



The Influence of *Spirituality* on the Development of Financial Institutions at BMT Peta Jombang Branch

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ABSTRACT

Islamic financial institutions are financial institutions that work according to the concept of sharia with the principle of profit lost sharing as the main method. This study aims to determine the influence of spirituality on BMT PETA Jombang Branch. This study tries to determine the extent of spiritual influence on BMT PETA Jombang Branch. This study aims to analyze the influence of the variables Spirituality (X) and Microfinance Institutions (Y). In this study, data were collected through a questionnaire method by distributing Likert-scale questionnaires to 70 respondents of BMT PETA Jombang Branch customers. Then an analysis of the data obtained was carried out using quantitative methods. The quantitative analysis used includes validity tests and reliability tests. The data analysis technique used is a simple linear regression test which functions to prove the research hypothesis. From the results of the analysis, it is known that the independent variables have a positive effect on the dependent variable.

Keywords: *Spirituality, Microfinance Institutions.*

INTRODUCTION

Financial institutions are one of the main pillars of national development. The main and most important target of financial institutions is economic development, this is an integral and inseparable part of national development (Putri and Rachmawati 2022). MFIs are institutions that provide financial services to micro entrepreneurs and low-income communities, both formal, semi-formal, and informal (Dewi 2017). Microfinance Institutions are financial institutions established specifically to provide business development and community empowerment services, either through loans or micro-scale business financing to members and the community, managing savings, and providing business development consulting services that are not solely for profit (Simatupang and Putra 2019).

Spirituality is "the mobilization of all spiritual potential in human beings that must be subject to the provisions of the Shari'a in seeing all forms of reality both in the empirical world and in the spiritual world" (Dodi 2018). Spirituality in the workplace is one of the efforts that organizations and managers can make to improve employee performance and productivity to achieve organizational goals and create a healthy work environment and additional roles for employees.

Microfinance Institutions (MFIs) are financial and financing institutions that are established and jointly owned by community members, both those gathered in the community, to solve the problems/constraints of capital and funding needs faced by its members (Sapudin, Najib, and Djohar 2017). Baitul Maal Waa tamwil (BMT) is an institution consisting of two terms, namely *baitul maal* and *baitul Tamwil* (Rohman, Laila, and Shofawati 2022). The focus of BMT's work in conception is to serve the lower class consisting of the near poor, poor to the *poorest of the poor* through capital assistance and empowerment to improve economic, social, and spiritual welfare. KSPPS BMT PETA is a financial institution whose operations are based on sharia principles and on the basis of family principles. The cooperative is given the mandate to use these funds, so the cooperative provides profit sharing or bonuses to savers in accordance with the income earned by the cooperative (Tanjung and Novizas 2023). Therefore, with the establishment of KSPPS BMT PETA can strengthen the Islamic relationship by using Allah's sharia correctly and prevent Muslims from being entangled in loan sharks and the dangers of usury.

From the explanation above, the purpose of this study is to determine the effect of *spirituality* on the development of financial institutions in BMT. Thus, the importance of research with the title "The Effect of *Spirituality* on the Development of Financial Institutions at BMT PETA Jombang Branch.

METHOD

The method used in this research is quantitative method. Quantitative method is research by examining how much influence the independent variable has on the dependent variable (Djollong 2014). The population used is all employees and customers at BMT PETA Jombang Branch, while the data collection technique uses distributing questionnaires with a sample size of 70 respondents measured using a Likert scale. Then the results of the questionnaire will be tabulated and analyzed using simple linear regression.

RESULT AND DISCUSSION

Validity Test

The validity test is carried out by looking at the calculated r value compared to the r table. If r count is greater than r table (with a significance level of 5%), then the question item is declared valid (Hidayat 2021).

Table 1 Spirituality Variable Validity Test Results (X)

Question Item	r Count	r Table	Description
X1	0,729	0,231	Valid
X2	0,770		
X3	0,794		
X4	0,752		
X5	0,695		
X6	0,836		
X7	0,850		
X8	0,814		
X9	0,834		
X10	0,805		
X11	0,829		
X12	0,786		

Source: Primary data processed (2024)

Table 2 Results of the Validity Test of the Financial Institution Development Variable (Y)

Question Item	r Count	r Table	Description
Y1	0,824	0,231	Valid
Y2	0,758		
Y3	0,838		
Y4	0,726		
Y5	0,777		
Y6	0,743		
Y7	0,617		
Y8	0,743		
Y9	0,846		
Y10	0,794		
Y11	0,801		
Y12	0,833		

Source: Primary data processed (2024)

Table 3 Reliability Test Results

Variables	Cronbach Alpha		Description
X	0,957	0,60	Reliable
Y	0,954		Reliable

Source: Primary data processed (2024)

From the results of the validity test calculations that have been carried out, 12 question items of the spirituality variable (X) are valid, because the total number of $r_{count} > r_{table}$. While the 12 question items of the financial institution development variable (Y) are valid so, it can be concluded that the questionnaire data used in the study is representative. Thus, the data used in the overall variable. The reliability test is used to measure the reliability of a questionnaire which is an indicator of the research variable. A variable is said to be reliable if the Cronbach alpha (α) value is > 0.60 (Liana 2009). Based on the results of the reliability test that has been carried out, it is known that the *Cronbach's alpha* value of the spirituality variable (X) is 0.957 and the financial institution development variable (Y) is 0.954, which value is greater than 0.60. So, the questionnaire is said to be reliable.

Simple Linear Regression Analysis

Simple Linear Regression is a regression that has one dependent variable and one independent variable. This regression is used to determine whether the independent variable affects the dependent variable. Which if the significant value < 0.05 then it means that the independent variable has an effect on the dependent variable (Rahardjo 2017).

From the test results above, it is interpreted that the constant value of the spirituality variable is 9.326, while the regression coefficient X is 0.791 which means that every 1% addition to spirituality. Therefore, the value of financial institution development will increase by 0.791. The regression coefficient is positive, so it can be said that the influence of the spiritual variable on the financial institution development variable has a positive direction.

Based on the determination test table above, the correlation or relationship value (R) is 0.853. It is known that the coefficient of determination or *R Square* is 0.727, which means that the influence of the independent variable, namely spirituality, on the dependent variable, namely the development of financial institutions, is 72.7%. Therefore, spirituality and its indicators have an influence on the development of financial institutions. This is also evidenced by seeing the state of BMT PETA customers in Jombang branch which continues to increase.

From the hypothesis results above, it can be decided that the simple linear regression test in this study is as follows:

- a. Based on the significance value of the coefficient table, the significance value is $0.000 < 0.05$, it can be concluded that H_0 rejected and H_a accepted, which means that there is an influence between the spirituality variable (X) significantly on the financial institution development variable (Y) at BMT PETA Jombang Branch.
- b. Based on the t value, it is known that the t value is $13.660 > t_{table}$ of 2.291, so it is concluded that the spirituality variable (X) has a positive effect on the financial institution development variable (Y) at BMT PETA Jombang Branch.

Table 4 Coefficient Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	9.326	2.886		3.231	.002
Spirituality	.791	.058	.853	13.660	.000

a. Dependent Variable: Financial Institution Development

Source: Primary data processed (2024)

Table 5 Determination Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.853 ^a	.727	.723	4.348

a. Predictors: (Constant), Spirituality

Source: Primary data processed (2024)

Discussion Spirituality

Spiritual from the word spirit which has several meanings including, "spirit, soul, spirit, soul, mental, inner, spiritual and religious" (Shobir 2020). In the dictionary of psychology, spirit is a substance or immaterial being, usually divine in nature according to the original which is given the nature of many human characteristics, strength, energy, spirit, vitality energy disposition, morale or motivation (Dodi 2018). Spirituality is the human search for the purpose and meaning of life experiences (Hijriah 2016).

A person's spirituality is inseparable from the influence of demographic factors including the stage of individual development, culture, family, religion, and life experiences experienced by a person (Syaiful and Bahar 2016). According to Milliman, Czaplewski, and Ferguson (2003) spirituality in the workplace includes the personal level (*meaningful work*), the community level (feeling connected to the community or *sense of community*), and the organizational level (upholding and maintaining personal values and *alignment* with organizational *values*) (Yogatama and Widyaningrum 2015).

As according to Kamil et al., in (Nikmah and Mas'ud 2021) divides the Islamic spirituality section into four parts:

- a. Belief in Allah. The existence of faith or belief in God will encourage individuals to work or carry out tasks in the right way which will have an effect on increasing satisfaction and strengthening commitment, with faith in God will encourage individuals to remain in the organization and reduce concerns about the costs that will arise when individuals leave the organization.
- b. Ritual or Worship. Rituals or worship of Allah SWT carried out by a Muslim is one of spirituality. Worship or rituals performed by individuals will form a correlation between individuals and Allah SWT, and can have an impact in making decisions.
- c. Remembering Allah. Remembering Allah or dhikr in the workplace explains the relationship between individuals and Allah which is great and will result in getting Allah's help in making decisions in the organization.
- d. Forgiving Behavior. Forgiving behavior is an attitude that leads to a sense of tolerance and forgets about guilt and repays bad deeds with kindness to expect the pleasure of Allah.

Microfinance Institutions

Islamic financial institutions are financial institutions that work according to the concept of sharia with the principle of *profit lost sharing* as the main method. The structure of Islamic financial institutions is grouped into Islamic commercial banks, Islamic BPR, Islamic insurance and Baitul mal wa tamwil. However, in terms of the principles and instruments used by the Islamic financial institutions mentioned above, there are no fundamental differences, only in the operational area (Rusydia and Firmansyah 2018). The definition of microfinance is the provision of financial products/services such as microcredit, micro-savings, micro-transfers, and micro-insurance on a sustainable basis to the poor and marginalized. In addition, the distinctive feature of microfinance is that it prioritizes a personal approach such as a ball pickup system or meeting customers directly (Rohman et al. 2022).

Microfinance Institutions (MFIs) in accordance with Law No. 1 of 2013 are financial institutions specifically established to provide business development and community empowerment services, both through loans or financing in micro-scale businesses to members and the community, management of savings, and provision of business development consulting services that are not solely for profit (Rusydia and Firmansyah 2018). Slowly the world of Islamic banking in Indonesia began to develop by showing an increase. The increase is seen from the following indicators, namely the amount of assets, profit for the year, third party funds, and financing. These indicators are part of the main growth of Islamic banks (Putri and Rachmawati 2022).

Baitul Mal wat Tamwil (BMT)

Legally BMT umbrella on cooperatives but the operational system is not much different from the Bank Syari'ah so that the products that develop in BMT like what is in the Bank Syari'ah. Because the legal entity of the cooperative, then BMT should be subject to the Act No. 25 of 1992 on Cooperatives and PP No. 9 of 1995 on the implementation of savings and loan business by the Cooperative. It is also emphasized by KEP.MEN Number 91 of 2004 concerning Shari'ah Financial Services Cooperatives. The law is the umbrella for the establishment of BMT (Shari'ah Microfinance Institution) (Imaniyati and BAKTI 2010).

Islamic-Based Non-Bank Financial Institutions or KSPPS BMT PETA which was established by Pondok Pesantren Pesulukan Agung Tulungagung to strengthen the economy of the congregation, according to KH. M. Sholachuddin Abdul Djalil Mustaqim as Guru Mursyid / SULTAN / Caretaker of Pondok Pesantren PETA. Which is the establishment of this BMT to create a growing economy, so that later it will be very beneficial in the lives of PETA cottage congregants and the wider community in general.

KSPPS BMT PETA is a financial institution whose operations are based on sharia principles and family principles. The cooperative is entrusted to use the funds, then the cooperative provides profit sharing or bonuses to the depositor in accordance with the income earned by the cooperative (Riyanto, Niâ, and El Muna 2021). Therefore, with the establishment of KSPPS BMT PETA, it can strengthen the Islamic relationship by using Allah's sharia correctly and prevent Muslims from being ensnared by loan sharks and the dangers of usury.

CONCLUSIONS

Based on the results of the data calculations carried out above, researchers can conclude that there is a significant positive effect of spirituality on the development of financial institutions in the Jombang branch of BMT Peta. These results can be proven by simple linear regression tests on the results of the correlation or relationship value (R) of 0.853. It can be known that the value of the coefficient of determination or *R Square* is 0.727, which means that the magnitude of the influence of spirituality on the development of financial institutions is 72.7%, while 27.3% is influenced by other variables not included in the model testing, as for the variables of 27.3% can be from Islamic work ethics, work motivation to employee discipline, and organizational commitment. Suggestions for leaders and employees, will further maintain and pay attention to the value of spirituality that is carried out, because it plays a positive role in the development of financial institutions, especially in BMT Peta Jombang Branch.

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