



Baitut Tamwil Muhammadiyah: Role, application and impact of information technology

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Information technology has a very important place in business in Islamic financial institutions, which supports all efforts from Islamic financial institutions to promote products, educate the public, support the progress of the financial system, and so on. This descriptive qualitative research was carried out at a sharia financial institution at BTM Pekalongan. This study aims to provide an overview of the information technology system implemented in the Pekalongan BTM environment. The instruments used in this study were observation and interviews. The results of this study indicate that the application of information technology has gone through a series of excellent analyzes, so the role of information technology is very large in the decision-making and development of BTM Pekalongan.

Teknologi informasi memiliki tempat yang sangat penting dalam bisnis di lembaga keuangan syariah yang memiliki peran untuk mendukung segala usaha dari lembaga keuangan syariah untuk mempromosikan produk, mengedukasi masyarakat, mendukung kemajuan sistem keuangan dan lain sebagainya. Penelitian ini merupakan penelitian kualitatif deskriptif yang dilaksanakan pada lembaga keuangan syariah pada BTM Pekalongan. Penelitian ini bertujuan untuk memberikan gambaran tentang sistem teknologi informasi yang telah dilaksanakan dilingkungan BTM Pekalongan. Instrumen yang digunakan dalam penelitian ini adalah observasi dan wawancara. Hasil penelitian ini menunjukkan bahwa penerapan teknologi informasi telah melalui serangkaian analisis yang sangat baik sehingga peran teknologi informasi sangat besar pada pengambilan keputusan dan pengembangan BTM Pekalongan.

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1. Introduction

The rapid development of information technology has become an undeniable part of human life today. The application of digitalization in all aspects of human life is no exception in an Islamic financial institution (Liana et al., 2021). Advances in information technology make Islamic

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financial institutions must be able to adjust their business steps in making policies for the sustainability of a business. Islamic financial institutions must pay more attention to information technology as part of an innovative service they can provide to customers to facilitate access to all matters and customer needs for Islamic financial institutions.

Information technology has a very important place in business in Islamic financial institutions, which supports all efforts from Islamic financial institutions to promote products, educate the public, support the progress of the financial system, and so on. The better and the more diverse the facilities that can be provided by an Islamic financial institution, the greater the hope that the public will accept the Islamic financial institution. And now, banking grows very fast, including in Indonesia (Irmawanti & Puspita, 2021).

Changes in human behavior in an increasingly modern world and increasing awareness of the importance of technology. It makes Islamic financial institutions must be able to understand these changes better to take advantage of opportunities and opportunities to reach the market by better assisting them in their every transactional need. Ease of service that can be accessed at any time, more open and more flexible to each customer's needs, creates added value for Islamic financial institutions that can make good use of information technology. In addition, the development and management of information technology is the main thing that BTM Pekalongan must consider.

Until now, much research or writings related to information technology in Islamic financial institutions have been found. Therefore, as a starting point in this research, the author needs to review the previous literature in the form of books, online articles, journals, and theses that are related or relevant to the problems in this research.

Lubis et al. (2020a) carried out some of the research above in a journal entitled Opportunities for micro and small entrepreneurs (UMK) using the digital services of Islamic microfinance institutions. This study uses a library research method with a descriptive approach which is part of the qualitative approach. The results of this study are fintech services at Islamic microfinance institutions. The quality of their services is considered to have met customers' needs, desires, and expectations. So that some customers are satisfied with the quality of the service; in addition, fintech will increase the bond between micro and small business actors to become BMT customers and help micro and small entrepreneurs to implement the teachings of Islam in totality (*kaffah*) (Lubis et al., 2020b).

Further research was carried out by Ahdan & Sari (2020) in a journal entitled development of a web application for simulating savings and loans (Case Study of BMT L-Risma). This research used a qualitative method by making a framework consisting of several stages. Among these stages are a problem, identification, proposal, validation, and result. Based on the development and testing of the BMT L-Risma web application, the percentage of the actual score test results reached more than 85% (Ahdan & Indah Sari, 2020).

Yunanto (2018) used a library research method with a qualitative descriptive approach. The results of this journal research illustrate that Islamic financial institutions that use information technology systems will experience rapid development and quality. In addition, information technology can help people transact with others even though the bank is on holiday or cannot go to the bank because of other barriers.

Furthermore, Nurzianti (2021) shows that information technology development is getting faster and has become a partner for financial institutions. So that in the future, we can collaborate with sharia fintech, which is increasingly emerging.

Contracts that accommodate the parties' legal relationship and are used by the majority of providers of Information Technology-Based Financing Services Based on sharia principles are *Al*

Qardh, *Wakalah bil Ujrah*, and *Musyarakah* contracts. Implementing sharia contracts carried out by financing service providers is required to provide sharia compliance guarantees and protection for users of financing services (Alwi, 2018).

2. Literature Review

Information Technology studies the design, implementation, development, support, or management of computer-based information systems, especially hardware, and software. According to ITTA (Information Technology Association of America), Understanding Information Technology is the study, design, implementation, development, support, or management of computer-based information systems, especially in computer hardware and software applications. Information technology utilizes electronic computers and computer software to securely convert, store, process, protect, transmit, and obtain information (Karim, 2020).

The application of Information Technology can cause changes in work habits. There are six functions of information technology, namely:

- a. Capturing here can be interpreted as input. For example, receiving input from the mic, keyboard, scanner, etc. Capturing features may also be familiar when you store certain information.
- b. Processing the input data received to become information. Processing and processing data can be converted, analyzed, and calculated.
- c. Generating or organizing information into useful forms or reports that others can understand. For example, reports, tables, graphs, images, and others.
- d. Storing Recording or storing data and information in a media that can be used for other purposes. Examples are saving to a hard disk, flash disk, tape, and others.
- e. Searching Back (Retrieval) Tracing and retrieving information or copying data and information that has been stored. For example, looking for sales data that has been previously stored.
- f. Transmit or Send data and information from one location to another through a computer network. For example, sending sales data from user A to other users.

The source of information is data. Data is a reality that describes real unity (Iman Lubis and Mohamad Saffi, 2018). In its development, information technology cannot be separated from the so-called mobile banking transaction because this service feature is expected to assist banking customer transaction activities. The application of information technology will increase efficiency, effectiveness, and productivity as well as increase revenue through a sales system that is much more effective than conventional banks. With the application of information technology in mobile banking, mobile banking will work and be utilized by the banking industry (Agustina & Soelistya, 2018).

Sharia-based financial institutions, namely financial institutions owned by Muslims, serving Muslims, there is a sharia board, a member of the International Association of Islamic Banks (IAIB) organization, and so on (Afrianty et al., 2020). In another sense, it is an institution, both bank and non-bank, with an Islamic spirit in its services and products; its implementation is supervised by an institution called the Sharia Supervisory Board. It can be concluded that Islamic financial institutions cover all financial aspects, banking issues, financing cooperation, corporate security and insurance, and so on, which take place outside the banking context (Mensari & Dzikra, 2017)

3. Research Method

This research is a type of descriptive qualitative research that was carried out at a sharia financial institution at Baitut Tamwil Muhammadiyah Pekalongan. This study aims to provide an overview of the information technology system implemented in the Baitut Tamwil Muhammadiyah Pekalongan environment. The instruments used in this study were observation and interviews. The data sources used in this study were the results of interviews with the General Manager of BTM Pekalongan and the Head of Information Technology at BTM Pekalongan.

4. Result And Discussion

The results of the research conducted at Baitut Tamwil Muhammadiyah (BTM) Pekalongan, located at Jl. Diponegoro No.759, Sidokerti, Kajen, Kec. Kajen, Pekalongan Regency, Central Java. This general description of the information technology used at BTM Pekalongan is still being carried out jointly with other vendors. It has not done it independently for the management of the information technology that is currently used. The server itself is not placed in its own office with consideration of the cost and security of the server; this collaboration is carried out with a rental system.

The utilization of existing information technology can be used by all parties involved in BTM Pekalongan, be it from management, operations, employees, and customers, because all current products are connected and facilitated with current information technology. The information system can already be connected and accessed via a smartphone by downloading an application from the play store.

The process of compiling and using the existing information technology system at BTM Pekalongan has gone through a SWOT analysis carried out by the management; for example, vendor selection and server storage were selected in collaboration with other parties outside the city, precisely in Jakarta. This is done to save operational costs and data security in the event of unpredictable problems such as fires or natural disasters. Even Pekalongan BTM only has one place for storage; they store data elsewhere as mirroring if there is a problem in one data storage place.

Preparing the information technology used at BTM Pekalongan only involves a special team that manages all information technology used at BTM Pekalongan. This team only consists of 2 people. Some changes or updates will be made, and then the entire management will be involved in its preparation. During the preparation of information technology, many BTM Pekalongan business processes/SOPs underwent adjustments; this was done to make it easier to adapt and apply information technology according to needs.

The efficiency obtained by BTM Pekalongan by using information technology that is currently still used is more service products can be offered to customers, time, operating costs, and ease of access. The use of information technology at BTM Pekalongan does not necessarily directly replace certain parts of the role of employees in the BTM Pekalongan environment, but using this information technology can reduce the number of existing employees. For example, suppose BTM Pekalongan will open a new branch in another area. In that case, it no longer requires office rent and a lot of employees, just an operational car, the information technology system used, a driver concurrently security, and a teller. With work operations only two working days in one new branch. This can save a lot of costs and labor.

Many things can be streamlined with information technology, but until now, BTM Pekalongan has not planned to reduce the number of existing employees. The information technology used now can minimize and manage the risks previously faced by BTM Pekalongan. Using information technology in its implementation at Pekalongan BTM can manage risks more than before but also raises new risks after using it, especially on the fingers and the information technology device itself.

The new products that can be introduced using the information technology applied to BTM Pekalongan are for viewing savings balances and making payments needed for daily activities. After using information technology with all the conveniences offered, there is a change in the STP/captive market at BTM Pekalongan itself.

5. Conclusions

The utilization of existing information technology can be used by all parties involved in BTM Pekalongan, be it from management, operations, employees, and customers, because all current products are connected and facilitated with current information technology. An information system can already be connected and accessed via a smartphone by downloading an application from the play store. The use of information technology at BTM Pekalongan does not necessarily directly replace certain parts of the role of employees in the BTM Pekalongan environment, but using this information technology can reduce the number of existing employees.

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