



**Prudential Banking Practices Through the 6C + 1S Approach:
A Study at BSI KCP Godean Yogyakarta**

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Abstract

This research aims to explore the implementation of new prudential banking principles through the 6C + 1S approach at BSI KCP Godean Yogyakarta, focusing on the obstacles encountered and solutions applied. This qualitative field research involved data collection through interviews, observation, and documentation from key informants, including BSI operational managers, account officers, and customer service representatives. The findings indicate that BSI KCP Godean has generally implemented the 6C + 1S principles in its musyarakah financing. However, one indicator within the capacity principle, specifically the educational background assessment, has not been fully applied. The study identifies both internal and external factors contributing to challenges in applying these principles. Internal factors include negligence or lack of thoroughness from bank staff, while external factors stem from customer behavior, either intentional or unintentional. To address these challenges, BSI KCP Godean has adopted measures such as routine employee training, staff rotation, mentoring, and enhanced supervision by management.

Keywords: Prudential Principle, New Prudential Banking, *Musyarakah* Financing.

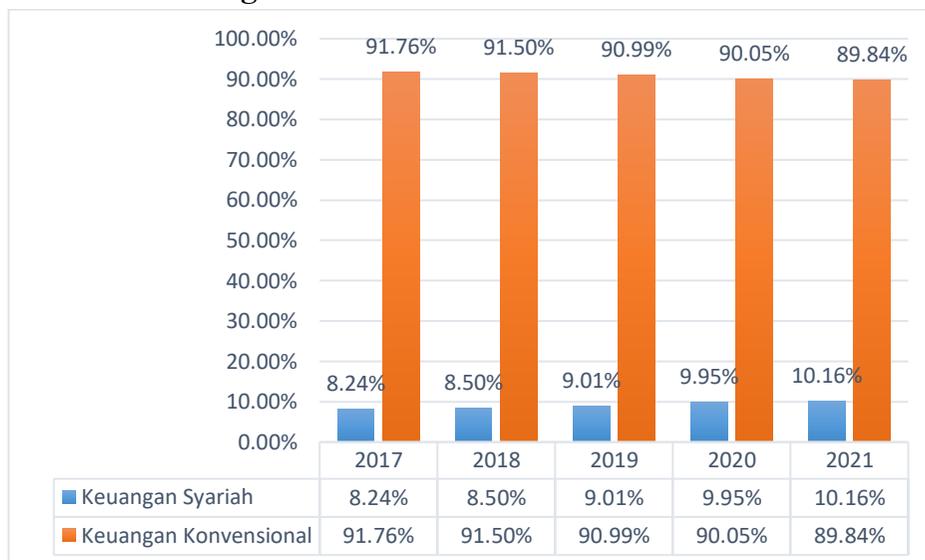
Introduction

In the economy that occurs in a country, it cannot be denied that the role of banking is very supportive, including the economy that occurs in Indonesia. The role of banking is to have the function of channeling and collecting funds for people who have small, medium and large businesses (IK Primasari, 2019) . Therefore, it is necessary to increase the standard of living of the community through the development of banking financial institutions, this is because it is in

line with what is stated in Law No. 10 of 1998 that banks have the position of being an institution that collects funds from the community and then collects them into savings and reflows them. to the community in the form of credit or other forms to develop the benefit of the wider community (IK Primasari, 2019).

In accordance with the provisions in the law, it can be concluded that banks have a very important role and are an institution whose activities are always linked to monetary. Since the enactment of Law No. 21 of 2008 concerning Islamic banking, Indonesia has adhered to a dual banking system, namely conventional banks and Islamic banks. In fact, conventional banks and Islamic banks have differences not only in their operational procedures but also in the organizational structure, legal aspects, the business being financed and the work environment (Mukti & Suprayogi, 2019) . Not only that, there are other differences between the two, namely in the principles applied to their operating activities, if conventional banks apply an interest system in order to get the largest possible profit, meanwhile, Islamic banks emphasize sharia principles by using a profit sharing system to be free from usury . Not only that, in Islamic banks there is also a body that monitors the activities of Islamic banks so that they are in sync with Islamic principles, this body is usually called the Sharia Supervisory Board. (Mukti & Suprayogi, 2019) .

Figure 1 Sharia Financial Market Share

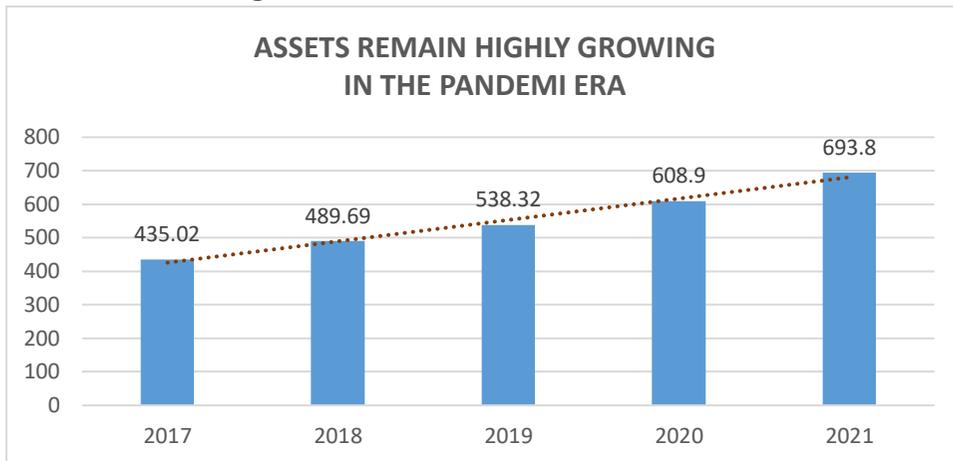


Source: OJK , data processed in 20 22

The results of Islamic finance through market share are listed in the graph above shows that the growth of sharia financial market share from 2017 to 2021 has increased from year to year. Based on the graph, it shows that in 2017 the market share of Islamic finance reached 8.24%, then in 2018 it increased to 8.50%, then in 2019 the increase reached 9.01%. This increase will continue to increase in 2020 with a figure of 9.95% and in 2021 the market share of Islamic finance will reach 10.16%. Even so, it cannot be denied that when compared to conventional finance, Islamic finance is still far behind. Based on the graph, it shows that the figure for market share growth in conventional finance is greater than in Islamic finance. This means that there are still many conventional banks in financial growth in Indonesia, this automatically shows that there is still a lot of usury .

Therefore the existence of Islamic banks in Indonesia is a form and answer to the concerns of the population about conventional banks having usury . An economic system that is principled in Islamic teachings has clear principles and rules in carrying out its operational activities, namely the prohibition on *maisir* or gambling, *gharar* or uncertainty, and usury or additions. Thus it can be interpreted that Islamic banks are financial institutions whose operating systems are in accordance with Islamic teachings when providing services to customers such as financing and other services. (Yusmad, 2018) .

Service financing is carried out by one of the BSI banks. Bank BSI emerged because of a merger or amalgamation of 3 Islamic banks in Indonesia, namely Bank Rakyat Indonesia Syariah (BRIS), Bank Negara Indonesia Syariah (BNIS) and Bank Syariah Mandiri (BSM). The definition of a merger in the short sense is the merging of several companies into one, of which one of the companies that remains standing is one of these companies and the other merges into one along with its wealth with the company that is still standing. The regulations governing the merger or amalgamation of several banks are listed in government regulation Number 28 of 1999 (Suryani et al., 2022) .

Figure 1.2 2of Islamic Banks in Indonesia

Of the sharia financial assets that have continued to grow high in the pandemic era, one of them is sharia banking. You can see data from the last five years in Islamic banking, namely in 2017 it was recorded as having assets of 435.02, then in 2018 these assets rose to 489.69 then in 2019 Islamic banking assets increased again to 538.32 and in 2020 it reached 608.90 then in 2021 the increase in Islamic banking assets reached 693.80 trillion.

Islamic banking in carrying out its operational activities in general has three main activities, namely distribution or channeling of funds, collection and product service activities. The distribution or channeling of funds or commonly known as financing is the process of channeling the existing budget at the bank which will then be distributed again to the public using 2 main principles, namely the buying and selling principle and the principle of profit sharing cooperation. In channeling funds using the buying and selling principle, the bank uses various contracts in distribution such as murabahah, istishna, salam and ijarah contracts. Then for the principle of profit-sharing cooperation, the contracts are mudharabah and musyarakah (Yusmad, 2018).

Mudharabah contract consists of two parties, namely the fund provider and the fund manager or business who work together in building a business with the provisions that profit sharing is shared according to the agreement and if a loss occurs, it is borne by the owner of the funds alone (Islami, 2021). Whereas a musyarakah contract is financing in the form of a joint agreement between 2 or more parties with the provision that each party contributes in channeling their capital and making an agreement that profits and losses are shared jointly (Rahayu & Hasbi, 2022). When carrying out this fund distribution activity, of course there

are threats, namely such as failure or non-smooth repayment on loans which are commonly referred to as Non-Performing Financing (NPF).

Problematic financing in the world of Islamic banking is referred to as Non-Performing financing (NPF). The definition of Non-Performing financing itself is a situation when financing activities whose quality of payment is not smooth, decreased, stalled or has been doubted. In other words, non-performing financing or non-performing financing is a description of a situation when return on financing finds an unexpected or unexpected risk (Febriyanti, 2018).

Table 1.1 1of NPF (Non Performing Financing)

Period	NPF
2017	1.50 %
2018	1.52 %
2019	1.44 %
2020	1.35 %
2021	0.87 %

Source: BSI , data processed in 2022

Non Performing Financing) level table, it shows that the NPF rate from the last 5 years has experienced one increase in the NPF level, namely in 2018. This is it can be seen that in 2017 the NPF level was 1.50% then in 2018 it increased to 1.52% then in 2019 the NPF level again decreased to 1.44% then in 2020 it became 1.35% and finally in 2021 the NPF level will touch 0.87%. The maximum NPF ratio applied in Indonesia is 5%, if it is more than 5% it can greatly affect the assessment of the soundness of a bank.

In carrying out fund distribution or financing activities, the sharia banking sector should use the precautionary principle. The precautionary principle is a principle which explains that when carrying out its role and business activities, the bank must be careful in order to protect customer money entrusted to the bank. To prevent losses and the emergence of threats from a rule imposed by the bank, the precautionary principle is applied. In carrying out the precautionary principle, Islamic banks examine depositor cadres by applying the 6C + 1S principles (Character, Capacity, Capital, Condition, Collateral, Constant, & Sharia) (Abubakar & Handayani, 2018).

One of the sharia banks that uses the precautionary principle in carrying out its activities is Bank Syariah Indonesia (BSI) KCP Godean. The contracts

applied in channeling financing at Bank Syariah Indonesia (BSI) Godean include mudharabah, murabahah, istishna, salam ijarah and musyarakah contracts. One of the financing agreements that plays a role is the musyarakah contract to overcome the problems faced by the community. The community contains customers of MSME actors. Because the contract is useful for saving the business conditions that have been carried out.

The problem that is often felt by customers in developing their business is that business development requires capital. This capital can determine business rates and support increased production. Therefore, with the presence of musyarakah financing provided by Bank Syariah Indonesia (BSI) KCP Godean, it is hoped that the business that will be built by customers can develop (Ilyasa, 2018).

According to the results of the data from table 1.2 regarding the development of mudharabah and musyarakah financing in Islamic banks, it shows the following:

Table 1. 2Development of Mudharabah & Musyarakah Financing

Year	Musyarakah	Mudharabah
2017	4,444.88 T	870.11 M
2018	7106.94 T	933.55 AD
2019	9,417.03 T	1560.73 T
2020	8906.53 T	1,497.51 T
2021	53,903,123 T	1,592,314 T

Source: BSI, data processed in 2022

Judging from the results of the data in the table, the growth of musyarakah and mudharabah financing in Islamic banks shows that musyarakah financing has experienced a fairly rapid growth compared to mudharabah financing in the period 2017 to 2021. According to the information in the table, it is stated that musyarakah financing in Indonesian Islamic banks has experienced a very rapid increase and it is undeniable that this increase occurred in Islamic banks throughout Indonesia, including Bank Syariah Indonesia (BSI) KCP Godean. However, the increasing number of customers using musyarakah financing, it is very possible that some of these customers have problem financing.

Universally, the occurrence of problem financing is caused by two factors, namely external factors and internal factors. Internal factors usually occur due to managerial errors in a company itself. Whereas external factors occur because they are influenced by something outside the company, for example, such as changes in economic conditions, technological conditions, natural disasters, wars and so on (AR Putri et al., 2022).

Therefore, in order to minimize the risks that occur in bad loans, banks need to apply the precautionary principle when distributing funds by applying the 6C + 1S principle analysis (Character, Capacity, Capital, Condition, Collateral, Constraint and Sharia) to their customer cadres. Principles 6c + 1S have parameters that need to be examined in order to provide confidence to the bank that its prospective customers are responsible and honest people in paying off each agreed upon obligation each month. Based on the background that has been described, the authors are encouraged to carry out an analysis entitled "Implementation Of Prudential Banking Principles Through 6c + 1s At Bsi Kcp Godean Yogyakarta"

Methods

This study uses qualitative research methods with a field approach or field research. As for the definition of the research method is the method applied at the research stage. In this study, the design, type, approach used, data checking techniques and data collection techniques were described (Asmi, 2019). Source of data used primary data and secondary data. Primary data is obtained from BSI Operations Managers , BSI Account Officers, Customer Service and Tellers through research and interviews. The secondary data used are the BSI website, Bank Indonesia, the Financial Services Authority and the BSI KC P Godean Yogyakarta Performance Report. The subjects used are obtained from BSI Operational Managers, BSI Account Officers, Customer Service and Tellers. Data collection techniques used are interviews, observation and documentation. Data analysis techniques in this study are data reduction, data presentation, drawing conclusions and data verification.

Results and Analysis

Implementation of Prudential Banking Principles Through 6c + 1s

In accordance with the rules listed in Law no. 10 of 1998 which confirms that banks in Indonesia in carrying out their operational activities apply the precautionary principle based on economic democracy. Assessment through

prudential banking principles with 6c + 1s principle financing analysis is carried out for all financing including musyarakah financing. Based on the provisions contained in Article 8 of the Banking Law, it states that prudential banking principles in carrying out their activities use the 6c principle, namely character, capacity, capital, condition of economy, collateral and constraints. And based on referring to Islamic banking regulations, in carrying out all of its operational activities, Islamic banks apply sharia principles.

Character or characters

Character is the nature and character of the customer in his daily life both in the personal and work environment. The function of character is to know customers in keeping their promises (Hengki, 2021). To get an idea of the character of a prospective customer, there are several indicators that can be taken, namely:

Table 4. 1Character Implementation

No	Indicator	Implementati on
1.	Examining the curriculum vitae of prospective customers	Applied
2.	Data verification by conducting interviews	Applied
3.	Examining the reputation of prospective customers in their business environment	Applied
4.	Seek information about lifestyle and hobbies of prospective customers	Applied

Source: Branch Manager of BSI KCP Godean Yogyakarta

Based on the explanation presented by Ruri Supriadi as Branch Manager of BSI KCP Godean Yogyakarta, it shows that Bank BSI KCP Godean Yogyakarta has used the character principle before providing financing to prospective customers. The assessment of the character principle is carried out by BSI KCP Godean Yogyakarta before providing musyarakah financing to prospective customers by examining the curriculum vitae of prospective customers, verifying data by conducting interviews, researching the reputation of prospective customers in their business environment, seeking information on the hobbies and lifestyle of these prospective customers.

With the application of this character principle, the bank can find out the good or bad personality and characteristics of its prospective customers. If the personality assessment of the prospective customer is good, then it is certain that the person is an honest and responsible person in paying off obligations every month.

The capacity or ability possessed by the customer in running his business

Capacity is the skill of mudharib cadres when managing their business in order to get the desired benefits. The function of knowing this capacity is intended as a measuring tool to determine the ability of prospective customers to pay off their obligations.

Table 4. 2Capacity Implementation

No	Indicator	Implementation
1.	Historical approach	Applied
2.	Educational approach	Not applied
3.	Juridical approach	Applied
4.	Managerial approach	Applied
5.	Technical approach	Applied

Source: Branch Manager of BSI KCP Godean Yogyakarta

The assessment applied by the bank in analyzing the capacity principle is in accordance with what is stated in Bank Indonesia Regulation or PBI article 2 paragraph 1 consisting of several indicators by taking several approaches. The approach used as an assessment of the capacity principle is through a historical approach, an educational approach, a juridical approach, a managerial approach and a technical approach.

Based on the explanation that was explained by Ruri Supriadi as Branch Manager of BSI KCP Godean Yogyakarta, it shows that Bank BSI KCP Godean Yogyakarta has used the capacity principle before providing financing to prospective customers. Assessment indicators in the capacity principle have been implemented. There are several indicators used as BSI KCP Godean Yogyakarta's assessment of prospective customers even though there is one indicator that is not applied or assessed is the educational approach. Ruri Supriadi stated that: "Not only does low education affect a person's ability to collaborate and build a business. Because basically the educational background of the prospective

customer cannot guarantee a person's ability to run their business and pay their obligations.

Therefore the assessment through indicators with an educational approach is not applied to BSI KCP Godean Yogyakarta.

Capital or financing sources owned by prospective customers

Capital is the amount of assets, assets or funds belonging to mudharib cadres. Capital can also be used as a benchmark know the sources of capital and funds owned by customers. Capital is total funds or personal capital owned by prospective customers. The amount of personal capital owned by prospective customers greatly influences the provision of financing. because the greater the amount of personal capital, the higher the sincerity of prospective customers in carrying out their business, therefore the bank will be more confident in providing financing to these prospective customers (FD, 2020).

The amount of capital can be seen through the company's balance sheet such as retained earnings, owner's equity components and so on. As for individuals, it can be seen from the list of assets owned after deducting all debts from prospective customers (FD, 2020).

Table 4. 3Capital Implementation

No	Indicator	Implementation
1.	If the prospective customer is a company, then the bank looks at the capital structure	Applied
2.	If the prospective customer is an individual, the bank will see the advance paid	Applied

Source: CBRM BSI KCP Godean Yogyakarta

To find out capital, it can be seen from two indicators that are used as an assessment of capital, namely an assessment of prospective customers if the customer is a company and an assessment of the customer if the customer is an individual. Based on the information obtained from Hendy Regar Novianto as the Consumer Branch Relations Manager, it shows that BSI KCP Godean Yogyakarta has implemented the principle of capital before providing financing to its prospective customers. The assessment of the capital principle is carried out by the bank before providing musyarakah financing to prospective customers

by looking at the source of financing owned by the prospective customer and adjusted for the type of customer.

If the customer is an individual, the bank will see the amount of the down payment paid. Because the greater the amount of down payment paid, the more likely the financing will run smoothly and avoid congestion. Of course this will give confidence to the bank to provide financing to prospective customers. Then if the prospective customer is a company, the bank assesses its capital structure, such as knowing whose market system it is, how long the business has been running and seeing the scale of the company's business including small, medium or large businesses.

Conditions or economic situations that may affect the smooth running of the prospective customer's business

Condition Is a condition of trade, culture, social and politics that can affect commerce so that it can affect the company's financial status as a mudharib candidate . In providing financing to prospective customers, it is necessary to consider the conditions and economic situation of prospective customers. The bank is required to know the economic conditions of prospective customers which can affect future progress (Hengki, 2021).

Table 4. 4Condition Implementation

No	Indicator	Implementation
1.	Marketing needs	Applied
2.	People's purchasing power	Applied
3.	Availability of raw materials	Applied
4.	Government regulations	Applied

Source: Branch Manager of BSI KCP Godean Yogyakarta

The assessment of the principle condition that is carried out by the bank before providing musyarakah financing to its prospective customers is by looking at several indicators, namely through marketing needs, people's purchasing power, availability of raw materials and government regulations. Based on the explanation presented by Ruri Supriadi as Branch Manager of BSI KCP Godean Yogyakarta, it shows that Bank BSI KCP Godean Yogyakarta has used the condition principle before providing financing to its prospective customers. The

indicators in evaluating the conditional principle have been applied to the BSI KCP Godean Yogyakarta.

The economic situation or condition occurs because it is influenced by two factors, namely internal factors and external factors. The internal factors come from the bank, while external factors are factors that come from the prospective customer, such as the government or the community. Communication between prospective customers and the bank regarding economic conditions must be smooth, this is because economic conditions can affect the smooth running of the business of prospective customers in the future.

Collateral or guarantees given by prospective customers

Collateral is a guarantee from a prospective customer that is given to the bank, both physical and non-physical. Collateral is given to the bank to increase trust and peace of mind for the bank (Jazila, 2018).

Table 4. 5 Collateral Implementation

No	Indicator	Implementation
1.	Economical	Applied
2.	Juridical aspect	Applied

Source: Funding and Transaction Staff of BSI KCP Godea

Collateral principle is carried out by the bank before providing musyarakah financing to prospective customers by looking at two indicators which are used as an assessment of the guarantees provided by customers. These two indicators are paying attention to collateral assets from an economic and juridical perspective.

Based on the explanation presented by Andika Andy Hermawan as the Funding and Transaction Staff of BSI KCP Godean, it shows that BSI KCP Godean Yogyakarta has used the collateral principle before providing financing to prospective customers. Guarantees that can be given to the bank are like certificates land, house certificates, SHM, SHGD, BPKB, Receivables or cessions, production machinery, ships and ships. In providing financing to prospective customers, the bank must also pay attention to the economic and juridical aspects. Before the bank provides financing to prospective customers, assets are examined or commonly referred to as LPA or asset inspection reports. From these assets it can be seen whether the value is feasible or not and can be

financed or not. The assessment or requirements of these assets are: not to be close to graves, or TPU, not to be close to landfills or TPA, SUTET or high pressure public facilities and near rivers.

Constraints or obstacles that might interfere with the prospective customer's business processes

Constraints are obstacles that may arise that can disrupt the business process of prospective customers. In providing financing to prospective customers, banks must also consider and know the obstacles or constraints that might occur in the field (Hengki, 2021). To assess the constraints can be seen by paying attention to the obstacles that may occur as well as the legality of the prospective customer's business. Before providing financing to prospective customers, BSI KCP Godean pays attention to the obstacles that may occur and can affect the business of these prospective customers.

Table 4. 6Implementation of Constraints

No	Indicator	Implementation
1.	Paying attention to obstacles that may occur in the prospective customer's business	Applied
2.	Pay attention to the legality of the customer's business	Applied

Source: Marketing BSI KCP Godean Yogyakarta

Constraint principle can be seen by paying attention to the two indicators used as an assessment of the constraint principle, namely by taking into account the obstacles that may occur in the prospective customer's business and paying attention to the legality of the prospective customer's business. Based on information obtained from Murdianto as Marketing at BSI KCP Godean Yogyakarta, it shows that Bank BSI KCP Godean Yogyakarta has used the constraint principle before providing financing to its prospective customers. The BSI KCP Godean Yogyakarta will examine the obstacles that may affect the business of the prospective customer. If these obstacles pose a high risk, the bank will automatically not provide such financing to prospective customers. High-risk financing is such as financing for businesses that are not in accordance with government regulations or conflict so that the business is illegal or illegitimate.

For example, when there is a request for cash financing for the general hospital in the Prambanan area, which has not been implemented formally because it has not received permission from the central government or the Minister of Health regarding business permits to open BPJS. Automatically this causes the hospital to be quiet, that is an example of an obstacle. Even though the hospital is large, the physical condition is good, but because they have not received permission from the center or the Ministry of Health regarding the opening of the BPJS. Of course this can hinder the business of these prospective customers.

Sharia

sharia is used as a control tool so that in carrying out economic activities it does not violate Islamic sharia. There are three functions of Islamic sharia namely: as a source of information given directly by God, as a source of information that has been validated by Islam for its truth, and finally as a means of control so that in carrying out economic activities it does not violate Islamic sharia so as to avoid things which can be detrimental. The four principles that are commonly applied in Islamic sharia are the prohibition of maysir, gharar, usury and vanity (R. Putri, 2019).

Table 4. 7Implementation of Sharia

No	Indicator	Implementation
1.	The prospective customer's business is free from usury	Applied
2.	The prospective customer's business is free from maysir	Applied
3.	The prospective customer's business is free from gharar	Applied
4.	false things	Applied
5.	The business of prospective halal customers	Applied

Source: BOSM BSI KCP Godean Yogyakarta

Assessment of sharia principles can be seen by paying attention to the five indicators used as an assessment of sharia principles, namely by paying attention to the prospective customer's business being free from usury, maysir,

gharar, vanity and paying attention to the halalness of the prospective customer's business. Based on the explanation presented by Anindita Nurul Nisa as the Branch Office Service Manager at BSI KCP Godean Yogyakarta, it shows that Bank BSI KCP Godean Yogyakarta has used sharia principles before providing financing to prospective customers. If it turns out that the business of the prospective customer is not in accordance with Islamic sharia, the financing will automatically be rejected.

Obstacles and solutions in implementing prudential banking principles through 6c + 1s

BSI KCP Godean Yogyakarta, in providing musyarakah financing to prospective customers, first assesses and sorts customers according to the criteria in the financing analysis, namely the 6c + 1s principle. In implementing prudential banking principle through 6c + 1s to prospective customers, BSI KCP Godean Yogyakarta faced various obstacles when implementing it. Based on information obtained from the BSI KCP Godean Yogyakarta Branch Manager, these obstacles stem from two factors, namely internal and external factors. The constraints occurred at BSI KCP Godean Yogyakarta and solutions to overcome these obstacles are as follows:

The obstacles faced by BSI KCP Godean Yogyakarta in implementing prudential banking principles through 6c + 1s occur because they are influenced by two factors, namely internal and external factors as follows: Internal factors: Constraints due to internal factors are constraints originating from the bank. This factor occurs due to negligence or inaccuracy of the bank in charge of surveying customers. This negligence is an example of an error in calculating the nominal value of collateral. This can happen due to carelessness or carelessness on the part of the employee, for example the employee actually knows the rules but forgets about the rules for implementing the precautionary principle as well as other factors due to too much work or work overload because there are so many that the employee does not have time to check in detail regarding the 6c + 1s principle because there is too much work so it doesn't focus.

External factors: External factors are obstacles originating from the customer. External factors are caused by two elements, namely due to intentional elements and unintentional elements by the customer. As for the intentional element by the customer, it is as follows; the customer deliberately consciously does not carry out his obligations to make installment payments to the bank and the customer commits a violation by misusing financing funds from a bank that is out of sync with a mutually agreed plan.

Meanwhile, for the elements of accidental acts committed by customers, such as a decrease in turnover the business owned by the customer and the circumstances that cause a lack of finances so that it is not sufficient to pay installments and sometimes there are customers who overly underestimate the payment of each of their installment obligations. Efforts or solutions made by BSI KCP Godean Yogyakarta in order to deal with obstacles that occur when implementing prudential banking principles through 6c + 1s are by conducting routine training for employees who do not have sufficient skills, transferring or rotating employees, conducting coaching or mentoring and conducting superior supervision. Based on the results of the information obtained by Ruri Supriadi as the Branch Manager, BSI KCP Godean Yogyakarta in overcoming obstacles that occur when applying the precautionary principle is by:

Conduct routine training for employees who do not have sufficient skills. Training is an effort made by the company in order to increase insight or knowledge, skills and behavior of employees by conducting training. This is done so that in carrying out their work, employees can be more optimal in carrying out their duties and responsibilities. In addition, training for employees also aims to improve the quality of human resources and can help employees hone their skills at work (Wahyuningsih, 2019). Coaching or mentoring, mentoring is someone who is an expert or has experience paired or paired with employees who are less skilled or inexperienced. This aims to develop employees in developing their capabilities (Anwar et al., 2018). Carrying out employee mutations or rotations, basically rotations and mutations of employees have the same goal, namely to reduce and anticipate employee boredom at work (Firman et al., 2022). Supervision of superiors, is an observation by superiors that is carried out directly on the performance and work of subordinates. This means that if a problem occurs, then the boss will provide assistance and direct direction (A. Primasari et al., 2019).

Conclusion

BSI KCP Godean, in providing musyarakah financing to prospective customers, has implemented the precautionary principle using the 6C analysis (Character, Capacity, Capital, Condition, Collateral, Constraint) + 1S (Sharia). However, there is one indicator within the Capacity principle that has not been fully implemented, namely the assessment through an educational approach or evaluating the educational background of prospective customers. The obstacles in applying prudential banking principles through 6C + 1S at BSI KCP Godean

Yogyakarta are influenced by two factors: internal and external. Internal factors include issues originating from the bank, such as negligence or lack of thoroughness in the customer survey process. Meanwhile, external factors are related to customer challenges, whether intentional or unintentional.

To overcome these obstacles, BSI KCP Godean Yogyakarta has implemented several solutions, including conducting routine training for employees who lack sufficient skills, rotating or transferring employees, providing coaching or mentoring, and enhancing supervision by management. These steps are expected to optimize the application of prudential principles in Islamic financing and minimize the risk of problematic financing. These efforts also reflect BSI KCP Godean's commitment to maintaining service quality and ensuring compliance with sharia principles in every business process conducted.

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