EFFICIENCY OF BAITUL MAAL WA TAMWIL (BMT):  
AN EFFORT TOWARDS ISLAMIC WEALTH MANAGEMENT IN MICROFINANCE INSTITUTION

Atiqi Chollisni Nasution

ABSTRACT

The primary objective of most microfinance program is alleviating the poverty by assisting the poor to be economically independent. Measuring efficiency of microfinance program is important for enabling the microfinance institutions (M Fitzgeralds) to strengthen management, generate the profits and maintain an efficient operation to ensure its sustainability. In the last twenty years, the growth of BMTs increases significantly and has contributed positively to the development of socio economic of the country. Recently, there are around 4,000 BMTs operate and have enhanced thousand poor people life. BMTs responsible in collecting, managing and distributing the funds either for charity or providing financial services for the poor. The main aim of the paper is to examine the efficiency of Baitul Maal wa Tamwil (BMT) as Islamic microfinance institution in Indonesia and explain BMT’s effort towards Islamic wealth management by applying Islamic principles on its programs. Data Envelopment Analysis (DEA) is used to examine the relative efficiency of the selected BMTs. DEA is a non-parametric method which utilizes the linear programming method to measure technical (technological) efficiency and requires inputs and outputs data. Twelve BMTs are chosen as the sample of the study as it represents the biggest BMT’s operated in the poorest provinces. The study indicated that financing and human resources were some sources of inefficiency in BMT. It also indicated that the efficient BMTs applied the Islamic wealth management where focus on wealth of members and customers based on Islamic principles are the priority. Inefficient BMTs are expected to optimize its operations by emulating the input minimization and output maximization practices adopted by efficient BMTs.

Keywords: microfinance, efficiency, DEA, Islamic wealth management, BMT

1. INTRODUCTION

The Islamic approach to eradication of poverty and achievement of an equitable distribution of income and wealth is part of an overall scheme for the establishment of a socio economic order (Ahmad, 1991). Islam has stated that the balance of human life is main priority. It should be stand to the accomplishment of basic human needs and justice in human life. It means that Islam does not only manage the ritual activities between human and God but it also manages the daily activities of human where the Islamic ethics is involved on it.

Islamic finance offers various ethical schemes and instruments that can be advanced and adopted for the purpose of microfinance (Abdul Rahman, 2007). Islamic MFIs do not aim to reduce the poverty in material aspect only but they also attempt to motivate the micro-entrepreneurs (poor people) to be thriving by assisting them to adhere with Islamic norms and values.

The term of alleviating the poverty in Islamic perspectives entails spiritual aspect is more important than material aspects. A hadiths’ narrated by Abu Hurairah (as quoted on Mannan, PhD student of Institute Islamic Banking and Finance, International Islamic University Malaysia
1988) said that; “Indeed, the real richness is that of the heart (spiritual) itself”. On the other word, the real wealth in Islamic perspectives is not only in material aspects but also the spiritual concern. Wealth management can be defined as how the person manage it’s wealth to give as much return. In conventional perspectives, anything that give a return is considered as income without considers the sources are halal or haram. Meanwhile, Islamic wealth management helps to ensure that a person’s wealth is managed in such a way that consistent with the Islamic norms and value.

The concept of Islamic wealth management is consistent with the role of Baitul Maal wa Tamwil (BMT) in Indonesia cause it based on cooperative model. The model focuses on customer’s welfare as the priority. Using Islamic principles in all activities, BMT attempts to reduce the poverty by increasing the material and spiritual aspect of the poor people. They do not only disburse the loan for the poor but also assist the poor to manage its wealth (source of funds from the micro financing) based on Islamic principles. The fully assistance of BMT to its member by educating them in managing the funds, indicates the effort of BMT to increase the welfare of its member. It is also meant that BMT has moved forward to improve the economic condition of a person especially assist the poor to improve its norms and faith as a worship to Allah SWT.

Historically, BMT’s movement was started around 1990’s and the number grows rapidly with totally around 4,000 BMTs operate in the country. However, most of BMTs are not working well and some of them are collapsed. It indicates that the growth of BMTs is not consistent with the quality development of its performance. Therefore, BMT’s performance needs to be evaluated in order to find out the problems and inefficiency matters. Especially the evaluation of BMT’s efficiency and effectiveness in order to indicate the health of this institution that can be effect to its Islamic wealth management.

The structure of the paper is divided into four sections. The next section provides an overview of BMTs in Indonesia and literature on efficiency and Islamic wealth management. Section three discusses the methodology while section four explains the findings. The last section is the conclusion.

2. LITERATURE REVIEW

Asian Development Bank (ADB) (2000) defines poverty as characterized by a lack of access to essential goods, service, assets and opportunities to which being is entitled. On the other word, someone is considered poverty when they are absence of the items in the list of necessities (basic needs). Microfinance provides financial services to the poor through delivering financial services in micro and small sized enterprise.

Baitul Maal wa Tamwil (BMT) is established to help muslim micro-entrepreneurs as a strategy for eradicating rural poverty (Kholis, 2009). As Islamic MFI, BMT divides its role into two functions ; social and economic mission. The social missions is operated by Baitul Maal where collecting and distributing the charity fund (zakah, infaq, shodaqoh) to the poor is the main tasks. Whilst, Baitut Tamwil operates based on commercial activities, where the funds are managed to be productive and profitable.

The basic operation of BMT follows cooperative model, where all of persons that involve in BMTs are members (e.g staffs and customers). As member of BMT, they have responsible to

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2 Hadiths is the words or the acts of Prophet Muhammad (pbuh) that should be followed by muslim and as guidance to their daily activities. The revelation given to Prophet Muhammad (pbuh) is based on circumstances that are suitable with the process of Islamic propagation (Solihin, 2008)
pay the membership fee. The fees will support the BMT’s mission to highlight the members welfare by optimizing their contribution fee on BMT’s commercial activities.

Some studies indicated that BMT’s performance was relatively low. It was confirmed by the lack of management (Widiyanto and Ismail, 2010), lack of supervision and development assistance (Kholis, 2009; Amalia, 2009). To evaluate the performance of a financial institution, Berger and Humphrey (1997) suggested to separate those production units that are performing well from those that are performing poorly. For an MFI, efficiency analysis is useful to know if MFIs are well performing and if they can in the long run survive autonomously (Sedzro and Keita, 2009).

In term of efficiency, economic efficiency is defined in economic theory as a term describing how well a system is performing, in generating the maximum desired outputs for given inputs with available technology (Wahab and Abdul Rahman, 2012). The question is coming out when the assessment of an Islamic MFI is needed. How we assess that Islamic MFIs are efficient in contributing its role in economic and social, is one of the questions that should be investigated more. In fact, most of previous studies were more concerned on evaluating the efficiency of conventional MFIs whereas evaluating the efficiency of Islamic MFIs are still limited.

The prior studies used Data Envelopment Analysis (DEA) method to measure the efficiency of MFIs and covered a sample period of two to five years. DEA is a non-parametric method which utilize the linear programming method to measure technical (technological) efficiency and requires inputs and outputs data. Study by Qoyyum and Ahmad (2006), Hassan and Sanchez (2009) and Haq and Skully (2009) analyzed the efficiency of MFIs in some countries and indicated that DEA method can identify the problems and improve the MFI’s functions.

Moreover, there were two studies that only concerned on one country, such Nghiem et.al (2006) analyzed the efficiency of MFIs in Bangladesh and Widiyanto (2007) that explored efficiency of BMTs in Indonesia. Both of them summarized that measuring the efficiency of MFIs has helped them to analyze the best practices of each MFI. Therefore, measuring efficiency of Islamic MFIs is an important effort to enhance the functions of this institution for the ummah and for the future studies in the area of Islamic MFIs.

Additionally, the concept of Islamic wealth management (IWM) could strengthen the role of Islamic MFIs. As it has mentioned before that IWM helps to ensure that a person’s wealth is managed in such a way that consistent with the Islamic norms and value. Islamic MFI distributes the loan to the poor from and halal sources and make sure the loan is used in the ethical scheme (Islamic principles). Meanwhile, IWM helps Islamic MFI in managing the loan (as the wealth) of the poor to be develop and securing the benefit of the loan. It can be clearly stated by the scheme as follows:

Shariah rules will protect the public interest by securing of benefits and removing the harm. Securing of benefits means that the benefits of the loan that used by the poor people should be
useful for his self and also beneficial for public.3 Moreover, removing the harm earns that every transaction or investment of MFI’s loan must avoid any transactions that involves gambling, harm or unclear investment. However, being compliant to shariah law does not limit a person’s opportunity to invest as it actually helps a person to make ethical investment whereby the chosen business will be involved in ethical practice (Money Compas, 2010).

3. RESEARCH METHODOLOGY

Based on some literatures, there are two approaches in measuring the efficiency, they are non-parametric approach and parametric approach:

1. **The non-parametric approach.** This approach is utilizing the linear programming method to measure technical (technological) efficiency which require inputs and outputs data only. This approach uses two types of analysis ; Data Envelopment Analysis (DEA) and Free Disposal Hull Analysis (FDH)

2. **The parametric approach.** This approach is using econometric techniques to measure economic efficiency. Since economic efficiency requires information on technical and allocative efficiency, this method is considered broader than non-parametric approach. Based on market price, this approach involves in choosing the optimal level and structure of inputs and outputs. This approach uses three of analysis ; Stochastic Frontier Analysis (SFA), Thick Frontier Analysis (TFA) and Distribution Free Approach Analysis (DFA).

The most popular approach that is widely used is Data Envelopment analysis (DEA). It is a linear programming technique where a set of the best practices or frontier observations are those for which no other decision making units or linear combination of units has a much or more every output (given inputs) or a little or less of every input (given output) (Berger and Humphrey, 1997). DEA also can be defined as a linear programming model, assuming no random mistakes, used to measure technical efficiency (Vincova, 2005).

DEA is used to examine the relative efficiency of the selected BMTs. DEA is a non-parametric method which utilize the linear programming method to measure technical (technological) efficiency and requires inputs and outputs data. It is calculated by using Constant Return Scale (CRS) and Variable Return Scale (VRS) model. Charnes, Cooper and Rhodes (1978) or CCR defined Data Envelopment Analysis (DEA) as a mathematical programming model applied to observational data that provides a new way of obtaining empirical estimates of relations such as the production functions and/or efficient production possibilities surfaces that are corner stones of modern economics. While, in Banker, Charnes, and Cooper (1984) or is called as BCC model, the calculation of efficiency is called Pure Technical Efficiency (PTE).

CCR assumes ratio of additional input and output is equal or constant return to scale (CRS) or DMUs is at optimal scale, while BCC argues ratio of additional input and output is non-equal or variable return to scale (VRS). In addition, CCR model represents multiplication of Pure Technical Efficiency (PTE) and Scale Efficiency (SE) while BCC model examines Technical Efficiency (TE) only.

Technical efficiency (TE) describes the ability of a business unit to maximize output given certain amount of input or minimize its inputs given outputs. Hasan and Sanchez (2009)

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3 For example; if the loan that used by the poor people grow and develop, the benefit of the loan could create a wealth for the person. In Islamic principles, the wealth should be shared to other people who need it by distributing the charity (shadaqah) or could be used for opening the work field for the unemployment. Secure the benefit of loan will avoid economic discrepancy and protect the public interest.
defined pure technical efficiency (PTE) to firm’s ability to avoid waste by producing as much output as input usage allows, or by using as little input as output production allows. While Scale efficiency (SE) is defined as proportional reduction if the firm or bank achieved constant return to scale (CRS) or refers to the firm’s ability to work at its optimal scale.

a. The Constant Return To Scale (CRS)
The CRS assumes when all DMUs are operating at optimal scale. To define some notation, Coelli (1996) started by assuming data on K inputs and M outputs on each of N firms or DMUs. For the i-th DMU, it stated by the vectors \( x_i \) and \( y_i \). Moreover, the data of all N DMUs represented by the KxN input matrix, X and the MxN output matrix, Y. Coelli (1996) also mentioned that the best way to introduce DEA is via the ratio form. For each DMU, a measure of the ratio of all inputs, such as \( u'y_i/v'x_i \), where \( u \) is a Mx1 vector of output weights and \( v \) is a Kx1 vector of input weights. The input oriented measure of a particular DMU, under CRS, is calculated by:

\[
\begin{align*}
\text{Min} & \quad \theta, \lambda, \theta \\
\text{St} & \quad -y_i + Y \lambda \geq 0, \\
 & \quad \theta x_i - X \lambda \geq 0, \\
 & \quad \lambda \geq 0 \\
\end{align*}
\]

where \( \theta \) is a scalar and \( \lambda \) is a Nx1 vector of constant (Coelli, 1996). If \( \theta = 1 \), the DMU is considered efficient which lies on the frontier (technical efficient). Meanwhile, if \( \theta < 1 \), DMU is inefficient, thus, it need a \( 1 - \theta \) reduction in the inputs levels to reach the frontier. It should be noted that the linear programming problem must be solved N times, once for each DMU in the sample.

b. The Variable Return to Scale (VRS)
The use of CRS which considered all DMUs are at optimal scale, might encourage the result of TE confounded by SE. It can happen when DMU is in imperfect competition, constraints on finance, etc. Therefore, the use of VRS which was promoted by Banker, Charnes, and Cooper (1984) attempt to calculate TE that devoid the SE effects. Based on CRS linear programming problem, the VRS can be calculated by adding the convexity constraint : \( N'\lambda = 1 \) to provide:

\[
\begin{align*}
\text{Min} & \quad \theta, \lambda, \theta \\
\text{St} & \quad -y_i + Y \lambda \geq 0, \\
 & \quad \theta x_i - X \lambda \geq 0, \\
 & \quad N'\lambda = 1 \\
 & \quad \lambda \geq 0 \\
\end{align*}
\]

where \( N' \) is an Nx1 vector of ones. This model provides TE scores which are greater than or equal to CRS model, it caused by a convex hull intersecting planes which envelope the data points more tightly than the CRS conical hull.

DEA method is choosen for this study due to its useful features when it applied such each decision making unit (DMU)\(^4\) is assigned a single efficiency score and highlights the areas of improvement for each single DMU. The formula of DEA method is as follows ;

\[
\text{Efficiency of DMU} = \frac{\sum_{k=1}^{p} \mu_k y_k}{m}
\]

\(^4\) DMU on this study is BMTs
\[ m \] different outputs

\[ \sum_{i=1}^{n} \] number of DMU evaluated

\[ x_{ij} \] number of input I consumed by DMUj

\[ y_{ij} \] number of output k produced by DMUj

The concept of DEA considers that the most efficient firm is indicated by the score of 1 and generating best practice outputs among the rest of firms in the given sample. To measure the efficiency of an MFI, DEA method requires the approach in production or intermediation. Production approach considers financial institutions as a production unit, whilst intermediation approach deliberates financial institutions as intermediating between savers and borrowers. Moreover, DEA method also requires the inputs and outputs to measure the efficiency. This study argues that intermediating approach is suitable to measure the efficiency of BMTs due to its role as an intermediary between the borrowers and MFI. Two inputs and two outputs will be analyzed to measure BMT’s efficiency by using DEA method. The inputs and outputs that proposed by this study are as follows:

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>OUTPUTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets ; represents the support of fixed assets to BMT’s operations</td>
<td>Disbursement of loans ; represents the BMT’s activities in distributing the loan</td>
</tr>
<tr>
<td>Total Capital ; represents total funds that have been collected to support BMT’s activities</td>
<td>Total profit sharing ; represents the achievement of BMTs to acquire profit and financial sustainability</td>
</tr>
</tbody>
</table>

### 4. DATA ANALYSIS

The data needed for the empirical analysis comes from 14 BMT’s financial statement. These fourteen BMTs are chosen as the sample of the study as it represents the biggest BMT’s operated in the poorest provinces. Most of these BMTs have established well where they have operated more than five years, have asset more than Rp 1 billion and have served more than 500 borrowers (poor people).

In order to calculate the level of efficiency of BMTs, this study applies DEAP version 2.1 proposed by Coelli (1996). Data is taken from BMT’s annual report 2009-2011. Table 2 provides the technical efficiency of BMTs.

<table>
<thead>
<tr>
<th>Year</th>
<th>Sample Size</th>
<th>TE Mean of sample CRS</th>
<th>PTE Mean of sample VRS</th>
<th>SE Mean of sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>14</td>
<td>0.593</td>
<td>0.667</td>
<td>0.898</td>
</tr>
<tr>
<td>2010</td>
<td>14</td>
<td>0.628</td>
<td>0.743</td>
<td>0.842</td>
</tr>
<tr>
<td>2011</td>
<td>14</td>
<td>0.729</td>
<td>0.825</td>
<td>0.890</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td>0.650</td>
<td>0.745</td>
<td>0.877</td>
</tr>
</tbody>
</table>

Table 3 provides the means of TE under the assumption of CRS, while PTE and SE under the assumption of VRS. Between 2009 to 2011, the mean TE under the assumption of CRS ranged from 59.3 % and 72.9%. Taking the TE in 2009 as example, the conclusion can be
explained that the BMTs on average have produced the same level of output by actually using only 65% of the input mix. In other conclusion, it can be explained that in 2004, on average the BMTs were still 27.1% technically inefficient.

Moreover, under the assumption of VRS, between 2009 and 2011 the PTE ranged between 66.7% and 82.5%. VRS rating is obtained when we control for the scale size of the DMU. Furthermore, the TE in BMTs seems increases every year from 2010 to 2011. As it is noted that TE 62.8% in 2010 as compared to the mean TE in 2009 that only 59.3%. The same trend is showed by the mean of PTE that the number is growing every year. On the other hand, the mean of SE is decreasing in 2010 compared to 2009, then, it further increase again in 2011. In order to find the efficient BMTs in three provinces, the next table will explain the efficiency measures of each BMTs.

<table>
<thead>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>West Java</td>
<td>Al Amanah</td>
<td>0.345</td>
<td>0.345</td>
<td>0.998</td>
<td>0.396</td>
<td>0.425</td>
<td>0.932</td>
<td>0.525</td>
<td>0.536</td>
<td>0.979</td>
</tr>
<tr>
<td></td>
<td>Sumedang</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Java</td>
<td>Al Amin Sumedang</td>
<td>0.333</td>
<td>0.374</td>
<td>0.891</td>
<td>0.297</td>
<td>0.427</td>
<td>0.696</td>
<td>0.659</td>
<td>0.668</td>
<td>0.987</td>
</tr>
<tr>
<td>West Java</td>
<td>Al Anhar</td>
<td>0.376</td>
<td>0.424</td>
<td>0.887</td>
<td>0.318</td>
<td>0.437</td>
<td>0.727</td>
<td>0.393</td>
<td>0.418</td>
<td>0.940</td>
</tr>
<tr>
<td>West Java</td>
<td>Al Bina Tasikmalaya</td>
<td>0.399</td>
<td>1.000</td>
<td>0.399</td>
<td>0.327</td>
<td>1.000</td>
<td>0.327</td>
<td>0.939</td>
<td>1.000</td>
<td>0.939</td>
</tr>
<tr>
<td>West Java</td>
<td>Al Falah Cirebon</td>
<td>0.291</td>
<td>0.295</td>
<td>0.988</td>
<td>0.455</td>
<td>0.486</td>
<td>0.936</td>
<td>0.956</td>
<td>1.000</td>
<td>0.956</td>
</tr>
<tr>
<td>West Java</td>
<td>Al Ikhlas Majalengka</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>0.770</td>
<td>0.773</td>
<td>0.996</td>
<td>0.637</td>
<td>0.672</td>
<td>0.948</td>
</tr>
<tr>
<td>West Java</td>
<td>Al Islah Cirebon</td>
<td>0.294</td>
<td>0.396</td>
<td>0.742</td>
<td>0.390</td>
<td>0.590</td>
<td>0.661</td>
<td>0.688</td>
<td>0.705</td>
<td>0.975</td>
</tr>
<tr>
<td>West Java</td>
<td>Al Ittihad</td>
<td>0.408</td>
<td>0.468</td>
<td>0.871</td>
<td>0.789</td>
<td>0.899</td>
<td>0.878</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Central Java</td>
<td>Al Hikmah Bangsri</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Central Java</td>
<td>Amanah Bukateja</td>
<td>0.625</td>
<td>0.689</td>
<td>0.907</td>
<td>0.830</td>
<td>1.000</td>
<td>0.830</td>
<td>0.690</td>
<td>0.945</td>
<td>0.730</td>
</tr>
<tr>
<td>Central Java</td>
<td>As Salam Demak</td>
<td>0.334</td>
<td>0.340</td>
<td>0.984</td>
<td>0.344</td>
<td>0.369</td>
<td>0.933</td>
<td>0.455</td>
<td>0.610</td>
<td>0.747</td>
</tr>
<tr>
<td>East Java</td>
<td>MMU Sidogiri</td>
<td>0.899</td>
<td>1.000</td>
<td>0.899</td>
<td>0.872</td>
<td>1.000</td>
<td>0.872</td>
<td>0.548</td>
<td>0.996</td>
<td>0.550</td>
</tr>
<tr>
<td>East Java</td>
<td>Syirkah Lumajang</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>0.709</td>
<td>1.000</td>
<td>0.709</td>
</tr>
<tr>
<td>East Java</td>
<td>UGT Sidogiri</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Mean</td>
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<td>0.593</td>
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<td>0.842</td>
<td>0.729</td>
<td>0.825</td>
<td>0.890</td>
</tr>
</tbody>
</table>

It can be summarized that the most efficient BMT is UGT Sidogiri at East Java and BMT Al Hikmah Bangsri at Central Java with the score 1 that achieved every year and every efficiency measurement. It means that they have optimized the inputs to get the maximum output by requiring the capital and fixed asset to create the optimum income and disburse as much of loan. On the other hand, the BMTs that have less result of efficiency is due to inefficiency to optimize their inputs. BMT Al-Anhar, for instance, the number of TE and PTE are very low. It might be due to the lack of quality of human resources and also the absence of supporting funds (third parties funds).

To understand the operational of efficient BMT, this study only focuses on BMT UGT Sidogiri in order to see its application on Islamic wealth management. BMT UGT Sidogiri was developed by Pesantren Sidogiri at East Java. In 2011, it has 183.061 customers with asset Rp 322 billion, and has served 71.048 micro-entrepreneurs.5 One of strategy that used by BMT Sidogiri to serve the customers is spiritual approach. This approach includes fully assistance to customers to manage their wealth in Islamic way. For example, when the

5 Based on interview with Manager Marketing of BMT Sidogiri on April 2011.
customers received the microfinancing, BMT Sidogiri assists them to manage the loan (as the wealth) of the customers properly from how to manage the money, write every transactions until how to manage the profit or loss of the business.

Using the spiritual approach that focus on the responsibility of a human to Allah SWT, most of customers are aware of their responsibility to pay the loan on time. If a customer can not pay due the date, one of BMT Sidogiri’s staff will visit and remind some verses in the Qur’an about the compulsory of pay the loan for every Muslim. This approach is effective to reduce the number of non-performing loan of the BMT. In short, learn from BMT UGT Sidogiri, other BMTs that have low result of efficiency can optimize its function by educating the customers to manage their wealth efficiently.

5. CONCLUSION

Islamic wealth management helps to ensure that a person’s wealth is managed in such a way that consistent with the Islamic norms and values. BMTs in Indonesia have applied the Islamic wealth management by focusing on customer’s welfare as the priority and educate the customers to manage the wealth properly. The result of DEA method that proposed by Coelli (2006) to measure the efficiency found that BMT Sidogiri and BMT Al Hikmah Bangsri have the highest score of efficiency.

BMT Sidogiri assisted the customers to be efficient in managing their wealth based on Islamic approach. This strategy is effective to reduce inefficiency of operational in BMT. Inefficient BMT might be due to the lack of quality staffs and financial support. It was indicated by the low of TE and PTE in general. In conclusion, the study suggests to learn from the efficient BMT in order to enhance the quality of Islamic wealth management.

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