



## **The Role of Sharia Economics Graduate Competence in Human Resources Improvement in The Halal Industry in Indonesia**

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### **ABSTRACT**

The number of graduates on Islamic economics degree whose careers in the halal industri sector are limited due to low number of graduates who are certified in HR management in companies. This is of an objective conditions faced by graduates who hold Islamic Economics today. There is a gap in terms of number of graduates who are able to be absorbed by the halal industri sector and Islamic financial institutions where only 9.1% are in accordance with their university educational background. There is a disparity in the competence and qualifications of human resources since the graduates are not equipped with adequate technical competence as required by the industri. This study used *Interpretative Structure Modelling* (ISM) method to examine efforts in structuring the complex needs, goals, actors and competence constraints of graduates from a model system. The results of this study revealed that the key elements of competency requirements are (1) the need for Islamic economics graduates to have hard skill and soft skill competencies. (2) the actors of competency development are Higher Education Institutions (3) The goal of competence is to create skilled human resources, (4) the obstacle in developing competence is the incompatibility of the higher education curriculum with industri needs.

**Kata Kunci:** *Kompetensi, Lulusan Ekonomi Syariah, Industri Halal*

### **ABSTRAK**

Terbatasnya lulusan ekonomi Islam berkarir di sektor industri halal dan masih rendahnya jumlah lulusan bersertifikasi dalam manajemen SDM di perusahaan adalah kondisi obyektif yang dihadapi lulusan Ekonomi Syariah saat ini. Adanya kesenjangan jumlah lulusan yang

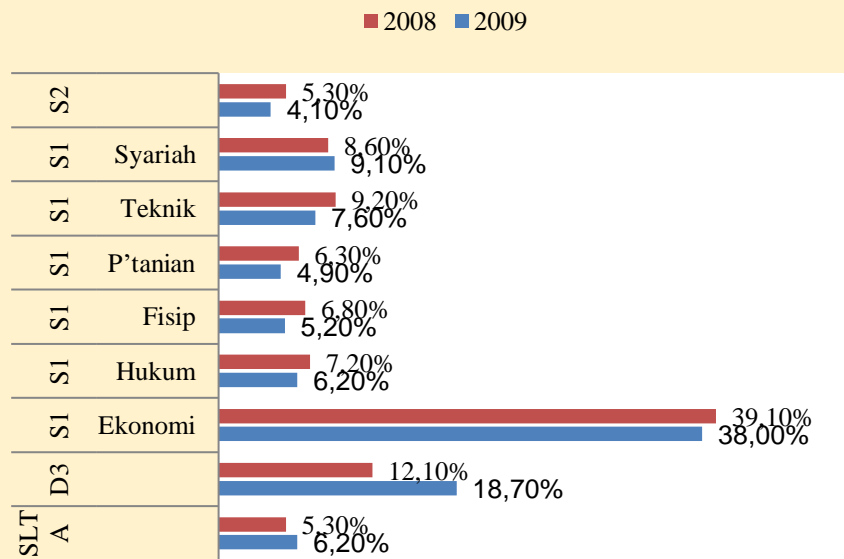
mampu diserap oleh sektor industri halal dan lembaga keuangan syariah di mana hanya 9,1% yang sesuai dengan pendidikan ekonomi syariah. Terjadinya disparitas kompetensi dan kualifikasi SDM ini karena para lulusan tidak dilengkapi dengan kompetensi teknis yang memadai sebagaimana dalam kebutuhan industri. Dengan menggunakan metode *Interpretatif Structure modelling (ISM)*. ISM digunakan untuk mengkaji upaya mengstrukturkan kebutuhan, tujuan, pelaku dan kendala kompetensi lulusan yang kompleks dari suatu sistem model. Hasil penelitian ini menemukan bahwa elemen kunci kebutuhan kompetensi (1) kebutuhan akan sarjana ekonomi syariah memiliki kompetensi *hard skill* dan *soft skill*. (2) pelaku pengembangan kompetensi, adalah Lembaga Perguruan Tinggi (3) Tujuan kompetensi untuk menciptakan sumber daya manusia yang terampil, (4) kendala pengembangan kompetensi adalah tidak sesuainya kurikulum perguruan tinggi dengan kebutuhan industri.

## A. INTRODUCTION

In developing the halal industry, one of the most highlighted constraints is related to the availability of human resources (HR) functioning as the main pillar in developing the industry. Research Findings by (Widiastuti et al., 2020) suggest that the obstacles to the development of the halal industry in Indonesia are generally divided into five groups, namely policy, human resources, infrastructure, outreach, and production. The second group of hurdles is on the aspect of human resources. In this study, the human resources referred to the constraints related to resources from the producer side in Indonesia. Regarding the voluntary status of halal certification in Indonesia, several obstacles must be overcome in terms of the availability of products with halal certification in Indonesia.

Even in the Islamic economy today, especially in the Islamic finance industry, the limited human resources are of a problem being faced by Islamic banking, not only the problem of quantity but also the ones in terms of quality. Of course these boil down to the problem of low hiring of Islamic economics bachelor graduates in Indonesia by the industrial market. As illustrated by studies conducted by Bank Indonesia and the University of Indonesia, it is revealed that more than 90% of the human resources of Islamic financial institutions currently lack of an Islamic economics educational background. In addition, based on the submission of Outlook on Sharia Banking in 2011, it is known that among the obstacles to accelerating market share (5%) of Islamic banking is hindered by HR factors, in terms of both the minimal availability and their low quality of Islamic financial human resources. (Amalia & Al Arif, 2013a)

Tabel I  
Islamic Finance Industry HR Education



Bank Indonesia Statistical Data 2011

The emergence of disparities in HR qualifications and competencies in industries in the Islamic economic and financial sector illustrates that there is a gap in the number of graduates who are able to be absorbed by the Islamic economic and financial sector, where only 9.1% are qualified in Islamic economic education. (Atiqoh et al., 2021, p. 11)

The preparation of reliable human resources in the field of Islamic economics for both the halal industry and the Islamic financial industry requires cooperation from various parties. If we pay attention to the data above, it can be seen that there is a gap between Islamic Religious Colleges (PTAI) and Public Universities (PTU) in conducting Islamic economics studies. Hence, graduates entering the Islamic finance industry are still dominated by those with non-sharia economic backgrounds.

Responding to the problem of low qualification of human resources in the halal industry and Islamic finance, it is appropriate that higher education institutions serve as the main pillars to answer industry challenges. Universities, both public and private ones, which organize formal education programs produce more professional sharia human resources and many of them currently hold Islamic Economics study programs spreading across Islamic public universities as well as non-Islamic colleges in Indonesia in order to supply more human resources needed by the halal industry through properly educated and trained process of understanding the philosophy, theory and practice of sharia economics. (Amalia et al., 2012a)

However, such effort still contributes to the non-maximum competence of graduates of Islamic economics since the designed curriculum in higher education institutions has not yet accommodated industry aspirations. This assumption is reinforced by the findings (Amalia et al., 2012b) that the concept of higher education is different from the concept of the industry. The university in compiling the curriculum is based on the scientific disciplines developed by study programs and faculties, and even follows a legal basis related to the vision and mission of the college, faculties and study programs. Meanwhile, the concept developed by the industry is more pragmatic. The recruitment process is carried out by the company itself by incorporating sharia economic material, contracts and Islamic insights, as well as reinforced aspects of good language command in order to be able to network properly and be able to present material in front of the public effectively, rationally, systematically and critically. Human resource development can be

achieved through training or workshops by incorporating basic knowledge of sharia economics and finance, basic operational related industries and knowledge of professional ethics and more specific skills.

Paradoxically, the competence of graduates of Islamic economics are merely provided with knowledge skills which are still inadequate and worsened by the minimal work experience. On the one hand, the number of companies that can accommodate alumni of Islamic Economics is very limited. Where the demand for job seekers is higher than the supply of workplaces which in turn has an impact on increasing undergraduate unemployment.

Basically, the graduates of the Islamic economics study program are of the most competent institutions in providing human resources needed by sharia-based industries. Through learning and research activities, higher education institutions can contribute ideas regarding the derivation and adjustment of technical regulations that can stimulate competitive qualities in the halal industry as well as provide education to the public in order to accelerate the development of the halal industry in Indonesia. The reality is that university graduates who have been absorbed by the labor market are those who have competencies that are in line with market needs in the halal industry and the Islamic finance industry. At least the competence of graduates of Islamic economics whose careers in the halal industry and Islamic banking must be provided with knowledge and expertise on a business institution which are based on sharia values and principles. The qualifications and quality of human resources are clearly more demanded by knowledge, skills and competencies which are of Islamic value basis.

## **B. RESEARCH METHOD**

### **1. Data Collection Sources and Methods**

This study uses primary data obtained from interviews with experts and practitioners, questionnaires distributed to the targeted respondents, and literature studies related to the competence of the Bachelor in Islamic Economics. Some of the competencies related to sub-elements of the Bachelor in Islamic Economics were obtained from interviews and FGDs. These strategies were analytically outlined in the form of a questionnaire and finally analyzed using the Interpretative Structural Modeling (ISM) approach, covering nine elements namely, the need for competence, constraints or problems encountered in developing graduate competencies, goals for competence, and actors or office holders in increasing the competence of Islamic Economics graduates in tertiary institutions.

### **2. Overview on Interpretative Structural Modeling Methods**

Interpretative Structural Modeling (ISM) is a modeling technique for developing a strategic policy plan by (Marimin, 2004). ISM was first created by J. Warfield in 1973, where Warfield defines ISM as a computer-assisted learning process that allows individuals or groups to develop complex relationship maps between the various elements involved in complex situations. Interpretive Structural Modeling (ISM) is an ISM research methodology by developing structures in defining relationships among elements in a set. Structures are obtained by answering simple questions. The elements to be structured (such as objectives, constraints, problems, and so on) are determined by the group at the start of the ISM planning session. The ISM process begins with system modeling and ends with model validation. With the pattern of the ISM technique, mental models that are not clear are transformed into visible system models. (Marimin, 2004)

### **3. Sampling Method**

The sampling method was purposive sampling, by which the respondents taken from experts and practitioners who understood the issues raised were determined to fill in the questionnaire. Respondents here must be more than 1, because there were comparisons of opinion between the respondents. The number of respondents in this analysis was set at 13 experts, consisting of 3 university academics, 3 people from the managers and pincabs of Bank Syariah Indonesia, 2 people from halal industry players, 2 people from the UPT Vocational Training

Center (BLK) and 3 people a graduate of PTKIN Islamic Economics Study Program who has a career in the halal industry.

#### 4. Stages of Research and Data Analysis

The first stage of this research is to do modeling. The model appears graphically by loading the elements and their relationships using the Interpretative Structural Modeling (ISM) method. In this case ISM to analyze system elements and solve them. In the process of data analysis in graphical form of the direct relationship between elements and hierarchical levels. Quadrant Matrix Analysis of Cross Impact Multiplications Applied to Classification (MICMAC) is a cross multiplication matrix, in which to classify the variables of this study. The basis is driving power and dependence power which are calculated into the reachibility matrix. (Jabeen & Faisal, 2018).

### C. LITERATURE REVIEW

The development of the halal industry and the Islamic finance industry in Indonesia is increasingly showing significant performance. However, it still leaves serious obstacles in its development, specifically related to the competence of human resources for Indonesian university graduates as they are underqualified. The low competence of graduates of Islamic colleges, as producers of Islamic economics graduates, is of a serious obstacle in the development of the industry, especially the halal industry. The study (Widiastuti et al., 2020), found that one of the obstacles to the development of the halal industry was due to limited human resources for halal production.

Amiruddin's research highlights the unprepared competence of Islamic economics graduates in competing to fill job positions in the Islamic finance industry. In fact, the industry carried out a pragmatic policy in human resource development by converting human resources into sharia human resources in order to achieve the urgent need to increase knowledge in muamalah fiqh in a short time. Of course, this pattern is an obstacle in developing the quality of Islamic financial and banking institutions in Indonesia.

The results of the study (Rini et al., 2019), found that generally the Islamic finance industry tends to use graduates with soft skill and hard skill competencies. The low level of qualifications of graduates working in the Islamic finance industry is largely due to the insufficient soft skills of graduates. The Islamic finance industry requires quality soft skills for its graduates, but most graduates are at the hard skill competency level. This finding is reinforced by the results of research (Huda et al., 2016), that the absorption capacity of Islamic economics and finance study program graduates in the Islamic finance industry is still large in the Sumatra region. The ability of the industry to absorb Islamic economics graduates is only around 40%. However, there are graduates of Islamic Economics who reach 75% are graduates of STAIN Batusangkar. The results of this study indicate that there is a perception gap between industry and higher education institutions regarding human resources. In the industry's perception that high competency human resources are competencies related to strong soft skills. Meanwhile, on the academic side, there is a perception that human resources have adequate understanding of the concepts of Islamic economics and strong Islamic finance. So that the curriculum design applied is not yet based on a competency-based curriculum. Therefore, there is a need for synergy between industry players and Islamic Economics educational institutions in formulating competency-based curriculum of Islamic Economics Study Program. A competency curriculum on the development of soft skills and hard skills for students, so that they will graduate the Islamic Economics and Islamic Banking Study Program which are not only competitive in terms of hard skills, but also in terms of high soft skills.

The results of the study (Amalia & Al Arif, 2013b), related to the competence of Islamic Economics graduates where there is a significant correlation between academics regarding the Islamic economics curriculum and their learning systems and practitioners regarding HR competencies in industry. On the other hand, the results of this study illustrate that the perceptions

of both, namely academics and practitioners, are that there is no difference between PTKIN and PTUN graduates, where both have the same opportunities competitively in meeting the HR needs of the Islamic finance industry. Amalia and Arif's research results provide a concrete picture that there is a synergy between the perceptions of academics in offering human resources and industrial practitioners in their demand for human resources, so that the HR gap can be resolved. Even so, it can be seen that the results of Amalia and Arif's research have not been able to decipher the reasons why the Islamic finance industry is dominated by human resources from general education backgrounds, so it is felt that further research is needed to determine what causes this phenomenon.

Research (Ardiansyah et al., 2013), related to the competency of Islamic Economics graduates to produce undergraduate graduates through the implementation of Islamic Economics Study Program learning. This finding explains that Islamic tertiary institutions have developed graduate competencies based on the proper provisions. This can be seen in the perceptions of 41% of students who answered that the competence in the curriculum is already a requirement that must be met as a scholar of Islamic Economics. while the competency design is in accordance with the ES curriculum as well as the learning model. Based on several factors affecting the quality of graduates' competencies in tertiary institutions, the most influential variable is the curriculum, so the curriculum is a top priority that must be considered. This happens because the curriculum is related to the educational plan that must be given to students. More broadly the curriculum material is presented in lectures, because the curriculum is so urgent because it is related to the improvement of tertiary institutions.

From various research studies related to the competency of Islamic Economics graduates, they cannot be accepted in the Islamic finance industry or the halal industry. This happens because the curriculum in the Islamic Economics Study Program has not been fully prepared based on the needs of industry competencies. On the other hand, graduates of Islamic Economics are able to be absorbed, although only 40% and even up to 70% because they work in conventional banks. In general, it is absorbed by the industry based on hard skills. The results of this study have not yet answered which aspects of competence are most needed by the industry. This gap is a research study to answer the competencies that play the most role in HR in the industry.

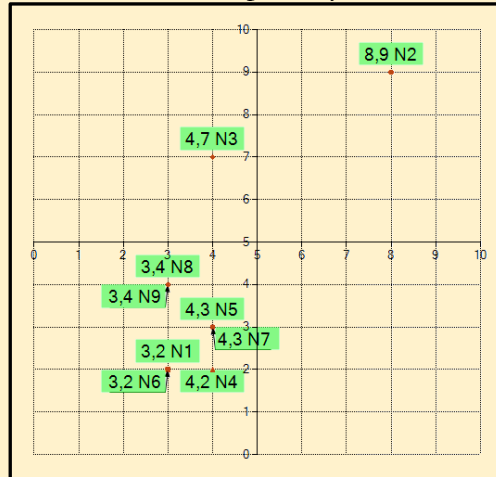
#### **D. RESULTS AND DISCUSSION**

Structuring the competencies of undergraduate graduates in the Islamic Economics Study Program in this study used the Interpretative structural modeling (ISM) method. This method connects sub-elements and hierarchical levels, where the elements are presented in graphical form. The process of structuring the material in this sub-element is based on input from the opinions of experts and practitioners who understand undergraduate competencies and the tertiary curriculum. Subsequently, a structuring model is created in the form of a tiered structure to facilitate to understand the substance in the competency elements both in terms of the need for adequate competence, the purpose of competency development, the office holders related to competence development through the curriculum and the constraints on problems faced related to the competence of higher education institutions in relation to industry. The followings are the elements of structuring.

##### **1. NEEDS**

Elements of needs (needs) for competency development are described in 9 (nine) sub-elements as follows: (1) having moral integrity and work ethic; (2) Bachelor of Islamic economics has hard skill and soft skill competencies; (3) produce superior and professional graduates of Islamic economics; (4) plays a role in improving the performance of the company; (5) workers who master sharia knowledge and economics; (6) have the ability to control computers and IT; (7) have proficiency in foreign languages, especially English; (8) skills for public speaking and communication; (9) negotiating skills and building networks.

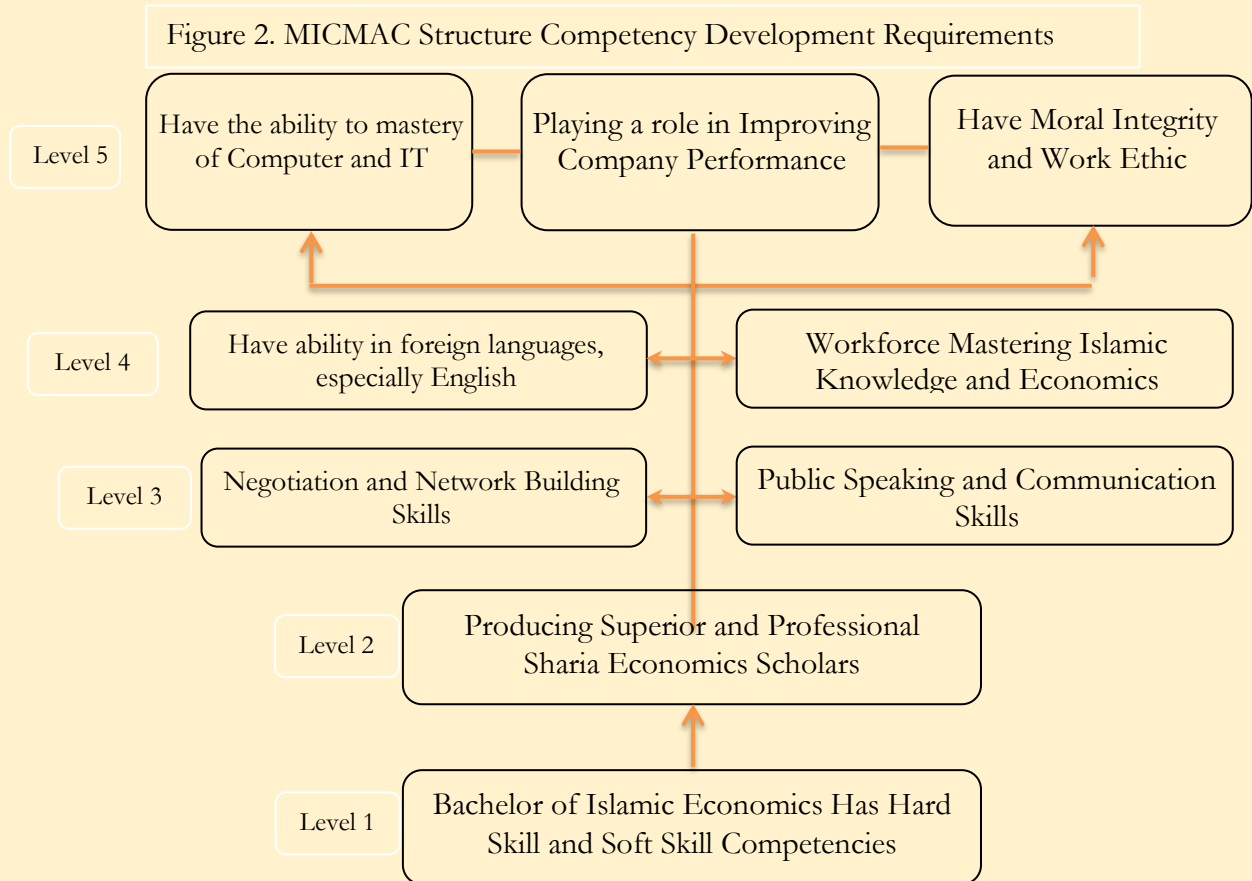
Figure 1. Quadrants of Competency Needs in the Industry



There are six sub-elements included in the autonomous group, namely N6 Having the ability to master computers and IT; N4 Playing a role in improving the performance of the company; N1 Have moral integrity and work ethic; N7 Have proficiency in foreign languages, especially English; N5 Workers who master sharia science and economics; N9 Negotiation and networking skills and finally: N8 Public speaking and communication skills; The seven (7) sub elements are related to the need for competency where the variables have low driver power values and low dependence values (<0.5). The variables included in this group have a weak relationship in the system and have little relationship with other variables.

While in the N3 quadrant Producing excellent and professional Islamic economics scholars is the independent quadrant where this section has a high driver power value (> 0.5), but the dependence it has is low (<0.5). This means that N3 has no influence on other variables. Furthermore, N2 is in the linkage quadrant where the variables have high driver power and dependence values (> 0.5). The variables included in this section have relationships in the system and have a strong influence on other variables.

The structural model of the elements of need, which is a tiered structure to facilitate understanding of the substance regarding the needs of parsing the level of needs in the competence of ES graduates is as follows:



The figure above shows the sequence of stages for the competency development needs of Islamic Economics graduates. The last level, namely level 1, is a key sub-element of the need element, meaning that the need for a bachelor of Islamic economics has hard skill and soft skill competencies. Of course this is related to the curriculum formed by the tertiary institution through the learning system applied to the tertiary institution. one of the outputs of the learning system is to produce students with hard skill and soft skill competencies. Hard skills as an expertise through specific knowledge and skills in the learning system of higher education. This expertise includes having knowledge and skills in Islamic banking, as a researcher, Islamic business analyst and being an independent entrepreneur. Meanwhile, soft skill competence relates to attitude, integrity, leadership, and communication as part of the competency.

Furthermore, it then covers superior and professional Islamic Economics graduates as dependent elements. This can be interpreted to mean that it can only be influenced without being able to influence variables at levels 3, 4, and 5. On the other hand, ES graduates with hard skill and soft skill competencies will encourage the birth of graduates with qualified competencies, able to compete with graduates from other tertiary institutions.

Competence is an ability to accomplish or carry out work based on skills and knowledge as well as support for work behavior attitudes for the work. (Wibowo, 2016, p. 271) The need for adequate competence for Islamic economics graduates as in the design of the college curriculum. In relation to this research with the Interpretative Structural Modeling (ISM) analysis method, it is



found that the key element is that graduates of Islamic economics have hard skill and soft skill competencies.

Bachelor of Islamic Economics whose both hard skill and soft skill competence is a necessity that must be designed and prepared by higher education institutions. Hard skills are described as behaviors and skills that can be seen explicitly. Hard skills are skills that can produce something visible or concrete (visible immediate). The ability of hard skills is also related to the enrichment of the theory that forms the basis of the basic framework of analysis or a decision. Hard skills can be assessed from technical tests or practical tests. Hard skills are very close to intelligence quotient thinking which has to do with the ability to calculate, analyze, design, broad insight and knowledge, make models and be critical. While soft skills are related to indicators of creativity, sensitivity, intuition which refers to the quality of personality behind a person's behavior. Soft skills are a sociological term that refers to the collection of personality, social, personal habits, sociability, and optimism that characterize people to varying degrees. Soft skills complement hard skills, which are technical requirements for a job, responsibility, honesty, participating as a team member, serving clients/customers, training leadership and negotiating work with cultural diversity.

The results of previous studies show that hard skill and soft skill competencies are defined as knowledge and skills. Regarding hard skills and soft skills in the Islamic Banking study program, hard skills are provided to students in the Mini Bank Practice course, where students carry out simulations in an Islamic banking laboratory where employees are positioned in Islamic banking. While soft skills students are taught how to make decisions in solving problems in governance in Islamic banks. (Syafaruddin, 2014, p. 367)

Competence is an individual characteristic in a causal way related to job performance. This relates individuals with the ability to perform certain skills, especially the coordination of production with various technological streams. Wibowo describes competence as skills, abilities and attributes inherent in the employee's specialization for work performance. (Wibowo, 2016, p. 272)

Generally, the current industry tends to use HR with competence in operational aspects rather than theory. Some of the previous research findings, in which university graduates tend to be academically impressed, are theoretical. Industry needs with soft skill competencies in the form of being able to communicate in public, good at negotiating and being able to establish cooperation are competencies that graduates of Islamic Economics should have. While the additional competence of hard skills has expertise in computers and IT is really needed with increasingly massive digital systems, because in general industrial operations are now based on information technology. The policy of developing industrial human resources by recruiting a workforce that is ready to use is of course a top priority compared to carrying out competency adjustments such as conducting education and training in upgrading their new employees.

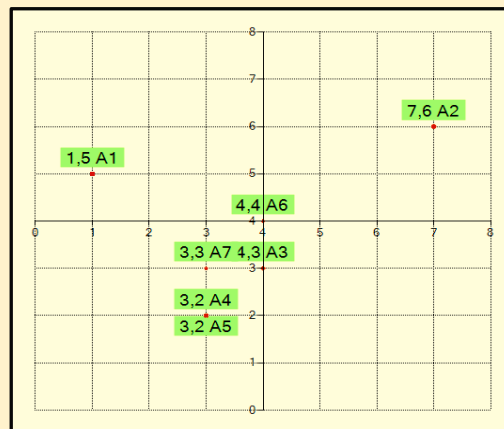
Practically with soft skill and hard skill competencies, employees deal directly with customers. With soft-skill competencies enable employees to communicate with customers effectively, and provide them with helpful and courteous services. It is indeed soft-skills that shape one's personal characteristics which therefore enable one's career success. Therefore, this research will focus mainly on the required soft skills that graduates must have in pursuing a career. There are many soft skills studied by researchers such as interpersonal skills, communication skills, problem solving skills, teamwork, attitude, work ethic, decision making, positivity, time management, flexibility, conflict resolution and many more. The following discussion highlights common soft skills that are highly rated by industry that graduate students must possess to fill the competency gaps. Unique soft skills related to the Islamic finance industry, namely capacity knowledge in sharia, are added as a new variable in describing the competencies required of graduating students. (Ab Manan et al., 2018, p. 1422)

In order to create qualified human resources, an organizational approach that is sustainable as a whole with an empowerment pattern is needed. In improving HR competence, empowerment efforts can be made to improve abilities so that they are better than before in terms of competence, authority, and individual responsibility. The role of HR in the organization is very important because the company's targets are achieved, one of which is HR readiness. In an effort to empower human resources, several components need to be considered, including (1) in placing employee positions, they must be based on the demands of the needs within the organization; (2) in the aspect of competency knowledge, skills and attitudes that must be possessed; (3) there is support from the leadership of the company; (4) leadership; (5) motivation (6) authority and responsibility; (7) foster trust in employees. (Sedarmayanti, 2001).

**2. AUTHORIZED ACTORS/INSTITUTIONS IN INCREASING THE COMPETENCE OF BACHELOR OF SHARIA ECONOMICS**

Elements of authorized actors or institutions involved in competency development include, (1) Ministries; (2) Higher Education Institutions; (3) BNSP/professional certification agency; (4) Vocational Training Centers (BLK); (5) Research and development institutions; (6) Halal Industry; (7) Islamic Financial Institutions. the actor element as a key element is the Institution of Higher Education.

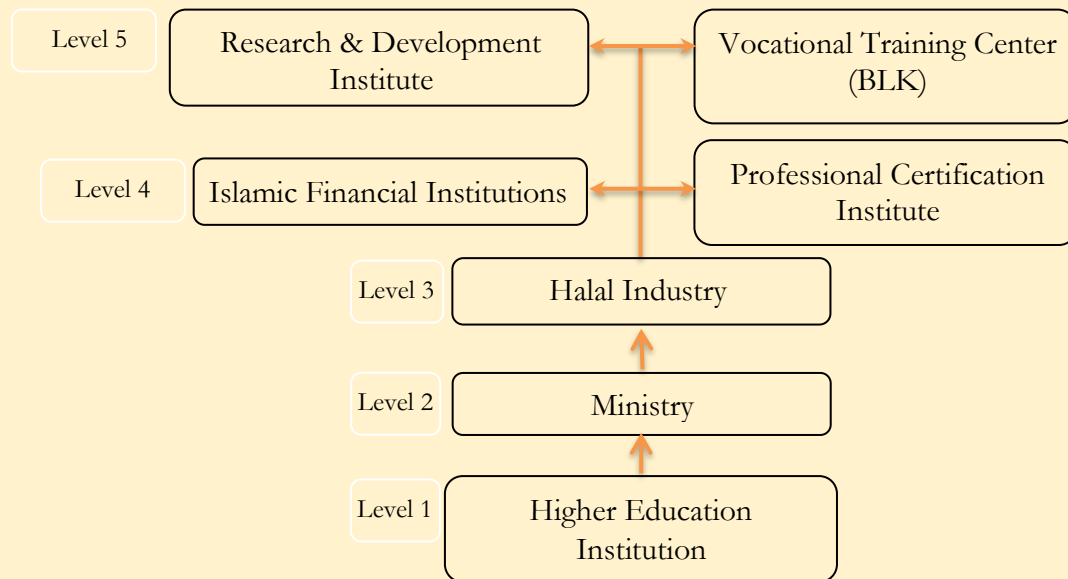
Figure 3. Quadrants of Institutions Authorized for Competency Development



There are 4 sub-elements included in the autonomous group, namely A5 Research and development institutions; A4 Vocational Training Center (BLK); A7 Islamic Financial Institutions; A3, BNSP/Professional Certification Body. The 4 variables are related to actors or competency actors where the variables have low driver power values and low dependence values (<0.5). The variables included in this group have a weak relationship in the system and have little relationship with other variables.

While the independent quadrant has independent sub-elements, namely ministerial institutions, both the Ministry of Education and Culture, the Ministry of Religion or other ministries that have authority as regulators in competency development in tertiary institutions. the ministry as part of the actor is in a quadrant where this part has a high driver power value (> 0.5), but its dependence is low. While quadrant I linkage A2 Higher Education Institutions, both public universities and PTKIN as higher education institutions. This section consists of variables that have high driver power and dependence values (> 0.5). The variables included in this section have relationships in the system and have a strong influence on other variables.

Figure 4. MICMAC Competency Development Institute Structure



Elements of actors or office holders involved in competency development include, (1) Ministries; (2) Higher Education Institutions; (3) BNSP/professional certification agency; (4) Vocational Training Centers (BLK); (5) Research and development institutions; (6) Halal Industry; (7) Islamic Financial Institutions. the actor element as a key element is the Institution of Higher Education.

Higher education institutions have great potential in preparing human resources who have qualified knowledge in the fields of economics, Islamic finance both at the conceptual and operational levels. The role of tertiary institutions is to shape character and improve student competence. In the operation of higher education institutions, they must prepare a curriculum based on the core knowledge of study programs, as well as following related legal foundations and based on the vision and mission of the college, faculties and study programs.

Higher education institutions are those ones that have a strategic role in producing human resources who have quality competencies according to market needs. As found by Amalia et al, that educational institutions are the institutions most responsible for producing quality human resources. (Amalia et al., 2012a) The role of higher education institutions as educational units in preparing and giving birth to human resources is required to prepare themselves to be able to compete globally. (Tilaar, 2000) Therefore higher education institutions must be able to prepare superior human resources and be able to contribute to the Islamic finance industry and the halal industry which are developing in line with national economic growth.

In order to develop the competence of sustainable Islamic Economics graduates, there are five things that must be taken into accounts by Higher Education Institutions, namely: First, developing an appropriate curriculum by combining courses that increase professional knowledge in the field of Islamic economics and provide moral values in the form of faith and good morals. . Second, increasing the availability of adequate learning facilities and facilities, complex library and literature facilities, completeness of bank laboratory suggestions, accounting, statistics, and so on. Third, competent and qualified teaching human resources. Fourth, provision of textbooks complete with Islamic economics literature. Fifth, developing an on-job training apprentice curriculum by collaborating with the industrial world. (Amalia et al., 2012a, p. 193)

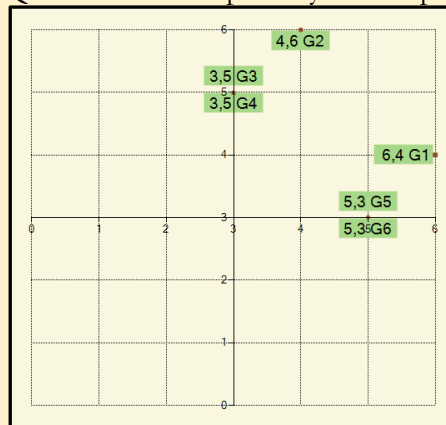
In improving the quality of human resources for graduates of Islamic economics, there are at least three factors that must be worked on, namely: first, to design a university curriculum that is adequate both in terms of pure sharia knowledge and pure banking; second, recruit higher education teaching staff who have scientific competence in pure economics and sharia science;; third, universities increase human resource development research so that the industry has data for industrial development. (Atiqoh et al., 2021)

Higher education as an organizing institution in forming superior and skilled human resources. Higher education institutions are given very broad autonomy in making curricula and developing them through openness with regard to the human resources they produce. The curriculum component includes science and technology as well as attitudes for self-development in preparing mentally to support the formation of superior human beings with balanced competencies between intellectual and emotional intelligence competencies.

**3. GOAL**

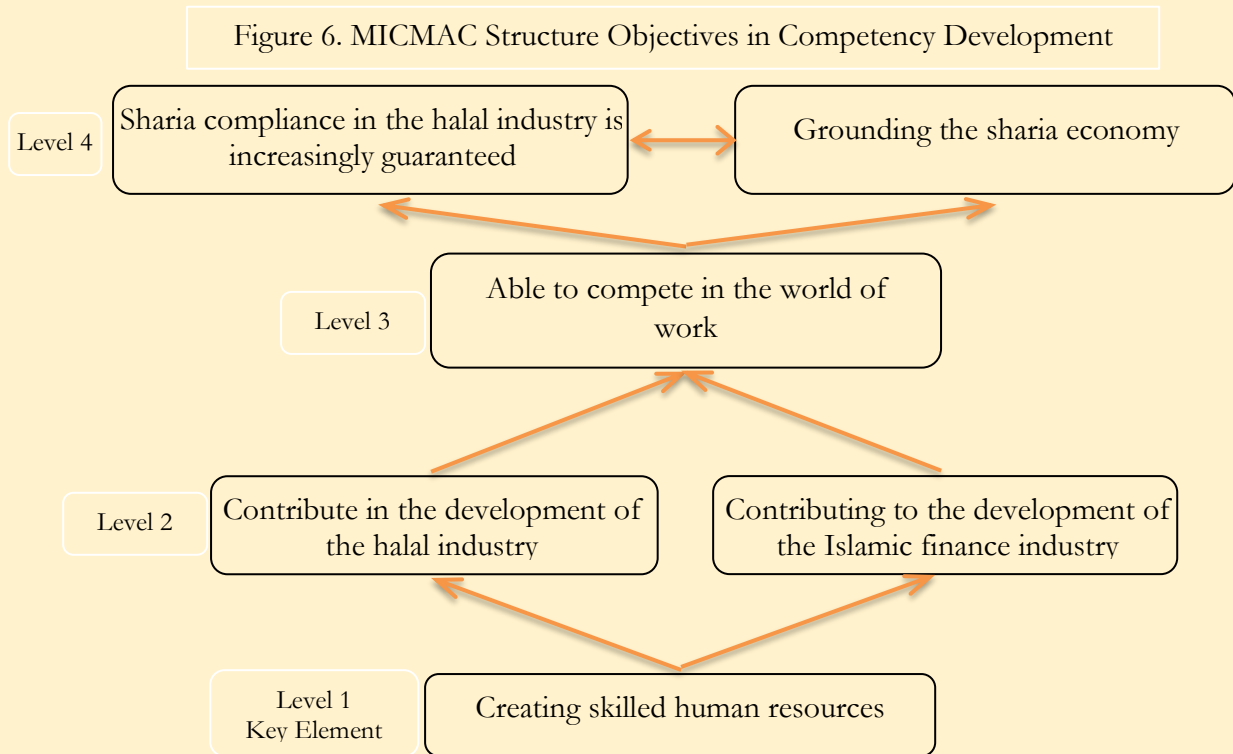
The objective elements in competency development are described in 7 (seven) sub-elements as follows: G1: Being able to compete in the world of work; G2: Creating skilled human resources; G3: Contribute to the development of the Islamic finance industry; G4: Contribute to the development of the halal industry; G5: Grounding the sharia economy; G6: Sharia compliance in the halal industry is increasingly guaranteed.

Figure 5. Quadrant of Competency Development Goals



The sub-elements included in the dependent group, namely G5 grounding the sharia economy; G4 independent sub-elements, contributing to the development of the halal industry and G3, contributing to the development of the Islamic finance industry. then the G5 linkage sub-element, Grounding the Islamic economy, G1, being able to compete in the world of work and G2, creating skilled human resources.

Meanwhile, the G3 variable Produces Excellent and Professional Islamic Economics graduates is an independent quadrant where this section has a high driver power value (> 0.5), but its dependence is low (<0.5). This means that G3 has no influence on other variables. Furthermore, G2 is in the linkage quadrant where the variables have high driver power and dependence values (> 0.5). The variables included in this section have relationships in the system and have a strong influence on other variables.



The main key sub-element is a sub-element that is used as a driving force, which in its implementation can become the main sub-element that needs attention. Because this key sub-element can affect the success or failure of other sub-elements. In this study, researchers collected the perceptions of experts and practitioners regarding the agreed key sub-elements. The main key sub-element in this research is creating skilled human resources. A skilled resource or also known as a skilled workforce is someone who is trained, energetic, educated, has experience, devotes himself to his field and is able to carry out certain jobs in a balanced and efficient manner. Of course, this is the ideal goal of tertiary institutions in preparing a curriculum to equip skills so that they have competence so that they are competent and easily absorbed in the job market and in entrepreneurship.

Elements of objectives in competency development include (1) Being able to compete in the world of work; (2) Creating skilled human resources; (3) Contributing to the development of the Islamic finance industry; (4) Contribute to the development of the halal industry; (5) Grounding the sharia economy; (6) Sharia compliance in the halal industry is increasingly guaranteed. objective element component where the key component is creating skilled human resources.

Creating skilled human resources is a competency that must produce an acceptable result (output) or an output in performance that has superior quality. As Abas et al, distinguish skilled and competence. According to him, skill is the ability to engage in certain behaviors in carrying out certain tasks on a regular basis. Skills can be obtained through learning from training or from experience. While competence is the ability to engage in non-routine cognitive and intellectual activities that will enable a person to cope with uncertainty in the environment. Among the most frequently mentioned general competency elements are interpersonal skills, communication, accountability, teamwork, and many more which will have an impact on superior performance in the workplace. (Abas & Ombra A, 2016)

The goal of creating skilled human resources as expressed by Boyatziz and Abas, M. C. & Imam that competence is interpersonal skills, communication, accountability, teamwork, and many more that will have an impact on superior performance at work. (Boyatzis, 2008) HR with Skilled

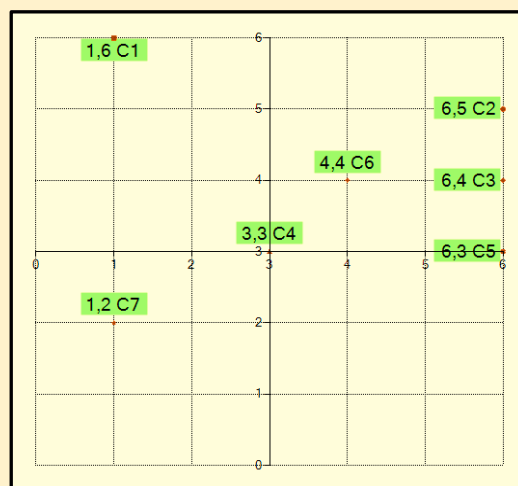
competence in communication by having good communication skills is very important for the success of an individual in occupying a position in the workplace. An individual needs to communicate ideas, information, more openly so as to be able to attract other people to his ideas. The results of Kavanagh's study state that communication skills rank first in work competence. (Kavanagh & Drennan, n.d.) While Ken & Cheah found that communication skills in employers are the most important competency for workers. (Tzu Ting & Yeh Ying, 2012)

Competency indicators of problem solving skills are ranked second after communication. This shows the importance of the characteristics in ensuring the success of graduates entering the labor force. An earlier study by Mayer (1992) also placed this skill second only to communication. Skills indicator Having the skills to work in a team is very important because it will contribute to the productivity of the work relationship and constructive results. This study has placed teamwork in the top five of the list of required competencies that graduate students must have for their success in the workforce. A similar study by Abas et al. (2016) also found the importance of teamwork as a characteristic that must be possessed by graduates. Interpersonal skills are in the form of working and contributing to an environment of mutual trust and respect, treating others fairly, showing empathy for the needs and concerns of others, as well as managing interpersonal conflicts effectively and sustaining professional relationships constructively. In this case, study AB. Manan et al in four countries found that employers expect graduates to have interpersonal competence to make them job ready. (Ab Manan et al., 2018)

**4. CONSTRAINS IN COMPETENCY DEVELOPMENT**

Elements of constraints in competency development are described in 7 (seven) sub-elements as follows: C1: Higher education curriculum is not in accordance with industry needs; C2: Pragmatism of industry players in HR development; C3: Low Islamic economic literacy; C4: Low teaching human resources in integrative universities on sharia aspects and economics; C4: Practicum facilities, PT information systems and access to Islamic Economics references are still limited; C5: Misperceptions of industry and higher education institutions; C6: Lack of government policy support.

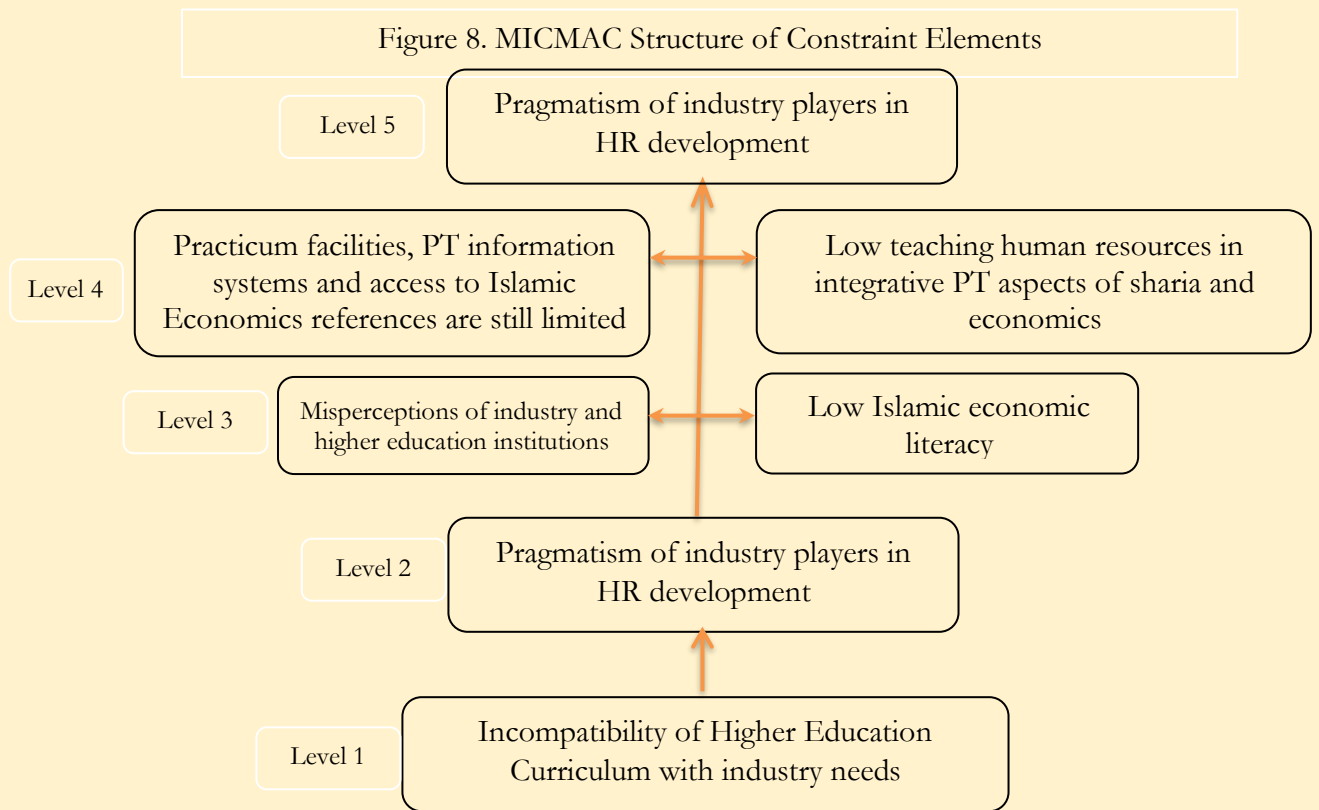
Figure 7. Competency Development Constraints Quadrant



Sub-elements included in the autonomous group, namely constraint C7 Lack of government policy support. Meanwhile, the independent sub-element C4 is the low number of teaching human resources in integrative PT aspects of sharia and economics and C1 the incompatibility of the higher education curriculum with industrial needs. then the linkage sub-elements C5 Practicum facilities, PT information systems and access to Islamic Economics

references are still limited, C3 Low Islamic economic literacy, C6 Misperceptions of industry and higher education institutions; and C2 Pragmatism of industry players in HR development.

Reading the ISM quadrant above, that sub-element C1 is the incompatibility of the Higher Education Curriculum with industry needs as a key sub-element in analyzing the constraints to developing the competence of Islamic Economics graduates in tertiary institutions. the C1 sub-element is in the linkage quadrant where the variables have high driver power and dependence values (> 0.5). The variables included in this section have relationships in the system and have a strong influence on other variables.



In the structural elements of the problem above, it can be seen that the higher education curriculum is not in accordance with industrial needs. The development of the Sharia economic curriculum at PTKIN universities is that the existing curriculum design is not responsive to industry needs. As a provider of labor, they are unable to provide relevant labor and skills needed by the industry so that productivity is low. This happens because of higher education institutions because of the low connectivity between higher education institutions and industry. With the lack of connections with industry, there is a low level of information related to labor needs, which is currently much needed by the job market.

Based on the findings of competence development constraints due to curriculum problems that must be in accordance with the required industrial needs due to the fact that too many college graduates are currently unable to find jobs in accordance with their areas of expertise. The current situation then gave rise to educational actors in Indonesia to immediately improve the system and quality of education. Something that is important in educational change is the improvement of a curriculum that is more contextual, relevant and contributive to creating competitive and superior resources. For example, not all college graduates majoring in computer can be accepted in companies based on information technology because the graduates' abilities do not match the expected needs and competencies. Thus showing the condition of the imbalance between the abilities obtained during college and industrial needs. Adjustment of the curriculum and the needs of the business world is an integral and inseparable matter between the two, because the needs of

the business world will see the quality of graduates produced from an educational institution, as well as the curriculum that should adapt to the needs of the business world. Adjusting the tertiary curriculum and the needs of the business world is important considering that many college graduates have not found jobs in accordance with their areas of expertise.

The discrepancy between the university curriculum and industry needs is one of the crucial problems faced by universities and industry. Amalia's findings show that there are obstacles related to different perceptions about learning Islamic economics. (Amalia & Al Arif, 2013a). The perspective of higher education institutions in the curriculum development process needs to be carried out through a workshop mechanism with speakers from Islamic economics experts and industry stakeholders. Meanwhile, the perception of the halal industry has its own perception of the Islamic economics learning curriculum. The recruitment process is carried out by the company itself by incorporating sharia economic insights and sharia transactions as well as Islamic insights. Competency development by the industry through training for new employees who have graduated from college and employees who have moved from conventional industries. Material included in training or workshops is basic knowledge of Islamic economics, Islamic finance, industrial operations and knowledge of professional ethics and skills in specific fields. (Amalia et al., 2012a).

## **E. CONCLUSION**

Competence is an ability to accomplish or carry out work based on skills and knowledge as well as support for work behavior attitudes towards the assigned work. In this regard, this study found a key element that Islamic economics graduates have hard skill and soft skill competencies. Bachelor of Islamic Economics whose hard skill and soft skill Competencies is a necessity that must be designed and prepared by higher education institutions. Hard skills are described as behaviors and skills that can be explicitly recognized.

Higher Education Institutions are institutions that have a strategic role in producing human resources who have quality competencies according to market needs. As such, educational institutions are most responsible for producing quality human resources. In order to develop the competence of sustainable Islamic Economics graduates, there are five things that must be considered by Higher Education Institutions. The first is developing an appropriate curriculum by combining courses that increase professional knowledge in the field of Islamic economics and provide moral values in the form of faith and good morals. The second one is increasing the availability of adequate learning facilities and providing adequate library and literature, complete banking laboratory, accounting, statistics, and so on. The third one is recruiting competent and qualified teaching human resources. The fourth is providing comprehensive collection of textbooks on Islamic economics subjects. The last but not least is developing an on-job training apprentice curriculum collaborated with the industrial world.

Creating skilled human resources is a competency that must produce an acceptable result or an output of superior quality. The goal of creating skilled human resources as expressed by Boyatziz and Abas, M.C. & Imam refers to interpersonal skills, communication, accountability, teamwork, and many more which will have an impact on superior performance at work. The discrepancy between the university curriculum and industry needs is one of the crucial problems faced by universities and industry which suggests that there are some obstacles related to different perceptions about Islamic economics learning.

Based on the findings, it is recommended that higher education institutions as administrators in the national education system are given the authority to produce competent human resources according to industry needs by maximizing the existing MBKM curriculum. Furthermore, for the scientific development of Islamic Economics, especially those related to competence and higher education curriculum, synergy is necessarily established by both universities and industry in designing and constructing an integral curriculum.



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