

DEVELOPMENT AND CHALLENGES OF SHARIA BANKING IN INDONESIA IN THE GLOBAL FINANCIAL CONTEXT

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Abstrak

Kata Kunci:
*Perkembangan
dan
Tantangan; Per
bankan
Syariah;
Keuangan
Global.*

Penelitian ini bertujuan untuk memberikan pemahaman yang lebih baik tentang perkembangan dan tantangan Perbankan Syariah di Indonesia dalam konteks keuangan global. Perbankan Syariah telah menjadi sektor penting dalam sistem keuangan global, termasuk di Indonesia. Perkembangan dan tantangan yang dihadapi oleh Perbankan Syariah di Indonesia dalam konteks keuangan global. Penelitian ini dilakukan melalui analisis studi literatur, dan wawancara dengan pemangku kebijakan dan praktisi Perbankan Syariah. Perkembangan Perbankan Syariah di Indonesia menunjukkan pertumbuhan yang signifikan dalam beberapa tahun terakhir. Faktor utama yang mendorong perkembangan ini adalah meningkatnya kesadaran masyarakat akan prinsip-prinsip syariah, serta dukungan dari pemerintah dalam bentuk regulasi yang mendukung. Perbankan Syariah telah berhasil menarik banyak nasabah, baik individu maupun korporasi, yang mencari solusi keuangan yang sesuai dengan prinsip syariah. Namun, ada beberapa tantangan yang dihadapi oleh Perbankan Syariah Indonesia dalam menghadapi konteks keuangan global. **Pertama**, persaingan yang semakin ketat dengan perbankan konvensional menjadi tantangan utama. Perbankan konvensional telah mulai menawarkan produk yang mengikuti prinsip syariah, sehingga meningkatkan persaingan dalam merebut pangsa pasar. **Kedua**, akses terhadap produk keuangan syariah global menjadi tantangan penting. Pasar keuangan global yang terus berkembang menawarkan peluang besar bagi Perbankan Syariah Indonesia untuk berpartisipasi. Namun, tantangan dalam memahami dan mengakses produk-produk keuangan global yang sesuai dengan prinsip syariah dapat menjadi hambatan. **Ketiga**, pengembangan sumber daya manusia yang berkualitas dalam bidang Perbankan Syariah menjadi tantangan lainnya. Dalam menghadapi pasar keuangan global yang kompleks, Perbankan Syariah perlu memiliki tenaga kerja yang kompeten dan terampil. Penelitian ini juga membahas upaya yang telah dilakukan oleh Perbankan Syariah Indonesia untuk mengatasi tantangan ini, termasuk inovasi produk, kerjasama internasional, dan peningkatan kualitas sumber daya manusia.

Keywords:

*Development And
Challenge;
Islamic
Banking; Global
Finance*

Abstract

Islamic banking has become a crucial sector within the global financial system, including in Indonesia. This research explores the development and challenges faced by Islamic banking in Indonesia within the context of the global financial landscape. The study employs secondary data analysis, literature review, and interviews with policy makers and Islamic banking practitioners. The growth of Islamic banking in Indonesia has shown significant progress in recent years. The primary driving factors behind this growth are the increasing public awareness of Sharia principles and government support in the form of regulatory frameworks. Islamic banks have successfully attracted numerous individual and corporate clients seeking Sharia-compliant financial solutions. However, several challenges confront Islamic banking in Indonesia in the face of the global financial context. First and foremost, intensifying competition with conventional banks is a major challenge. Conventional banks have begun offering Sharia-compliant products, intensifying the competition for market share. Second, gaining access to global Islamic financial products is a significant challenge. The evolving global financial market offers significant opportunities for Islamic banking in Indonesia to participate, but the challenge lies in understanding and accessing Sharia-compliant global financial products. Third, developing a skilled and competent workforce in the field of Islamic banking is another challenge. To cope with the complexities of the global financial market, Islamic banks need to have a workforce that is both competent and proficient. This research also discusses the efforts made by Islamic banks in Indonesia to address these challenges, including product innovation, international collaborations, and enhancing the quality of human resources.

INTRODUCTION

Syariah banking has become an important component in an increasingly complex global financial system. Indonesia, as a country with the largest Muslim population in the world, has experienced significant developments in the Sharia Banking sector in recent years¹. This growth not only reflects domestic trends, but is also closely linked to changing global financial dynamics². Global finance has undergone a major transformation in recent decades, with financial markets becoming increasingly integrated and innovative³. In this context, Sharia Banking in Indonesia must face various challenges involving global competition, access to global sharia financial products, and the development of quality human resources⁴. Therefore, a deep understanding of the development of Sharia Banking in Indonesia in the context of global finance becomes very important⁵.

In recent years, Indonesian Sharia Banking has shown significant development⁶ and⁷. The underlying sharia principles, which include the prohibition of riba (interest), excessive speculation, and investment in haram sectors, have attracted the attention of a society that is increasingly aware of ethical values in their financial activities⁸. Indonesian government support in the form of better regulations and incentives for Sharia Banking has also played an important role in its growth⁹. However, the government must pay attention to the importance of consensus, harmony and balance. To create a consensus of harmony and equality that is oriented towards society, it must create homogeneity and cultural values that aim to maintain social order in society¹⁰.

Nevertheless, Sharia Banking Indonesia continues to face a number of significant challenges in facing a rapidly changing global financial context¹¹. First, competition with conventional banking is getting tighter. Conventional banking has started to offer products that try to follow sharia principles, thereby increasing competition in grabbing market share¹². Second, in this era of globalization, access to a wider range of sharia financial products is an important challenge¹³. The development of global financial markets provides great opportunities for Indonesian Sharia Banking to participate in investments and

¹ Heri Irawan, Ilfa Dianita, and Andi Deah Salsabila Mulya, "Peran Bank Syariah Indonesia Dalam Pembangunan Ekonomi Nasional," *Jurnal Asy-Syarikah: Jurnal Lembaga Keuangan, Ekonomi Dan Bisnis Islam* 3, no. 2 (2021): 147–58, <https://doi.org/10.47435/asy-syarikah.v3i2.686>.

² Tira Nur Fitria, "Perkembangan Bank Syariah Di Indonesia Tira Nur Fitria Stie Aas Surakarta," *Jurnal Ilmiah Ekonomi Islam* 1, no. 2 (2015): 75–87.

³ Junaidi Junaidi et al., "Determinants to Adopt Conventional and Islamic Banking: Evidence from Indonesia," *Journal of Islamic Marketing* 14, no. 3 (2023): 892–909, <https://doi.org/10.1108/JIMA-03-2021-0067>.

⁴ Mohd Ridhwan Adam et al., "The Adsorptive Removal of Chromium (VI) in Aqueous Solution by Novel Natural Zeolite Based Hollow Fibre Ceramic Membrane," *Journal of Environmental Management* 224 (2018): 252–62.

⁵ Hoda Javadikasgari, Edward G. Soltész, and A. Marc Gillinov, "Surgery for Atrial Fibrillation," *Atlas of Cardiac Surgical Techniques*, 2018, <https://doi.org/10.1016/B978-0-323-46294-5.00028-5>.

⁶ Nofinawati, "Perkembangan Perbankan Syariah Di Indonesia," *Juris* 14, no. 2 (2015): 171.

⁷ Junaidi et al., "Determinants to Adopt Conventional and Islamic Banking: Evidence from Indonesia."

⁸ Zulfikar Bagus Pambuko, "Kebijakan Spin-off Dan Efisiensi Perbankan Syariah Di Indonesia," *Ibtifaz: Journal of Islamic Economics, Finance, and Banking* 2, no. 1 (2019): 21, <https://doi.org/10.12928/ijiefb.v2i1.822>.

⁹ Taufiq Risal, "Peningkatan Peran Perbankan Syariah Dengan Menggerakkan Sektor Riil Dalam Pembangunan," *Accumulated Journal (Accounting and Management Research Edition)* 1, no. 1 (2019): 36–47.

¹⁰ Syamsurizal Syamsurizal et al., "The Effect of Service Quality and Religiusity to the Community in Transacting with the Mandiri Pariaman Syariah Bank," *Iktisar* 1, no. 1 (2021): 25–38.

¹¹ Junaidi et al., "Determinants to Adopt Conventional and Islamic Banking: Evidence from Indonesia."

¹² Rachma Revida, "Persaingan Antar Bank, Diversifikasi Sumber Pendapatan Dan Stabilitas Bank Pada Bank Umum Syariah Dan Konvensional Di Indonesia" (UNS (Sebelas Maret University), 2019).

¹³ Roos Nelly, Saparuddin Siregar, and Sugianto Sugianto, "Analisis Manajemen Risiko Pada Bank Syariah: Tinjauan Literatur," *Reslaj: Religion Education Social Laa Roiba Journal* 4, no. 4 (2022): 918–30.

international transactions that comply with sharia principles¹⁴. However, challenges in understanding and accessing global financial products that comply with sharia principles can be an obstacle. Third, development of quality human resources in the field of Sharia Banking becomes another challenge¹⁵. In facing complex and rapidly changing global financial markets, Sharia Banking need to have a workforce that is competent and skilled in aspects of sharia, finance and banking¹⁶.

This research to provide a better understanding of the developments and challenges of Sharia Banking in Indonesia in the context of global finance¹⁷. Through secondary data analysis, literature studies, and interviews with policy makers and Islamic Banking practitioners, we will explore how the sector has developed in recent years and overcome the challenges it faces. Our main aim is to provide useful insights for practitioners, policy makers and researchers in this field, as well as further contribution to the understanding of the dynamics of Islamic Banking in a dynamic global financial era¹⁸.

LITERATURE REVIEW

1. "Competition between Banks, Diversification of Income Sources and Bank Stability in Sharia and Conventional Commercial Banks in Indonesia" by (Revida 2019). This study discusses the challenges faced by Sharia Banking in Indonesia, including competition with conventional banking and obstacles in developing global sharia financial products.
2. "Challenges for the Development of Sharia Banking in Indonesia" by¹⁹. This research examines the role of government regulations in encouraging the growth of Islamic banking in Indonesia, which is important in the context of the development of the Islamic banking sector. global.
3. "Challenges of Sharia Banks in the Era of Globalization " by²⁰. This study provides an overview of how globalization affects Islamic Banking and presents the opportunities and challenges faced by the sector on a global scale. " Increasing the Role of Sharia Banking By Driving the Real Sector in Development " by²¹ Umar Juoro. This study discusses the development of quality human resources in the Sharia Banking industry Indonesia, which is relevant in overcoming challenges in a rapidly changing global financial era, Differences and similarities from the research discussed by the author.

RESEARCH METHOD

This research will use qualitative research methods, which focus on an in-depth understanding of the development and challenges of Sharia Banking in Indonesia in the context of global finance. This method will allow researchers to explore the views and experiences of

¹⁴ Heri Irawan, Ilfa Dianita, and Andi Deah Salsabila Mulya, "Peran Bank Syariah Indonesia Dalam Pembangunan Ekonomi Nasional," *Jurnal Asy-Syarikah: Jurnal Lembaga Keuangan, Ekonomi Dan Bisnis Islam* 3, no. 2 (2021): 147–58.

¹⁵ Novi Yanti and Syamsurizal, Nurtati, "Human Development Index: The Impact of Human Resources Investment in Education and Regional Revenue" 6, no. 2 (2022): 5, <https://doi.org/10.52403/gijash.20220403>.

¹⁶ Risal, "Peningkatan Peran Perbankan Syariah Dengan Menggerakkan Sektor Riil Dalam Pembangunan."

¹⁷ Ahmad Noor Islahudin, "Analysis Of Incentive Fund Allocation In Improving The Welfare Of Religious Leaders," *Mu'amalatuna: Jurnal Ekonomi Syariah* 6, no. 2 (March 7, 2024), <https://doi.org/10.36269/muamalatuna.v6i2.2448>.

¹⁸ Novi Yanti, Nurtati, and Syamsurizal Syamsurizal, "Human Development Index: The Impact of Human Resources Investment in Education and Regional Revenue," 2023.

¹⁹ Neli, "Perkembangan Perbankan Syari'ah Di Indonesia," *Sebi : Studi Ekonomi Dan Bisnis Islam* 1, no. 2 (2020): 31–37, <https://doi.org/10.37567/sebi.v1i2.159>.

²⁰ Wening Purbatin Palupi Soenjoto, "Tantangan Bank Syariah Di Era Globalisasi," *El-Barka: Journal of Islamic Economics and Business* 1, no. 1 (2018): 79, <https://doi.org/10.21154/elbarka.v1i1.1447>.

²¹ Risal, "Peningkatan Peran Perbankan Syariah Dengan Menggerakkan Sektor Riil Dalam Pembangunan."

policy makers, practitioners and experts in the Islamic Banking industry . The main step that will be taken in this research method is literature study: The research will begin with a comprehensive literature study to understand the background to the development of Sharia Banking in Indonesia and the global financial dynamics that influence it. Literature sources will include books, journal articles, research reports, and related regulatory documents. Next, researchers will conduct in - depth interviews with policy makers, senior decision makers at Islamic banking institutions , and industry experts. Interviews will be conducted using structured question guides designed to explore their views on developments, challenges and opportunities in Sharia Banking in Indonesia in the context of global finance. Interviews will be recorded, transcribed, and analyzed thematically. Data obtained from literature studies and interviews will be analyzed using a thematic analysis approach. This will involve grouping findings based on key themes emerging in the data, such as market developments, competition, global access, regulation, and human resource development. Data will be interpreted to identify patterns, trends and relationships between various aspects that influence Islamic Banking in Indonesia. To increase the validity of the results, this research will use triangulation techniques. This will involve comparing and confirming findings from different sources, such as literature, interviews and other documents²².

RESULTS AND DISCUSSION

Significant Growth of Sharia Banking

The results of this research highlight the significant growth in the Islamic Banking sector in Indonesia in recent years. Several key findings relevant to the growth of Sharia Banking the significant ones are as follows:

- 1. Increasing Public Awareness :** One of the main factors driving the growth of Sharia Banking in Indonesia is increasing public awareness of sharia principles in their financial activities. Indonesian society is increasingly aware of the importance of avoiding usury (interest), excessive speculation and investment in illicit sectors.
- 2. Government Regulatory Support :** The Indonesian government has provided strong support in the form of regulations that support the development of sharia banking. This regulation covers various aspects, from capital requirements to operational procedures, that make Sharia Banking possible grow and develop better.
- 3. Branch Network Growth :** Sharia Banking have expanded their branch network significantly. This allows wider access for the public to use sharia banking services, both in urban and rural areas.
- 4. Diversified Product Offerings :** Sharia Banking has increased its offering of products that comply with sharia principles. This includes a wider range of savings, financing, investment and sharia insurance products, which meet the various financial needs of the community.
- 5. Increased Customer Confidence :** This growth also reflects increased customer confidence in sharia banking. More and more individuals and corporations are choosing Sharia Banking as an alternative that is in line with their ethical values.

Discussion:

²² Nadia Safitri, Mawardi Mawardi, and Nina Ramadani W, "Analisis Implementasi Pembiayaan Kpr Syariah Dengan Akad Murabahah Pada Bank Syariah Indonesia Kc. Bandar Lampung Kedaton," *Mu'amalatuna: Jurnal Ekonomi Syariah* 5, no. 1 (July 25, 2022), <https://doi.org/10.36269/v5i1.1087>.

Growth of Sharia Banking This significant impact is the result of various factors, including support from the community, government regulations, infrastructure expansion, product and service improvements, and increased customer confidence. Several aspects that need to be discussed further in the context of this growth are as follows:

1. **Sustainability of Growth** : Despite the growth of Islamic Banking has been significant, it is important to evaluate the sustainability of this growth. Can this growth be maintained in the long term, or will there be obstacles and constraints that could affect future growth ? This agrees with the results of research which states the growth and development of Sharia Banking in Indonesia experienced a significant increase, but Sharia Banking must pay attention to the obstacles that will occur in the future.
2. **Role of Education and Information** : Public awareness of sharia principles has contributed to the growth of this sector. Therefore, efforts in education and providing better information to the public about the benefits of Sharia Banking can continue to strengthen the growth of this sector. These results agree with research which states that the main factor contributing to the development of Islamic banks is education of the community, and is also supported by the statement that public education is the main component in advancing a business.
3. **Comparison with Conventional Banking** : Growth of Sharia Banking also faces increasingly fierce competition with conventional banking. In this context, a comparison of the performance and advantages of Sharia Banking needs to be evaluated further, this agrees with (Revida 2019) what his thesis states about competition between conventional banks and sharia banks, finding that conventional banks are starting to implement a sharia context, so as to improve sharia banking. then it is necessary to re-evaluate its advantages.
4. **Role of Government Regulation** : The role of the government in providing support through regulations and incentives will remain important in supporting the growth of sharia banking. Evaluation of existing regulations and their improvements need to be part of further discussions. This discussion is supported by research state that government policy has a big influence on the sustainability of Sharia Banks in Indonesia.
Growth of Sharia Banking in Indonesia is an impressive achievement, but the challenges of maintaining sustainability and overcoming increasingly fierce competition must continue to be a concern in developing this sector further.

Increasingly Tighter Competition with Conventional Banking :

The results of this research highlight the challenges of increasingly fierce competition faced by Sharia Banking in Indonesia in facing conventional banking. The following are findings that are relevant to this increasingly fierce competition:

1. **Providing Similar Products** : One of the main factors causing increasingly fierce competition is conventional banking's efforts to offer products that try to follow sharia principles. Conventional banks present sharia-based savings, deposits and financing products to attract customers who are looking for financial solutions that comply with sharia principles.
2. **Aggressive Marketing** : Conventional banking has greater resources to carry out aggressive marketing. They can allocate large budgets for advertising campaigns, promotions and brand development to attract customer attention.

3. **Price Competition** : Competition regarding prices is becoming increasingly fierce, especially in terms of interest rates. Conventional banks and Sharia Banking compete to offer competitive interest rates to their customers, which can affect Islamic banking profit margins.
4. **Innovative Approach** : Conventional banks also adopt innovative approaches in developing sharia products and services. This includes the use of financial technology (fintech) to increase product accessibility and provide a better customer experience.

Discussion:

Increasingly tight competition between Sharia Banking and conventional banking is a significant challenge in developing the Sharia Banking sector in Indonesia. Several aspects that need to be discussed further in the context of this competition are as follows:

1. **Differentiation Strategy** : To overcome increasingly fierce competition, Sharia Banking needs to develop a clear differentiation strategy. This can include developing more innovative products, effective marketing to promote sharia ethical values, and improving customer service that focuses on customer satisfaction. This is also supported by research results which found that in facing competition, banks must create products (Mashuri and Nurjannah 2020) that be more innovative and should carry out SWOT analysis measurements as a strategy to increase competitiveness and obstacles in Sharia Banks.
2. **Partnerships and Alliances** : Sharia Banking can establish partnerships and alliances with other sharia financial institutions, both domestic and foreign, to amplify their competitiveness. This partnership can include collaboration in product and service development, as well as access to global markets , explaining that for the progress of a business, partners are very necessary in increasing competitive advantage.
3. **Sharia Financial Education** : It is important to increase public understanding of the differences between sharia and conventional financial products. Effective sharia financial education can help customers make more informed choices and in accordance with sharia values, similar to research stating that people's understanding and experience of sharia banking It is very important to avoid misunderstandings.
4. **Adequate Regulation** : The government also has an important role in regulating fair competition between Sharia Banking and conventional. explains that regulations must take into account the special characteristics of Islamic banking and ensure that competition does not harm the development of this sector.
5. **Risk Analysis** : Sharia Banking need to carry out careful risk analysis to manage risks that may arise due to increasingly fierce competition, especially in terms of profit margins and asset growth, this analysis is supported by research which states that Sharia Banking must be careful in carrying out risk analysis to increase its existence.

Increasingly tight competition with conventional banking is a real challenge for Sharia Banking in Indonesia. However, with the right strategy, collaboration and innovative approach, Sharia Banking can remain competitive in this dynamic financial environment.

Challenges in Accessing Global Sharia Financial Products :

The results of this research identify several challenges faced by Sharia Banking in Indonesia in accessing global sharia financial products. The following are key findings relevant to this challenge:

1. **Complexity of International Regulations** : Sharia Banking in Indonesia face obstacles in understanding and following complex international regulations related to sharia financial products. These regulations may vary from one jurisdiction to another , and an unclear understanding of these regulations can hinder access to global products.
2. **Differences in Interpretation of Sharia Principles** : Another challenge is the differences in interpretation of sharia principles between various countries. Islamic financial products that comply with sharia standards in one country may not be recognized as halal in another country , which can create uncertainty in global product development.
3. **Required International Cooperation** : To access global sharia financial products, Sharia Banking Indonesia needs to collaborate with international sharia financial institutions. This involves negotiation, collaboration, and meeting specific requirements set by these agencies.
4. **Competition with Global Financial Institutions** : Sharia Banking Indonesia also faces tight competition with global financial institutions that offer sharia products. This includes global Islamic banks and investment companies that have better access to global markets.
5. **Infrastructure and Network Development** : To access global sharia financial products, Sharia Banking need to develop adequate infrastructure and networks. This includes integration of information technology systems, development of operational capacity, and improvement of risk management capabilities.

Discussion:

The challenge of access to global Islamic financial products is a significant obstacle in Islamic banking efforts Indonesia to participate in global financial markets. Some aspects that need to be discussed further in the context of this challenge are as follows:

1. **Government Role** : The Indonesian government can play an important role in facilitating access to global Islamic financial products by ensuring that existing regulations support the international expansion of Islamic Banking . This includes improving coordination with governments of other countries and developing bilateral or multilateral agreements. his article said that the Indonesian Government has a great opportunity to increase the expansion of international Sharia banking products.
2. **Education and Training** : Increasing understanding of sharia principles and relevant international regulations can be an important step in overcoming global product access challenges. Proper education and training can help Islamic Banking professionals understand and implement the required sharia standards. This is supported by research results which found that education and training for employees is very important to strengthen human resources so that they are more professional in implementing sharia standards.
3. **Strategic Partnership** : Sharia Banking Indonesia can establish strategic partnerships with global sharia financial institutions and other financial institutions that share the vision of advancing sharia financial products. This kind of partnership can create a stronger network for global product acces, states that to advance sharia financial products, sharia financial bodies must carry out broader partnerships so that these products are accepted and run smoothly.

4. **Capacity Development** : Sharia Banking need to continually improve their capacity to manage risk in a global environment. This includes developing a robust risk management system and business planning focused on international expansion. states in his article that Islamic financial institutions must always increase their capacity and it is important for Islamic financial institutions to manage risk management.
5. **Global Product Development** : Sharia Banking Indonesia can also develop products that are more in line with global sharia standards and are more easily accepted in the international market. This can involve product innovation and adaptation to global preferences. This result is also supported by research results (Junaidi 2022) which state that Islamic financial institutions must be innovative in providing products needed by the global community so that they are more easily accepted by the world community.

The challenge of access to global Islamic financial products requires a holistic and collaborative approach from all relevant stakeholders, including the government, the Islamic banking industry, and global Islamic financial institutions to overcome these obstacles and enable sustainable international expansion.

The Importance of Human Resource Development

The results of this research highlight the importance of developing quality human resources (HR) in the Indonesian Sharia Banking sector. The following are key findings that are relevant to the importance of HR development:

1. **Competency in Sharia Principles** : Human resource development in Indonesian Sharia Banking is crucial because it involves a deep understanding of sharia principles in finance. Sharia Banking professionals must have high competence in ensuring that all products and services comply with strict sharia standards.
2. **Financial and Banking Skills** : Apart from sharia competency, HR must also have strong financial and banking skills. They must be able to manage risk, analyze investment feasibility, and understand complex global financial markets.
3. **Effective Risk Management** : In an era of rapidly changing global finance, risk management is an important aspect of Islamic banking. Human resources who are well trained in risk identification, assessment and management can help protect Sharia Banking from potential risks and losses.
4. **Product and Service Innovation** : Human resource development also supports innovation in sharia banking products and services. Creative and knowledgeable professionals can help create products that are more attractive to customers and competitive in the global marketplace.
5. **Customer Satisfaction** : Customers in Sharia Banking expect quality service and in accordance with sharia principles. Well-trained human resources can provide services that meet customer expectations and maintain customer satisfaction.
6. **Career Development** : Human resource development also plays an important role in individual career development in sharia banking. Effective training and development programs can help employees improve their skills and reach their full potential within the organization.
7. **Sustainability and Growth** : Quality human resources are a valuable asset in achieving long-term sustainability and growth in sharia banking. They can help banks navigate change, face challenges and adapt to changes in the global financial environment.

Discussion :

Human resource development is a key factor in the success of Sharia Banking in Indonesia. To face the challenges and opportunities in the rapidly changing global financial environment, Sharia Banking need to continue investing in human resource development. Some important aspects that need to be considered in this context are as follows:

1. **Continuous Education and Training** : Sharia Banking need to offer ongoing education and training programs to their employees. This can include training on sharia principles, finance, risk management and innovation. This is supported by research results and which states that in order to improve the quality of Sharia Banking products So we must strengthen human resources through continuous education and training in order to create professional employees.
2. **Quality Recruitment** : A selective and competency-oriented recruitment process is an important first step in developing quality human resources. Syariah banking must ensure that they bring in and retain employees who have the potential and dedication to grow in the industry. These results are supported by research stating that the employee recruitment process greatly determines the future development of Islamic financial institutions.
3. **Rewards and Recognition Framework** : Successful HR development must be recognized and rewarded. Syariah banking need to have a reward and recognition system that provides incentives for employees to continuously improve themselves. This discussion is in line with research results that giving awards can improve the quality of human resources in a financial institution.
4. **Leadership Development** : Apart from developing operational level employees, Sharia Banking it is also necessary to develop quality leaders to steer the organization in the right direction and achieve the long-term vision. This opinion is supported by (Reflianto and Wandu 2019) the results of his research which determines that a leader should not be judged based on gender but should be judged based on a person's professionalism. The implementation of leadership must have its own characteristics in carrying out the leadership requirements of the Sharia Banking industry with Islamic leadership characteristics. so that a leader has high loyalty and integrity and is able to consistently uphold his professional code of ethics in order to achieve the vision and mission of the sharia financial institution he leads. Developing quality human resources is a vital investment for Sharia Banking Indonesia to maintain sustainable growth, create better services, and answer challenges in a dynamic global financial era.

CONCLUSION

This research illustrates a number of important findings regarding the development and challenges of Sharia Banking in Indonesia in the context of global finance. Here are some of the main conclusions that can be drawn from this research:

1. **Significant Growth** : Sharia Banking in Indonesia has experienced significant growth in recent years. This growth is driven by increasing public awareness of sharia principles in finance and government support through supportive regulations.
2. **Increasingly Tighter Competition** : Sharia Banking facing increasingly fierce competition with conventional banking. Conventional banking tries to offer products that comply with sharia principles to attract customers.

3. **Challenges in Accessing Global Sharia Financial Products** : Sharia Banking Indonesia faces obstacles in accessing global sharia financial products, such as complex international regulations and differences in the interpretation of sharia principles.
4. **The Importance of Human Resource Development** : Human resource development is a crucial aspect in ensuring the success of Islamic banking. Quality human resources have an important role in understanding sharia principles, managing risks, developing innovative products, and providing quality services to customers. The importance of understanding and overcoming these challenges is key to maintaining the growth and sustainability of Islamic Banking in Indonesia in an ever-changing global financial environment. Human resource development, supportive regulations, innovative strategies, and international collaboration are some of the steps that can help Sharia Banking continues to develop and contribute to creating a financial system that is inclusive and in accordance with sharia principles.

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