel of a company, apart from that, it is also to clarify the areas of each personnel so that the goals of the company can be achieved and what the functional relationship between the same personnel should be. with other personnel, so as to create a good overall work environment in a company. A firm organizational structure reflects a clear division of duties and responsibilities. Likewise, the North Sumatra Civil Society BMT also has an organizational structure. From this organizational structure we can also see that each section has its own duties and authorities that must be accounted for.

## **Job Description**

### **1. Manajer**

- a. Responsible for all operational activities of the North Sumatra Civil Society BMT.
- b. Responsible for internal management of BMT and responsible for internal and external affairs related to BMT.
- c. Responsible for internal and external affairs related to BMT and representing the institution regarding matters or collaboration with other institutions.
- d. Responsible for improving the operational management of BMT and responsible for the profit sharing targets set by the member meeting.
- e. Responsible for the chairman or member meetings, making policies and decisions for office operations and making regular reports to the chairman or meeting members

### **2. Cashier/Teller**

- a. Record BMT income or expenditure transactions and issue transaction costs on the manager's orders (there is approved cash out).
- b. Realize operational costs requested by other departments (on signed agreement) and Receive deposits from collectors

### **3. Accounting / Bookkeeping**

- a. Responsible for all financial transaction activities.
- b. Approve or acknowledge financing requests that have been evaluated or surveyed by marketing.
- c. Responsible for inputting all financial transaction data into the software.
- d. Condition financial conditions on bookkeeping or accounting guidelines to be coordinated or reported to managers or other departments.
- e. Follow up financial processes based on internal and external needs.

### **4. Customer service/Administration**

- a. Handle all incoming and outgoing mail.



- b. Carrying out office administration.
- c. Make savings book slips and installments.
- d. Make a letter of application.
- e. Create warning letters and decision letters.
- f. Prepare contract details, financing and savings.
- g. Preparing archives.
- h. Responsible for implementing office regulations and employee regulations.

## **5. Marketing**

The activities in the funding section are as follows:

- a. Seek funding sources.
- b. Increase the amount of third party funds, for example savings products.
- c. Create and implement work programs that have been scheduled by managers and marketing by third parties.
- d. Every month, record the names of customers who will provide funding to BMT.
- e. Create a schedule or work agenda for the funding team

## **Discussion**

Based on the observations that have been made, the results show that the Islamic Leadership BMT Civil Society of North Sumatra (MASDA SUMUT) is one of the sharia financial services cooperatives that plays a role in increasing community economic empowerment. Some of the results of the Islamic leadership of BMT Civil Society of North Sumatra are that observations made show that there are differences in the income of BMT MASDA North Sumatra customers before and after receiving financing. This shows that BMT MASDA SUMUT has succeeded in making a positive contribution in increasing its customers' income. North Sumatra Civil Society BMT has implemented sharia management functions well. The implementation of management functions at BMT has been described and analyzed in a study. also plays a role in coaching the congregation using the Tadabbur Al-Quran method. This shows BMT's commitment to building religious awareness and morality among the community. The implementation of sharia human resource management (HR) in the North Sumatra Civil Society BMT has also been implemented well. This can be seen from the results of research using qualitative descriptive methods. All of this shows that the Islamic leadership of the North Sumatra Civil Society BMT has had a positive impact in empowering the community's economy.

## **Conclusion**

Based on observations regarding effective leadership in implementing Islamic leadership in the North Sumatra Civil Society BMT, it can be concluded that the application of Islamic leadership has provided positive results and has had a significant impact in several aspects such as Economic Empowerment, Transparency and Accountability, and improving the quality of human resources. This makes BMT a financial institution that can be relied on in providing sharia financial services to the public.

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