

THE IMPACT OF MINI BANKING ON THE FORMATION OF STUDENTS' SOFT SKILLS AND HARD SKILLS

Dinda Fadila Asih¹, Nurhidayati Husna², Ary Rizky Akbar³, Mira Dipa⁴, Pinasti Sri Guntari⁵, Muhammad Fadhil Hamdani⁶

^{*1,2,3,4,5,6}Universitas Muhammadiyah Sumatera Utara

^{*1}*email: dindafadila819@gmail.com*

Abstract: Mini banking is one of the educational methods that can improve soft skills, especially for students or learners involved in mini banking programs. In this context, mini banking provides an opportunity to engage in activities such as financial management, banking transactions, and interactions with customers or clients, all of which require communication, leadership, and problem-solving skills. These soft skills are very important because they support an individual's ability to adapt, communicate effectively, and work in a team. Mini banking creates a real-world simulation that allows participants to practice social and communication skills, such as conveying information clearly, listening actively, and resolving conflicts constructively. This study was conducted with a qualitative approach and used a specific exploratory design to better understand how the mini banking program impacts the development of students' soft skills and hard skills. This approach was chosen because it allows for more detailed exploration of students' experiences, views, and perceptions. The results showed that the soft skills developed in students during the program included effective communication, time management, and leadership, which are very important for career advancement. This training is also a good introduction for someone to the highly competitive world of banking work.

Keywords: *Mini Banking, Soft skills, Hard skills, Banking Education.*

Introduction

In the era of globalization, two main ingredients that students must have to succeed in the workforce are soft skills and technical skills (hard skills). Soft skills are interpersonal skills, communication skills, and time management skills. While hard skills focus on technical and operational skills. In the introduction of mini banking in the student environment has become one of the innovative solutions to unite the gap between theory and practice. The laboratory not only functions as a container for direct practice simulations, but also provides real-world experience that includes the development of both types of skills. However, most college graduates face challenges in combining these two types of skills optimally, so that the difference between their abilities and the needs of the industrial world still occurs

To bridge this gap, various educational innovations have been introduced, one of which is through the implementation of mini banking. Mini banking is a banking simulation laboratory that is designed to provide students with practical experience in establishing banking operations. By studying mini banking, students have the opportunity to improve their business skills, such as transaction recording and risk management, as well as the communication skills needed when dealing with customers. In addition, this program is an experiential learning medium that enhances understanding of theoretical concepts through real-world practitioners. Previous research has shown that this activity has a positive impact

on students' work engagement, especially in increasing self-confidence and decision-making abilities.

However, the mini banking program still faces challenges, especially in integrating soft skills and hard skills learning in a balanced way. Most students still feel less than optimal in developing soft skills such as effective communication and leadership skills. On the other hand, the evaluation of the effectiveness of mini bank-based learning often only focuses on technical results without considering aspects of personality development and professional spirituality. In addition, limited facilities, human resources, and guidance from the management are also obstacles that are often found in the implementation of mini banking. Existing obstacles can affect the achievement of program objectives and reduce the benefits for students. Therefore, an in-depth study is needed to holistically understand how mini banking can help in the formation of students' soft skills and hard skills, as well as find factors that support or hinder the success of this program.

Literature Review

Soft Skills and Hard Skills in the World of Work

Soft skills and hard skills are two categories of skills that are important in the workplace. Hard skills refer to technical skills and specialized knowledge acquired through formal education, training, or practical experience. Examples of hard skills include the ability to use computer software, foreign language skills, or skills in a specific technical field. Hard skills are usually easier to measure and verify, such as through exams or certifications. According to Zahra & Izhar in their journal "The Role of Soft Skills and Hard Skills in Professional Development", hard skills are often a prerequisite for being accepted into a job, but are not enough to ensure long-term success in one's career.

Soft skills, on the other hand, refer to interpersonal abilities and personal traits that support individuals to interact well in the work environment. This includes skills such as effective communication, teamwork, time management, and leadership. Soft skills are essential in creating a harmonious and productive work environment. According to Kaufman & Kaufman's research, soft skills such as empathy, flexibility, and communication skills can make a big difference in career development, as they enable individuals to work more effectively in teams and deal with challenges better.

The combination of hard skills and soft skills is the key to success in a professional career. As explained by Pfeffer & Sutton in their journal "Why Skills Matter in the Workplace", individuals who only have hard skills without adequate soft skills tend to have difficulty adapting to a dynamic and frequently changing work environment. Conversely, those who have good soft skills but lack specific hard skills may struggle to meet the demands of technical work. Therefore, a balance between these two skills is needed to achieve the best performance and career advancement in the professional world.

The Influence of Mini Banking on the Formation of Soft Skills

Mini banking is one of the educational methods that can improve soft skills, especially for students or learners involved in mini banking programs. In this context, mini banking provides an opportunity to engage in activities such as financial management, banking transactions, and interactions with customers or clients, all of which require communication, leadership, and problem-solving skills. These soft skills are very important because they support an individual's ability to adapt, communicate effectively, and work in a team. Mini banking creates a real-world simulation that allows participants to practice social and communication skills, such as conveying information clearly, listening actively, and resolving conflicts constructively.

One important aspect emphasized in the mini banking program is the development of communication skills. Students are trained to convey financial information clearly to customers or clients and collaborate with their peers to solve problems. These activities give them the confidence to speak in public and improve negotiation skills. The experience of working in a team in mini banking also helps students understand group dynamics, including task division, conflict resolution, and joint decision making. Hidayah (2022) found that students who were actively involved in the banking program had better teamwork skills compared to those who did not participate in a similar program.

Although mini banking offers many benefits in developing soft skills, there are some challenges that need to be overcome. One of the main obstacles is the lack of intensive mentoring from the supervisor, which can make it difficult for some students to implement the potential of this program to improve interpersonal skills. In addition, limited facilities in the laboratory often reduce the opportunity for direct interaction, which should be able to encourage optimal interpersonal learning. However, with a more comprehensive program design, such as more detailed role assignments and teamwork-based evaluations, the positive impact on soft skills development can be more significant.

The Influence of Mini Banking on Hard Skills Development

Mini Banking is a form of banking service that is simpler and more accessible. This service provides an opportunity for participants or employees to develop hard skills, namely technical skills that are directly related to the banking world. For example, skills in managing financial transactions, using banking technology, and understanding banking products and services. Based on research by Rini (2018), direct experience in mini banking helps participants strengthen technical skills that are very useful in the banking world.

In addition to technical skills, mini banking also hones communication and managerial skills. Because they often interact directly with customers, mini banking employees can improve their ability to solve problems and provide information clearly. Arifianto and Haryanto's (2020) research states that effective communication skills are very important in the banking industry and can develop through direct experience in mini banking.

Mini banking also helps improve data analysis and risk management skills. By using a simple system, participants can analyze transactions and monitor performance. This provides useful training for making better business decisions. According to Putra and Rahmawati (2019), the application of technology in mini banking can improve participants' analytical skills, which are important in finance and risk management.

Challenges in Mini Banking Implementation

The implementation of mini banking as an educational medium in educational institutions faces a number of significant challenges. One of the main challenges is the lack of trained human resources. Many teachers or lecturers have limited knowledge about modern banking operations, so the learning process is less than optimal. This results in mini banking being more of a simulation than representing the real banking system. To overcome this, educational institutions need special training from partner banks or related institutions.

In addition, limited technological infrastructure is also an obstacle. The implementation of mini banking requires software and hardware that resembles the original banking system, such as core banking applications, EDC machines, or mini ATMs. However, not all institutions have sufficient budget for the procurement and maintenance of this technology. As a result, mini banking operations are often carried out manually or using simple systems that are less relevant to the development of current digital banking technology.

Another challenge is the lack of collaboration between educational institutions and banks. Partner banks play an important role in providing technical support, training, and

simulations that are relevant to the world of work. However, this collaboration is often hampered by limited time and resources from banks. In addition, the absence of regulations that specifically regulate the operational standards of mini banking in schools or campuses makes its implementation varied, without clear guidelines. Therefore, better synergy is needed between education, banks, and the government to ensure the success of mini banking.

Obstacles in Mini Banking Implementation

Although mini banking has shown its effectiveness as a practice-based learning method, its implementation still encounters several obstacles. One obstacle that is often found is the limited supporting facilities. Many educational institutions have not been able to provide equipment and software that reflect real bank operations. The absence of adequate facilities limits students' opportunities to master banking processes as a whole. For example, a simple transaction simulation system sometimes cannot describe the complexity of situations in the world of work. This certainly has an impact on students' learning experience and their ability to master the technical skills needed in the financial industry.

In addition, the lack of mentoring during the implementation of the mini banking program is also a challenge that needs to be overcome. Students are often faced with independent learning situations without clear direction from lecturers or supervisors. Minimal mentoring can make it difficult for students to understand how the theory learned in class is applied in practice in mini banking. When guidance is not provided optimally, the development of interpersonal skills such as teamwork and communication is also hampered. An experiential learning approach should be supported by active involvement from educators so that students can get constructive feedback.

Another obstacle is the lack of balance in the development of technical and interpersonal skills. Some mini banking programs emphasize hard skills training such as transaction recording or risk analysis, but forget the importance of building soft skills such as leadership, adaptability, and decision-making. This causes students to excel in technical aspects, but are not fully prepared to face challenges involving human interaction and work dynamics in organizations. Therefore, it is important for educational institutions to design mini banking curricula that are able to integrate both types of skills in a balanced way so that learning outcomes are more comprehensive.

Method

This study was conducted with a qualitative approach and used a special exploratory design to better understand how the mini banking program impacts the development of students' soft skills and hard skills. This approach was chosen because it allows for exploring students' experiences, views, and perceptions in more detail. The subjects of the study were 15 students who had participated in the mini banking program at UMSU for one semester. The determination of respondents was carried out by purposive sampling, with the same criteria, namely actively participating, having direct experience in mini banking, and being willing to fill out questionnaires and interviews.

Data analysis was conducted using thematic analysis method, where key themes were identified, grouped, and interpreted to obtain relevant conclusions. Data validity was maintained through method triangulation, namely by comparing the results of questionnaires, interviews, and brief observations in the mini banking environment. This study also complies with the principles of research ethics, including providing informed consent, maintaining the confidentiality of respondent data, and ensuring that participation is voluntary.

Results and Discussion

Results

Soft Skill Development

- The mini banking program significantly improves students' communication skills, leadership skills, and teamwork skills.
- Those involved in the program showed improvements in their self-esteem when approaching simulated bank customers and their ability to disclose information effectively.
- The program also develops interpersonal skills such as conflict resolution, active listening, and shared decision making.

Soft Skill Development

- Students gain adequate practical skills in cash transactions, simple banking software operations, and risk management.
- Direct participation helps strengthen relevant technical competencies required in the context of the modern banking workplace.
- Increased productivity in changes in time and resource management skills was also specifically obtained.

Program Effectiveness

- The program is considered useful in mimicking a real-world work environment although there are a number of challenges such as lack of appropriate equipment and little or no supervision.
- The success of implementing the mini banking program is highly dependent on the partnership between educational institutions and the banking industry.

Discussion

Contribution to Soft Skill Development

Mini banking provides some practical exposure and addresses the interpersonal skills of the learners. Soft skills developed in students during the program include effective communication, time management, and leadership which are essential for career advancement.

Contribution to Soft Hard Skills Development

Mini banking helps students understand banking processes such as financial transactions and risk management. This training is also a good introduction for someone to the highly competitive world of banking work.

Challenges in Implementation

- Limited technological capacity and human resources hamper the optimal implementation of mini banking programs.
- Intensive assistance from supervisors such as lecturer guidance is usually not available which in turn reduces the effectiveness of training in soft skills and hard skills.
- Limited cooperation between educational institutions and the banking world limits the adequacy of programs to industry demands.

Opportunities for Improvement

- By incorporating new technologies such as core banking software and building working relationships with partner banks, mini banking can become more efficient and relevant.
- Competency-based evaluations can help determine areas of needed development .

Conclusion

Mini banking programs are an effective means to develop a combination of soft skills and hard skills. However, to ensure their success, further support is needed in the form of technology, training for mentors, and collaboration with the banking industry. With this approach, mini banking programs can become a more powerful learning tool to prepare students for the world of work.

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