JIEI (Jurnal Ilmiah Ekonomi Islam)
ISSN: 2477-6157; E-ISSN 2579-6534
Lembaga Penelitian dan Pengabdian Masyarakat (LPPM)
Institut Teknologi Bisnis AAS Indonesia
journal.jiei.aas@gmail.com

PERFORMANCE OF ISLAMIC FINANCIAL INSTITUTIONS FROM THE PERSPECTIVE OF MAQASHID SHARIA

Titik Inayati
Universitas Wijaya Kusuma Surabaya
titikinayati@uwks.ac.id

Abstrak

BMT Usaha Gabungan Terpadu Sidogiri sebagai lembaga keuangan mikro syariah mempunyai keunikan dan karakteristik yang berbeda karena berlatar belakang pondok pesantren. Penelitian ini bertujuan untuk mengetahui secara empiris: (1) Bagaimana kinerja BMT Usaha Gabungan Terpadu dalam perspektif maqashid syariah? (2) Bagaimana model kinerja BMT Usaha Gabungan Terpadu dalam persepektif maqashid syariah? Penelitian ini menggunakan metode kualitatif dengan menitikberatkan pada apa yang diungkapkan, dipahami, dan dirasakan melalui penuturan dan interpretasi informan. Hasil penelitian ini menunjukkan (1) Kinerja BMT Usaha Gabungan Terpadu Sidogiri memenuhi persepektif maqashid syariah yaitu adanya kesejahteraan keluarga yang dirasakan masyarakat telah memenuhi lima aspek maqashid syariah, (2) Model penelitian kinerja BMT Usaha Gabungan Terpadu Sidogiri menunjukkan karakteristik yang berbeda dengan lembaga keuangan syariah lainnya. Kinerja dalam persepektif maqashid syariah tidak dilihat dari kemampuannya menghasilkan laba namun manfaat yang dirasakan anggota dan masyarakat sekitarnya dalam meningkatkan kesejahteraan mereka.
Kata kunci: *kinerja1; maqashid syariah 2; pondok pesantren 3.*

Abstract

BMT Usaha Gabungan Terpadu Sidogiri, as a sharia microfinance institution, has uniqueness and different characteristics because it has a background as an Islamic boarding school. This study aims to empirically determine: 1) How is the performance of the BMT Usaha Gabungan Terpadu from the perspective of maqashid sharia?, (2) What is the performance model of the BMT Usaha Gabungan Terpadu from the perspective of maqashid sharia? This study uses a qualitative method with an emphasis on what is expressed, understood, and felt through the statements and interpretations of informants. The results of this study indicate (1) The performance of BMT Usaha Gabungan Terpadu Sidogiri meets the perspective of maqashid sharia, namely the existence of family welfare felt by the community has met the five aspects of maqashid sharia, (2) The research model of the performance of BMT Usaha Gabungan Terpadu Sidogiri shows different characteristics from other sharia financial institutions. Performance from the perspective of maqashid sharia is not seen from its ability to generate profits, but the benefits felt by members and the surrounding community in improving their welfare.
Keywords: performance 1; maqashid syariah 2; Islamic boarding school 3.

Introduction

BMT Usaha Gabungan Terpadu Sidogiri, hereinafter referred to as BMT UGT, is one of the largest Islamic microfinance institutions in Indonesia. BMT UGT has total assets of IDR 2.2 trillion as of December 2019, with around 800,000 members spread across 10 provinces and 221 sub-branches. This development shows community support for the existence of BMT UGT, with a mutual assistance/taawun mechanism among its members.

JIEI (Jurnal Ilmiah Ekonomi Islam)
ISSN: 2477-6157; E-ISSN 2579-6534
Lembaga Penelitian dan Pengabdian Masyarakat (LPPM)
Institut Teknologi Bisnis AAS Indonesia
journal.jiei.aas@gmail.com

The development of Islamic microfinance institutions in Indonesia cannot be separated from public awareness of the sin and dangers of usury. This is explained in QS. An-Nisaa verses 160-161 and QS. Al-Baqarah verses 275-276 state that Allah curses usury. Usury is described as something bad; Allah threatens will give severe punishment to those who do usury. This is reinforced by the fatwa of the Indonesian Ulema Council and the Muhammadiyah Central Leadership, which states that bank interest is usury and its law is forbidden. This statement strengthens the attitude of Muslims who have been hesitant about the status of bank interest (Mulyatwan & Ridwan, 2004).

BMT UGT is a Sharia Microfinance institution established in the village of Sidogiri, Pasuruan, in Indonesia. BMT UGT was established to help improve the community's economy and build a national economic order to create an advanced and prosperous society based on Pancasila and the 1945 Constitution.

This institution has a very interesting uniqueness, where the employees are in all branches of the alumni of the Sidogiri Islamic Boarding School. Another uniqueness is in their appearance when they work, wearing clothes like students in general, using sarongs and caps. This is an advantage of BMT UGT because the community feels the service with an element of closeness. In addition, the successful performance of the Sharia Integrated Joint Venture is supported by the hard work of managers, employees, and a high level of public trust. The vision and mission of the institution adopted are as follows: (1) building and developing a people's economy based on the sharia economy, and (2) realizing ta'awun in that culture and piety in the socio-economic field. The missions include (1) implementing and disseminating Islamic sharia in economic activities, (2) instilling a fair, easy, and useful understanding of sharia economics, (3) improving the welfare of members (4) carrying out economic activities with STAF culture (shiddiq, tabligh, trust, and fathonah).

Three business units run include (1) Business Unit in the field of Islamic financial services, including several products of financial services: savings, financing, and accounts receivable. The savings unit consists of general sharia deposits, mudharabah time deposits, holiday savings, qurban worship services, walimah deposits, aqiqah deposits, plus an education deposit, pilgrimage/tour savings, pilgrimage, and umroh savings. (2) Financing and receivables consist of mudharabah, murabahah, musyarakah, bai 'bitsamanil ajil, rahn, and ijarah, transfer and pomegranate services, an online payment counter through a bank, and an Islamic Microfinance service unit. (3) ZIS (zakat, infak, and shadaqah). Some of the achievements and performance cannot be separated from the big name of Sidogiri Islamic Boarding School, where the founders, administrators, managers, and employees of the cottage are graduates. This is in line with their motto (shiddiq, tabligh, amanah, and fathanah) and willingness to provide service excellence to the community.

The present study aims to explore information from the community as a customer/mudharib with the perspective of maqashid sharia to know the performance of Islamic Microfinance Usaha Gabungan Terpadu (Zuhaili, 1986, Al-Ghazali in Chapra, 2009: 124). The aspect of maqashid syaria is used as the basis for assessment of family welfare with the fulfillment of five aspects: ad-dien, an-nafs, al-'aql, an-nasl, and al-mal. If one of the five aspects of the maqashid sharia is not reached, man will not feel true prosperity. Maqashid Sharia is implemented by the theoretical and empirical studies related to the welfare of Syatibi (1982), Chapra (2009), and Zuhaili (1986). In this research, family welfare is declared perfect if the customer/mudharib meets the aspects of maqashid sharia in darruriyat, hajiyyat, and tahsiniyah.

This study also examined the findings of Aggarwal et al. (2000) and Usmani (2000), who conducted a study on the social role of Sharia banking. Their findings indicate that Islamic banking has not been fully implementing its social functions as desired in the principles of Sharia. Sharia banking is suspected to have not emphasizing lending to develop micro and small entrepreneurs, but instead provides financing for the purchase of consumer goods. In another study conducted by Haniffa et al. (2007), who studied seven

(Jurnal Ilmiah Ekonomi Islam)
ISSN: 2477-6157; E-ISSN 2579-6534
Lembaga Penelitian dan Pengabdian Masyarakat (LPPM)
Institut Teknologi Bisnis AAS Indonesia
journal.jiei.aas@gmail.com

Islamic banks in the world, found similar indications. The results of his financial statements show that there is a discrepancy between the information revealed in the annual report and the values of Islamic business ethics. Financial statements indicate mismatches related to four dimensions: commitment to society, disclosure of vision and mission of the company, contribution and management of zakat, charity, and loan of virtue, and management information.

The findings of this study are quite surprising for some parties, because Islamic banking also pays attention to the social aspects of society to be accountable to God. Some of the results of this study are also anticipated in BMT UGT as a microfinance institution based on Islamic boarding schools, and it has a vision and mission to help improve the economy of micro, small, and medium communities. The research topic in this study is about measuring the performance of Islamic financial institutions; several previous studies measure the success of performance with the ability to generate profits. However, in this study, the success of Islamic financial institutions is interpreted from different performances. Based on the description, the formulation of the problem in this study is as follows: 1) How is the performance of BMT UGT from the perspective of maqashid sharia?, (2) What is the performance model of BMT UGT from the perspective of maqashid sharia?

Theory Review

Performance Appraisal in Sharia

The performance of sharia financial institutions is ideal if it meets the criteria as a trustworthy financial institution, concerns the interests of society, good management, commitment and character, social responsibility, piety of sharia, moral piety, and professional (Triyuwono,2006). He combines elements of material and non-material in conducting an assessment of Sharia performance. In addition to the economic aspects of money/material reflected in financial piety, it is worth noting non-economic performance. Sharia management performance is reflected in mental piety, social, and spiritual piety, unlike conventional financial institutions. Sharia financial institutions must be managed according to sharia and guided by the Qur'an and hadith (Khan & Bhatti, 2008). In addition, this institution has a responsibility to God and a social responsibility in improving the economy and welfare of the community.

Vijeta Singh and Puja Padhi (2019). The results of his research show a positive relationship between age, size, profitability, efficiency, productivity, and portfolio quality with the reach of Islamic microfinance institutions. This research was conducted in India using a sample of 39 Islamic microfinance institutions.

Islamic Microfinance Institution

Islamic Microfinance is a shariah microfinance institution that has its characteristics and only exists in Indonesia (Imaniyati, 2010: 78). The characteristics and uniqueness of Islamic Microfinance are interesting to be revealed in the study. In general, BMT characteristics are as follows: (1) Islamic Microfinance is a people's economic institution that can reach small customers, in running its operations in sharia with potential assurance from within/around its environment. (2) Islamic Microfinance is a combination of two business activities, namely the distribution of non-profit funds and the distribution of commercial funds. (3) Islamic Microfinance funds are obtained from members and disbursed to members for productive business capital. (4) Islamic Microfinance acts as a baitul maal that receives zakat, infak, alms, and distributes it according to sharia provisions with the most productive and most useful utilization (PINBUK, 2010: 33).

Maqashid Syariah

The study of maqashid sharia plays an important role in studying this science comprehensively and not partially. Bakri (1996: 69-70) argues that maqashid sharia aim for the benefit of mankind. This benefit is divided into talk if that can manifest in talk. First, the essential is a direct benefit in the sense of causality. Second, majazi, which is the cause that brings the benefit. The implementation of the Shari'a aims to realize the benefit of human beings. In line with what Al-Ghazali (1971: 159) states, the benefit can be realized if the five aspects of the goals can be achieved and maintained. Five aspects of the objectives include ad-Dien, an-Nafs, al-'Aql, an-Nasl, and al-Mal. To realize and maintain these five basic elements, Al-Syatibi in Al-Muwafaqat fi Ushul Al-Sharia divides them into three levels of needs: (1) the need for dharuriyat, (2) the need for hajiyat, (3) the need for tahsiniyat.

Welfare in the Implementation of the Perspective of Maqashid Sharia

Based on the theory of Al-Ghazali (1971), Al-Syatibi (1982), Bakri (1996), and Chapra (2000), human welfare from the perspective of maqashid sharia is implemented as follows: (1) Ad-Dien (الدين), meaning religion. Religion becomes a very important foundation, and maintaining religion is the first goal in Islamic law. In this study, maintaining religion is implemented with increased activity of informant worship before and after knowing and related to Islamic Microfinance Usaha Gabungan Terpadu. (2) An Nafs (النفس) means soul. In this research, maintaining the soul or peace/ satisfaction of the soul is implemented with the need to be respected, respected, positioned, and acknowledged in existence. (3) Al 'Aql (العقل) means intellect. In this research, maintaining the intellect is implemented with the ability and efforts to improve the education of both informal and formal families. (4) An-Nasl (النسل / العرض) means heredity. In Islam, there is the recommendation of marriage to have healthy offspring. Furthermore, the head of the family maintains the existence of his offspring by taking care of the health of family members. (5) Al Mal (المال) means treasure. The welfare attained by the family will be visible in the previous possessions compared to the property owned after becoming a customer/mudharib of Islamic Microfinance Usaha Gabungan Terpadu.

Research Methods

This study aims to find the model and performance characteristics of BMT UGT based on its function as baitul maal and baitul tamwil. This is in accordance with the vision, mission, and purpose of the establishment of Islamic Microfinance in its efforts to improve welfare and help grow the economy of small and medium-sized communities. This research uses a qualitative method with an interpretive paradigm to express/find truth in reality and reality that is encountered and felt by society. Truth will be obtained by asking directly and answered directly by informants (Iskandar, 2009: 3). Qualitative approach is a process of inquiry to understand human problems based on the creation of a holistic image formed in words, reporting the informant's views in detail and arranged in a scientific setting (Cresswell, 2007: 1). A qualitative approach is used to generate descriptive data about the actual situation information, speech, writings, and behaviour of the observed people (Guba & Lincoln, 1994: 110).

The interpretive paradigm is used to express meaning through the role of language, interpretation and understanding, based on the belief that human beings are social and symbolic creatures that shape and defend their reality (Adam, 2002: 44-48); Mphasis on what is expressed, understood, and perceived through informants' narrative and interpretation of the lives they perceive. In addition to the variety of language patterns used by informants in interpreting their life from the perspective of maqashid sharia, it is necessary to observe the behaviour of the daily life of the informant.

Type of research using primary data by conducting direct interviews there are research informants. Research using one case study by the uniqueness and uniqueness of the research subjects (Yin, 2009: 48-49). By the objectives and models of Yin research, five components of the case study are proposed, namely (1) research questions, (2) constructing propositions, (3) unit analysis, (4) logic that links data with propositions, and (5) interpreting the findings. These five components are used to answer research questions (Yin, 2009: 29). Key informants in this study are mudharib of Islamic Microfinance Usaha Gabungan Terpadu Sidogiri. The research was conducted in three places: BMT UGT headquarters in Sidogiri Village, Pasuruan, BMT UGT Probolinggo Branch, and BMT UGT Malang Branch.

JIEI (Jurnal Ilmiah Ekonomi Islam)
ISSN: 2477-6157; E-ISSN 2579-6534
Lembaga Penelitian dan Pengabdian Masyarakat (LPPM)
Institut Teknologi Bisnis AAS Indonesia
journal.jiei.aas@gmail.com

In qualitative research conducted based on the purpose (purposive sampling), with the criteria of informants selected intentionally (Creswell, 2007; Iskandar, 2009). The informant should be able to express a comprehensive picture of the experience of his involvement with the object of research (Burkholder, 2009). In qualitative one case study, the provisions of the number and sixes of informants used are not bound (Fachan, 2011; Milles &Huberman,1994). The number of informants depends on the complexity and diversity of the phenomenon under study. The number of final informants should be consistent, meet the research objectives, and develop as required in the study (Patton,2003). Data of key informants was obtained from the director of BMT UGT, the manager of the BMT UGT branch Malang, and the manager of the BMT UGT branch Probolinggo in Indonesia, with initials :

Table 1 List of Key Informan Mudharib

No	Name	Profession	Place/Town
1	KD	Businessman	Pasuruan
2	MM	Businessman	Malang
3	SM	Market Traders	Malang
4	AS	Market Traders	Malang
5	SH	Owner of a fishing boat /fish Traders	Probolinggo
6	SF	Fisherman	Probolinggo
7	MS	Farmers	Pasuruan
8	SY	Farmers	Probolinggo

Source: BMT UGT data

Mudharib/customers key informants were taken from three locations: Pasuruan, Probolinggo, and Malang in Indonesia. These three locations have different mudharib characteristics, so it is expected to support the accuracy of the research findings. Determination of mudharib informants was done with snowballs, while eventually some informants were proper to be key informants.

The first key informants, named KD and MM were entrepreneurs. They have received financing from the Islamic Microfinance Integrated Joint Venture several times because of their good credibility. His domicile is in Pasuruan and Malang. They are a businessman, KD as a public transport entrepreneur and MM as an iron sales entrepreneur. Loan funds are used for vehicle repairs and new vehicles. MM uses the funds for the development of its business capital. The fourth key informant, named MS, is domiciled in Malang. MS is a lecturer at a private university in Malang. MS has multiple businesses in the form of cleaning services, laundry, motorbike rental, procurement of security guards, marketing, restaurants, and hotels. Funds from the Islamic Microfinance Integrated Joint Venture were used to expand their business in the form of restaurants, cleaning services, and hotels. The following informants, named MS and SY, are domiciled in Pasuruan and Probolinggo. They have several times received financing for farming capital. The funding is used for land cultivation, planting, and harvesting. In addition, the funds were used to purchase seeds, tractor rental, and labour costs. Other informants named SH and SF are domiciled in Probolinggo.

SH and SF are successful fishermen in the fishing village of Mayangan. He was originally a fish trader in the market. Thanks to his persistence and financial assistance from the Integrated Joint Venture Islamic Microfinance, his business is growing rapidly. Now his business is growing rapidly with eight fishing vessels. The funds are used for working capital for the crew and selling fish to other areas, resulting in large profits.

JIEI (Jurnal Ilmiah Ekonomi Islam)
ISSN: 2477-6157; E-ISSN 2579-6534
Lembaga Penelitian dan Pengabdian Masyarakat (LPPM)
Institut Teknologi Bisnis AAS Indonesia
journal.jiei.aas@gmail.com

SM and AS are domiciled in Malang. SM is from the island of Madura and sells chicken with her husband at the market in Malang, while AS is a native of Malang. The funds are used to increase business capital for chickens and their children's businesses. Part of the income is kept in the Islamic Microfinance Integrated Joint Venture Malang Branch. The payment system is installment-based by cutting savings. SM and AS are also trusted as an Islamic Microfinance Integrated Joint Venture Malang Branch to coordinate city market traders in Malang.

Data analysis using a diagram as an interactive model developed by Miles & Huberman (1994:12) through the procedure of collecting data, data reduction, data presentation, and concluding. Further described in figure 1.

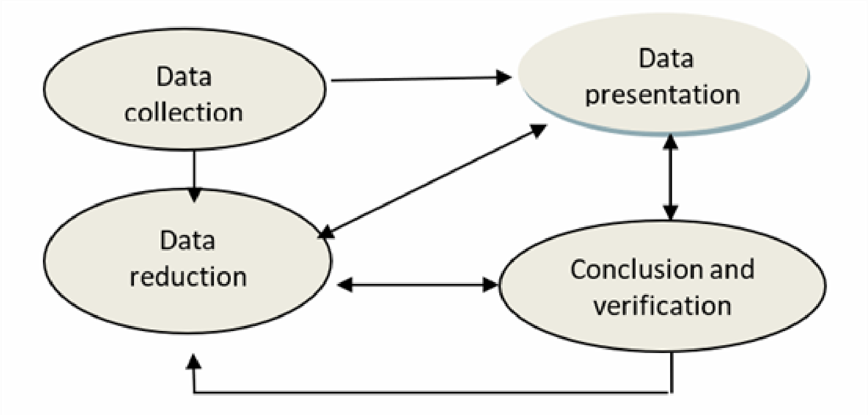

Figure 1 List of Major Informant Names
Source: Miles & Huberman (1994)

Results and Discussion

Pondok Pesantren Sidogiri is one of the oldest boarding schools in East Java. The boarding is hundreds of years age. Based on the manuscript written by K.A. Sa'doellah Nawawie in 1971, Pondok Pesantren Sidogiri has existed since 1745, which is then commemorated as the anniversary of Pondok Pesantren Sidogiri. In 2015, Pondok Pesantren Sidogiri commemorated its 270th birthday. In addition to teaching religious education, the students also receive entrepreneurship skills. Since 1961, K.A. Sa'doelah Nawawie, as the chairman of Pondok Pesantren Sidogiri, has pioneered the establishment of cooperatives as a container for the students to learn independence, entrepreneurship, and devotion. Cooperative business activities were initially only in the form of shops and grocery stores within the boarding environment that provided the daily needs. The existence of the business is also a learning tool for the students of Pondok Pesantren Sidogiri in understanding and introducing the sharia economic system.

BMT UGT was originally a Joint Venture based on the proposals of several alumni of madrasah dihiniyah to establish cooperatives that have a wider scope outside the territory of East Java. The alumni of Islamic Boarding School Sidogiri who live outside Pasuruan supported this. Finally, on July 22, 2000, the establishment of a unit of BMT HTG cooperatives Joint Venture Sidogiri was held on Jalan Asem Mulyo 48 C, Surabaya. The name of the Integrated Joint Venture was used by many of the founders of alumni founders.

This BMT UGT first ran its business in the city of Surabaya on 5 Rabiul Awal 1421 H / 6 June 2000 AD. The central office is located in West Sidogiri Street RT.03. Rw. 02 Pasuruan City, 67151, East Java Province. The establishment was legalized by ownership of Legal Entity No: 09/BH/KWK/13/VII/2000, TDP: 132626500100, SIUP: 517/099/424.061/2003, and NPWP: 02.082.190.6-624.000.

The visions are (1) to build and develop a people economy with Islamic syariah base, (2) to realize ta'awun culture in kindness and piety in the social economy field. The mission of Islamic Microfinance Usaha Gabungan Terpadu is as follows: (1) to apply and socialize syariat Islam in economic activity, (2) inculcate understanding that the sharia system is fair, easy, and maslahah economy, (3) improve prosperity of ummah and members, (4) economy with STAF efforts (Shiddiq, Tabligh, Amanah, Fatonah). Ismail (2008) Neo-liberal development: impact of microfinance on poverty alleviation.

In its development in 2015, it had 12,901 members with assets of Rp1.8 trillion; Time Operating Results is Rp. 72 billion and a turnover of Rp. 16.8 trillion. The number of employees is 1,422, with 273 service offices spread all over Indonesia. This is a tremendous achievement for Islamic microfinance institutions, and Islamic Microfinance Usaha Gabungan Terpadu managed to become the largest Islamic Microfinance institution in Indonesia.

Research Finding

The research findings on the performance of BMT UGT according to Mudharib are as follows.

Ad-Dien. Financing provided by the Integrated Islamic Microfinance Enterprises affects mudharib in the ad-Dien aspect, thereby increasing the value of mudharib's belief because he feels free from the clutches of usury. Mudharib feels that his level of faith is increasing with a sense of gratitude for Allah's gifts, more trust, and more diligence in worship. Other informants also mentioned that the increase in family economy has enabled them to perform prayers more solemnly, on time, and perform other sunnah prayers. Increased welfare has enabled them to perform the Hajj pilgrimage and give alms to orphans.

An-Nafs. The financing provided by BMT UGT was felt by the mudharib in the an-nafs aspect. The informants felt that their economy had improved compared to before. The community had more respect and trust in them to occupy certain positions in their environment. The informants felt that the increasing economy helped establish social relations with the community. Other informants said that the improving economic conditions made them more confident in socializing, having a higher position, and being respected. Self-confidence increased, thus providing a sense of happiness, confidence, and comfort for the informants.

Al-'Aql. The financing provided by Islamic Microfinance Usaha Gabungan Terpadu affects mudharib in the al-'aql aspect. The informants felt that economic improvements influenced the change of mindset related to their children's education level at the university level. This affects them in making the budget planning for their children's education since primary school. Paradigm change is evidenced by the effort to set aside special funds for the cost of education insurance, savings, and buying shares in Islamic Microfinance Usaha Gabungan Terpadu.

An-Nasl. The financing provided by BMT UGT has an impact on mudharib in the an-nasl aspect. The informants felt that their economy had increased, increasing awareness of healthy lifestyles and the availability of health costs. Changes were seen in the condition of the informants' houses. Initially, their houses were very simple; some rented houses or stayed with their in-laws. However, currently the informants could build liveable houses, meet the need for nutritious food, with a healthy environment, and the availability of funds for medical treatment to doctors and hospital costs.

Al-Mal. Funding provided by BMT UGT affects mudharib in the al-mall aspect. The changes were felt by informants from the ownership of other valuables. Along with the increasing economy, the amount of property ownership increased. Previously, they had nothing; after that, they had a house, a car, a motorbike, jewellery, a fishing boat, and a growing business so that the family's needs were met. The increasing economy affected the increase in informants' property so that they could enjoy several luxury facilities.

Meanwhile, the aspect of maqashid sharia is fulfillment of daruriyat, meaning that the main needs (primary) must be fulfilled so as not to disturb the existence of human life. Data indicate the fulfilment of the needs of the daruriyat I as follows: (1) ad-dien aspect, performing five-time worship, the more khusyu' prayers, timely prayer, the penance of nasuha' is the main obligation that mudharib must perform that demonstrates their increased faith 2) aspects of an-nasl, being personified, positioned, deemed well established, respected and respected is the main thing for the happiness of the mind (soul) of mudharib, (3) aspects of an-'aql, planning and preparing education fund in the form of stock purchasing, and saving is the main requirement for continuation of school of mudharib's children up to university, (4) aspect of an-nasl, healthy house condition and family health level both the main need to improve the healthy lifestyle of the family for the mudharib, (5) aspect of al-mall, the fulfilment of family needs and growing business is a major requirement in the life of mudarib.

Maqashid sharia aspect in fulfilment of hajiyyat, meaning fulfilment of secondary need whose purpose is life support in eliminating difficulties and obstacles faced by mudharib. The fulfilment of hajiyyat needs based on the data is as follows: (1) Ad-dien aspect, when mudharib is more trustworthy, surrender, meaningful life, grateful and always pray for God's grace (2) aspect of an-nafs, economic improvement facilitate mudharib in socializing with the community, self-confidence is a secondary need perceived mudharib in meeting the needs of mind/soul, (3) aspects of al-'aql, the existence of awareness in setting aside funds early for cost (4) aspects of an-nasl, and nutrition are secondary needs that have been met, (5) aspects of al-mall, when mudarib has other businesses that support his life.

An aspect of maqashid sharia in the fulfilment of tahsiniyat means the fulfilment of tertiary needs with the purpose of completing the perfection of the mudarib's life. Data show that the fulfilment of tahsiniyat is as follows: (1) aspects of Ad-dien, mudharib can perform pilgrimage, infaq, and shadaqah to orphans. (2) Aspect of an-nafs, mudharib's ability to provide financial support and donation of activities in his environment, (3) aspects of al-'aql, mudharib's ability to fund his children's education to college, (4) aspects of an-nasl, availability of funds to seek treatment from doctors, health canters, and hospitals. (5) aspect of al-mall, appears on the ownership of mudharib's property in the form of: houses, vehicles, fishing boats, cars, and jewellery.

The use of analytical tools with maqashid sharia perspectives is by the development of maqashid sharia law contained in the verses of al-quran. The nature of the law is not static; it is always moving and changing, following the wheel of life. Thus, maqashid sharia and maslahat as a source of Islamic law are important to be developed, because humans have material and spiritual needs. According to Chapra (2000: 13), their true happiness depends on a balanced fulfilment between the two. Fulfillment of material needs alone does not make people feel completely fulfilled. Happiness as a lust of al-muthmainnah is a function of material and spiritual welfare contained in maqashid sharia.

This research is different from previous financial institution performance research, for it uses the perspective of maqashid syaria based on interpreted mudharib. Some of these differences are an update in this study. In Indonesia, Islamic Microfinance is regulated in law No.1(1) of 2013 are Islamic Microfinance functions to provide business development services and community empowerment, either through loans or financing in micro-scale businesses to members and the community, savings management, as well as providing business development consulting services that are not solely for profit. The present research develops the welfare concept in the Maqashid Syaria perspective, which is implemented by Islamic norms.

JIEI (Jurnal Ilmiah Ekonomi Islam)
ISSN: 2477-6157; E-ISSN 2579-6534
Lembaga Penelitian dan Pengabdian Masyarakat (LPPM)
Institut Teknologi Bisnis AAS Indonesia
journal.jiei.aas@gmail.com

The results of this study empirically prove that mudharib feel an increase in welfare after becoming a customer of Islamic Microfinance UGT Sidogiri. This shows that the dual functions of Baitul Maal and Baitul Tamwil have been carried out well because they are able to improve the welfare of the mudharib. This is the opinion of Triyuwono (2006: 12), regarding the performance assessment of Islamic financial institutions, which needs consideration of the elements of material and non-material. Assessment of the success of sharia financial institutions should be Sharia-based and guided by Al-Quran and Hadith (Khan & Bhatti, 2008). In addition, in running the business, this institution must be responsible to God and beneficial to society. Performance appraisal results with Maqashid Syaria perspectives need to be conducted and developed to analyze the existence of other Sharia financial institutions.

Implication of Research Finding

In the discussion of research results, theoretical and practical implications are presented. Practical implications are in the form of a BMT UGT performance model based on the perspective of maqashid sharia. Theoretical implications are in the form of a performance model of Islamic financial institutions that can be used for recommendations for measuring the performance of similar businesses.

Practical Implications

Practical implications related to policies need to be considered by Sharia financial institutions, especially BMT UGT. Figure 2 describes the function of BMT UGT as baitul maal and baitul tamwil to improve mudharib's welfare with a perceptive of maqashid sharia. Findings reveal that Mudharib's perception of financing provided by BMT UGT could increase the economy of their family, so that the prosperity fulfilled the five aspects of the maqashid shariah (ad-Dien, an-Nafs, al-'Aql, an-Nasl, and al-Mal). The model and performance characteristics of BMT UGT are visualized as follows in Figure 2.

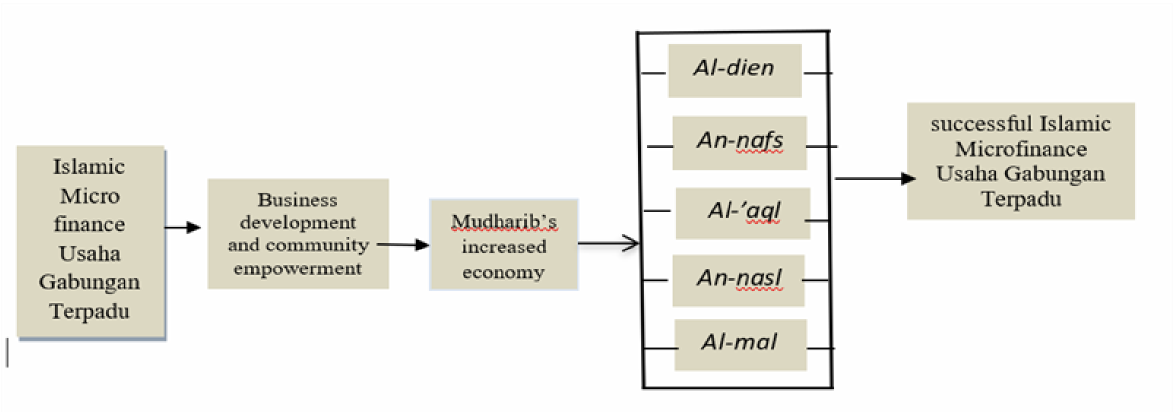

Figure 2 Characteristics of BMT UGT
Source: Research Contribution (Inayati, 2020)

Theoretical Implications

Theoretically, this study criticizes the previous performance assessment and contributes to the assessment of Islamic financial institutions from the welfare of the maqashid sharia perspective. Figure 3 shows the research contribution of the Baitul Maal Wat Tamwil performance model. As a sharia-based financial institution, it is mandatory to pay attention to the welfare of the mudharib and have good financial performance. The welfare of the mudharib must fulfil the five aspects of the maqashid sharia perspective (ad-

(Jurnal Ilmiah Ekonomi Islam)
ISSN: 2477-6157; E-ISSN 2579-6534
Lembaga Penelitian dan Pengabdian Masyarakat (LPPM)
Institut Teknologi Bisnis AAS Indonesia
journal.jiei.aas@gmail.com

dien, an-nafs, al-'aql, an-nasl, and al-mal), daruriyat, hajiyat, and tahsiniyat. BMT performance functions as a contribution from this research, which is visualized as follows.

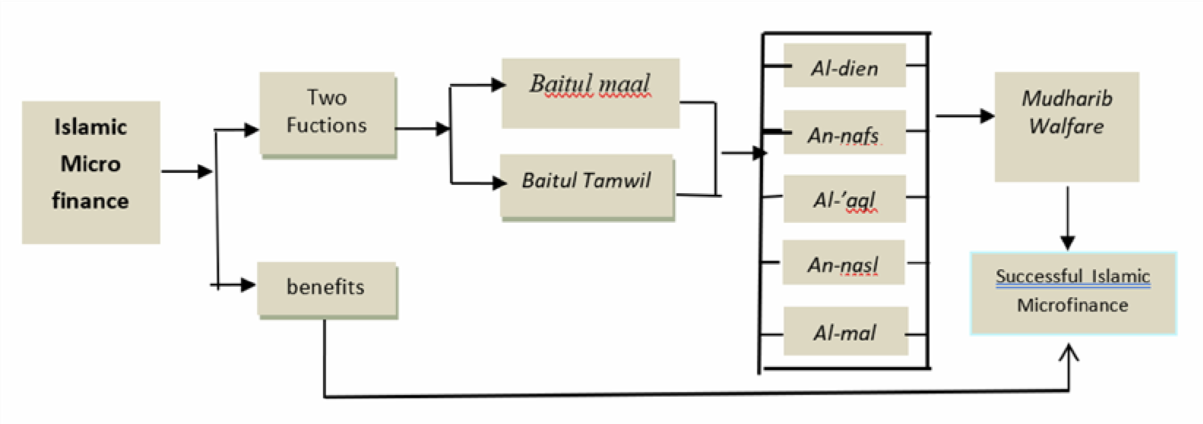

Figure 3 Model of Islamic Micro finance in Indonesia
Source: Research Contribution (Inayati, 2020)

References

Adam, R., dan Preis, J. 2002. Human Organization Research. London: Homewood, IL. Dorsey.
Aggarwal, Rajesh, K., dan Yousef, T. 2000. Islamic Banks and Investment Financing. Journal of Money, Credit and Banking . Volume: 32 no: 1 hal: 93-120. Blackweel Publishing.
Al Ghazali, A.H. 1971. Syifa' Al-Ghalil Fi Bayan Al-Syibh wa Al-Mukhil wa Masalik Al-Ta'lil. Baghdad: Mathba'at Al-Irsyad.
Al Syathibi, A. 1982 H. Al-Muwafaqad fi Ushul al-Ahkam I. Dar al-Fik. tt. Al-Muwafaqad fi Ushul al-Ahkam II. Beirut: Dar al-Fikr
Bakhri, M.S. 2011. Islamic Economic Success in Islamic Boarding Schools. Pasuruan: Publisher Cipta.
Chapra, M.U. 2000. Toward A Just Monetary System. UK: The Islamic Foundation.
Chapra, M.U. 2009. The Islamic Vision of Development in the Light of Maqasid Al-Shari'ah. Jeddah: International Institute of Islamic Thought.
Creswell, J.W. 2007. Qualitative Inquiry and Research Design, Choosing Among Five Approaches. California: Sage Publication,Inc.
Dahlan, A. 1996. Ensiklopedi Hukum Islam. Jakarta: PT. Ichtiar Baru Van Hoeve.
Guba, E.G., & Lincoln, Y.,S. 1994. Handbook of Qualitative Research: Competing Paradigms in Qualitative Research. London: Sage Publication, International Educational and Professional Publisher.
Haniffa, Roszaini & Hudaib, M. 2007. Exploring The Ethical Identity of Islamic Banks via Communication in Annual report. Journal Of Business Ethics. Volume: 22 no:2 hal: 97-116.
Imaniyati, N.S. 2010. Aspek-Aspek Hukum Baitul Maal wat Tamwil. Bandung: PT. Citra Aditya Bakti.
Khan, M.M., dan Bhatti, M.I. 2008. Developments In Islamic Banking: The Case of Pakistan. Palgrave Macmillan Studies in Banking and Financial Institutions. England: Macmillan Distribution Ltd.
Miles, M.B., & Huberman, A.M. 1994. Qualitative Data Analysis. London: Sage Publication.
Mulyatwan, E. & Ridwan, N. 2004. Negeri ini Hancur karena Riba. Sabili. Edisi 13. XI. 13 Januari 2004. Jakarta.

Patton, E., dan Appelbaum, S.H. 2003. The Case for Case Studies in Management Research. Journal Emerald. Volume: 26 no: 5 Hal: 60-71.

Triyuwono, I. 2005. Sistem Penilaian Tingkat Kesehatan (TKS) Bank Syari'ah. Makalah Seminar Ekonomi dan Keuangan Islam. Kuala Lumpur: Universitas Utara Malaysia.

Usmani, M. 2000. An Introduction to Islamic Finance. Idaratul Ma'arif. Pakistan: Karachi.

Vijeta Sight and Pudja Padhi. 2019. Factors Influencing Outreach Performance of Microfinance Sector in India. Asia Pasific Journal Of Management Research and Inovation. Volume: 15. Issue 4.

Yin, R.K. 2009. Case Study Research. Design and Methods. Beverly Hills: Sage Publication. London.

Zallum, Q. 1983. Al Amwal Fi Daulah Al Khilafah. Beirut : Darul 'Ilmi lil Malayin.

Zuhaili, W. 1986. Al-Usul Al-Figh Al-Islamiyah Damasqus. Beirut: Dar Al-Fikr.