

SERVICE EXCELLENCE COMPETENCE; ADDED VALUE OF BANKING VOCATIONAL STUDENTS TO FACE ASEAN ECONOMIC COMMUNITY (AEC)

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ABSTRACT:The continuous positive development of sharia banking consequently demands need of human resources in the industry. This opens opportunity for students of vocational higher education especially in the finance and banking study program. However, the competition for work fields is also getting tighter. Some strategies are needed to develop the competence of students to make them ready to join the workforce and win the competition especially in facing ASEAN Economic Community. This paper explains about the excellent service competence that refers to the Indonesian National Working Competency Standard (SKKNI), which so become added value of Banking, that students are ready to work and are able to win the competition entering the sharia banking industry.

Keywords: Sharia Banking, Competence, Service Excellence, Vocational, AEC

1. INTRODUCTION

ASEAN Economic Community (AEC) is a form of economic integration of ASEAN, which all countries located in Southeast Asian region apply free trade system. Based on ASEAN Economic Blueprint[1], AEC becomes very necessary to minimize the gap between ASEAN countries in terms of economic growth, by increasing dependence of the members within. The application of AEC in 2015 will lead to the easier exchange of goods and services throughout the Southeast Asia countries. In addition, from the aspect of employment there is a tremendous opportunity for job seekers due to the availability of many jobs that require diverse expertise.

One of the industries that suffered the impact of the implementation of the AEC is sharia banking. The development of sharia banking industry continued to grow positively in the last decade, causing the increasing need for labour in this industry. According to Sharia Banking Statistics, the number of sharia bank office and sharia banking workers showed an average growth of 14 percent and 26 percent in the last five years, respectively [2]. This is certainly an opportunity for graduates of higher education who want to have career in sharia banking. On the other hand, the high number of job seekers in Indonesia that are not comparable with the number of jobs exist in the sharia banking industry would increase competition in entering the world of work.

The implementation of the AEC by 2015 becomes an opportunity as well as a threat to the

college graduates who will work in sharia banking today. It becomes opportunities because those who are able to compete will have wider opportunity in choosing the desired job. The AEC, however, became a threat to the college graduates who are unable to compete in this increasingly and widely fierce competition.

The growth of the office network and the number of workers in the sharia banking industry can be seen in tables 1 and 2 below.

Table 1 Growth of the office network

Year	Office Network	Growth (%)
2010	1.763	
2011	2.101	19
2012	2.663	27
2013	2.990	12
2014	2.910	(3)

Source: Bank Indonesia, 2015 (processed data)

Table 2 Number of workers

Year	Number of Workers	Growth(%)
2010	20.264	
2011	27.660	36
2012	31.578	14
2013	43.054	36
2014	50.522	17

Source : Bank Indonesia, 2015 (processed data)

Vocational school as an institution of higher

education that produce graduate students ready-to-work would become an integral part in preparing students to be ready to compete in entering the world of work especially after the implementation of AEC. This includes the Finance and Banking Department that has a concentration in the Sharia Banking at Diploma III of Economics, Universitas Islam Indonesia (UII). Competition to enter the workforce, after the implementation of the AEC, is not only among graduate students from within the country but also job seekers who come from abroad, so that Finance and Banking Department at Diploma III of Economics UII required to have a strategy so that its graduates are able to compete so that they can win the competition in entering the world of work.

2. RESEARCH METHOD

This research is a qualitative research using interviews as a method of data collection comes with various literature study. Interview done to bankers who has position as the decision makers in the determination of employee recruitments.

3. RESEARCH PURPOSE

This study was conducted to determine whether the learning process is performed on Finance and Banking Department Diploma III of Economics UII has been supporting the service excellent competencies required by the Islamic banking industry and can be an added value for the students.

4. LIMITATIONS OF THE RESEARCH

Research conducted is limited to the existing competence in frontline unit, there are Customer Service Unit and Teller Service Unit that applied to students in Finance and Banking Department Diploma III of Economic UII.

5. THEORETICAL REVIEW

5.1 Competence

Competence is defined as an underlying characteristic of a person and relating to the effectiveness of individual performance on the job[3]. According to Spencer and Spencer [4] competence can be divided into two (2) categories: "threshold competencies" and "differentiating competencies". Threshold competencies are the main characteristics that must be owned by a person in order to carry out their work, while differentiating competencies are the things that distinguishes a person has a high or low performance.

Another definition of competence is a general description of underlying knowledge, skills and attributes that people need to deliver worthy job

performance[5]. Dubois in Brits D.W. & Veldsman defined competence as the personal characteristics that drive superior job performance[6]. Wyne and Stringer defined competence simply as 'those things employees have to become, know and do, to achieve job outputs [7].

In this article, competency is defined as a composite of the knowledge, skills and attributes that lead to worthy job performance.

5.2 Service Excellence

Service is a valuable resource and, if customers do not receive the service they expect, they will go elsewhere [8]. Horovitz defined service as being "measured in terms of freedom from inconvenience and added value of products, that is, in terms of basic service features and the customer's experience with the service" [9].

Service excellence is seen as a way to do a business[10]. It requires service organisations to deliver their promises and have good systems in place to deal with the customers. Excellent service resulted on very satisfied feeling as the outcome of excellent performance. This suggests that the service organization does not only need to satisfy the customers but has to delight them as well. This is crucial because delight is constantly viewed as a result of service excellence that exceeds expectation[11].

5.2.1 Competence as part of quality of service

In providing satisfactory services, one of which is manifested by the presence of competence, as presented by Parasuraman[12] who conducted special research on some types of services and identify ten key factors that determine the quality of services. They are a) reliability, which includes two main things i.e. work consistency (performance) and the ability to be trusted (dependability). b) responsiveness, which is the willingness or readiness of employees to serve customers. c) competence, which is skills and knowledge required to provide certain services. d) access, including ease of contact and to encounter. e) courtesy, including politeness, respect, attention and friendly employees. f) communication, which means to give information to customers in a language that can be understood. g) credibility, defined as the nature of honest and trustworthy. h) security, which means safe from danger, risk or doubt. i) understanding, which is trying to understand the customer, and j) tangibles, the physical evidence of service.

The competencies are needed in the banking industry, research shows that competence development has a significant impact on the performance of the sharia financial institutions [13].

5.2.2 Service excellent competency in Customer Service and Teller Unit

Customer Service and Teller is a work unit directly dealing with customers in the bank. So it is important for the bank to be able to produce excellent Customer Service and Teller competence service in order to satisfy the customers. The results of the study showed that there is a positive and significant relationship between customer satisfaction and customer loyalty [14]. Incompetent Customer Service Teller will cause the operational risks of the bank that will eventually lead to a loss for the bank [15].

For the Islamic banking industry in Indonesia, one of the cornerstones of Customer Service and Teller competency criteria is the Indonesian National Work Competence Standards (SKKNI), which is implemented through the professional certification from Banking Profession Certification Institute (LSPP). The application of the competency unit for Customer Service and Teller can be seen in the table [16].

Table 3 Competency Unit for Customer Service and Teller

Unit	Competency Unit
Customer Service	1. Provide the information of product and bank services.
	2. Handling complaints
	3. Create an account
	4. Maintain the customer's account
Teller	1. Start of day processing
	2. Transaction processing
	3. End of day processing

Source: Ministry of Labor and Industry SKKNI, 2013

6. DISCUSSION

6.1 Application of Service Excellence in Sharia Banking Industry

Providing customers with excellent service is an un-negotiable demand for sharia banking today. The high level of competition among sharia banks required sharia banking to have something different than the competitors to win the competition. Providing quality services will increase customer loyalty and ultimately provide positive benefits for the company [17]. Ehigie suggested that there is a significant positive relationship between customer satisfaction and customer loyalty/retention [18].

One thing that is done today is to provide satisfactory services based on customers' needs. Application of service excellence includes many things, such as the actions carried out in Bank BTN

Syariah by Teller and Customer Service, below.

- Service attitudes includes; readiness to serve, attitudes to start the interaction, attitudes for interacting or serving and attitude when ending (closing) the service.
- Products knowledge, including; knowledge to opening the account, closing the accounts and dealing with customers' complaints.
- Physical appearance, both male and female officers, including; the use of uniforms, shoes, nametag and hairdo.
- Work equipment, including the cleanliness and tidiness of the workplace as well as what equipment is allowed and there should be above the workbench.

6.2 Students Competence of Finance and Banking Department at Diploma III of Economics Universitas Islam Indonesia (UII).

6.2.1. Competence Based Curriculum

Graduates of Finance and Banking Department Diploma III of Economics UII are designed to have the core competencies as banking operations personnel (Frontliner and Back Office). It is embodied in the curriculum designed to load supporting subjects such as the products and services of sharia banks, media bank transactions, information technology of sharia bank, service excellence, Know Your Customer Principle, sharia banks integration systems lab and internships.

The formation of the curriculum it is important to produce the expected competence as revealed by the Natt on research [19].

The products and services of sharia banks are the basic subjects that provide insight to students about the products and services on sharia banks. On this course, students are given an understanding of the operational products and services on sharia banks. It is part of the supporting and building service excellence competence. In addition, to support and build students competence, students learn sharia bank transactions media subjects. On this course, students are introduced to a variety of supporting media when carrying out transactions in sharia banking. It is closely related to the understanding of existing products and services. At the same time, the understanding of the technology used in the banking industry also introduced, and supported by an understanding of the existing service standards in sharia banking through service excellence subject.

In the next stage, after the students get the courses supporting these competencies, the overall course is integratedly applied to the sharia bank integration system lab, along with the application of Know Your Customer Principle in practice and students must carry out an internship in the final semester as shown in Figure 1.

Competency-based curriculum is compiled based on input of various parties including users (graduates users), alumnae and sharia banking practitioners. Input from users is useful to know about things need to be done to improve the quality of graduates. Alumni provide related information whether a curriculum that has been applied could provide benefits to support their work, while sharia banking practitioners provide an overview related to issues updates that occur in the sharia banking industry so that the curriculum provided may continue to adjust with the development of sharia banking, and existing students can have the competence and also up-to-date knowledge.

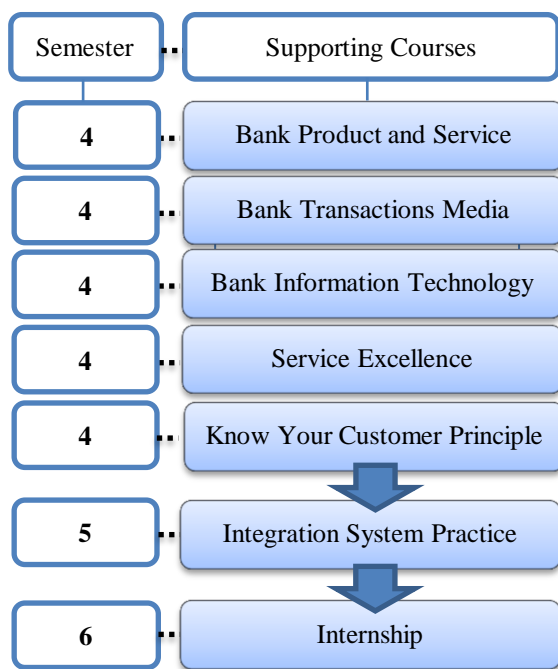


Fig.1 Stages in taking competence supporting courses, constructed by researchers.

To maintain the quality of the graduates, in the curriculum adopted by Finance and Banking Department, students must attend a competency test as a graduation requirement. The competency test is held in cooperation with banking institutions, including the Bank BTN Syariah and Bank SyariahBukopin. The competency test consists of an oral examination in the form of interviews and competency practice examination. At oral competency test, the tested material includes material from supporting courses ranging from sharia bank product and service, bank transactions media, bank information technology, Know Your Customer, and Service Excellence. Whereas in competency practice test, the examiners are sharia banking practitioners, students are required to meet minimum standards in terms of the ability of the

competency practice; bank employee appearance standards, quickly and precisely count money techniques, and customer service standards. At this practice test, students must do role playing using the supporting facility in the mini bank laboratory.

6.2.2 Strengthening the service excellence competency

By strengthening the service excellence competency, graduates of Finance and Banking Department are designed to have the core competencies as banking operations personnel, especially frontline staff with the job profile as a teller service, customer service, assistant financial analyst, and marketing staff. Strengthening the competence as frontline staff is done by providing students with the competencies required, including mastering the software used by sharia banking and BMT as sharia microfinance institutions.

The use of official software used by sharia banking aims to make students from Finance and Banking Department understand the information technology used, which become value added for students. This will support the readiness of students when entering the workforce. Use of this software is also accompanied by other supporting facilities such as specialized printers used in validating transactions and transactions printing media used such as savings books.

In addition, students from Finance and Banking Department also equipped with bank officers' standard of appearance and service. This material, as part of the service excellence course, teaches students how the appearance and services that should be applied when serving the customer. In the standard of appearance, students are taught about the rules of how an employee should look or perform in front of others, especially customers. Students are given the understanding from the appropriate use of uniform or work clothes, use of name tags, shoes, accessories, and hairdo. Including how to use the right makeup so it looks elegant in appearance.

In the customer service standard material, students are equipped with the rules that should be applied by employees in serving customers' transactions, in terms of fund raising, distribution of funds and transaction services. This standard of service set overall ways how an officer should behave when serving the customer, how to speak, including body language. The process of practical activities done by students is integrated in the sharia bank integration system through role playing/practice learning method. As front liners, students are equipped with understanding and conducting mini bank laboratory real activity ranging from operational at the beginning of the day until the end of the day. These are the example of role playing activities/practices;

- a. Teller Service

Teller service is a work unit that existed at the bank, the job is to serve transactions related to customers' financial. In general, transactions are serviced by the teller service is related to deposits and withdrawals of customer funds. As teller service, students make practices of doing real activities such as; deposit transaction services as current accounts, savings, and deposits. Serving withdrawal demand deposits, savings, and deposits. In addition, serving other transaction services.

b. Customer Service

Customer Service is an organizational unit existed on a bank, located in the front office, and serves as a source of information and an intermediary for banks and customers who wish to obtain services and bank products. The existence of customer service at the front plays a vital role in the field of services, so that the Customer Service becomes a bank's service evaluation. Customer Service is an officer who became an intermediary between the bank and the customer, which is usually contacted or will be visited by the customers when they come to the bank at the first time, either to ask for information or to make transactions.

As a customer service, students from Finance and Banking Department performing the practice through real activities at mini bank such as opening a checking account, savings, and deposits, closing current accounts, savings and deposits, provision of product information and contract (product knowledge) as well as handling complaints (settlement of customer complaints).

Students are also taught about the general process in a financial analysis. Starting from the filing when the financing proposed by the customer, customer financing feasibility analysis, committee decision-making process in terms of financing, financing realization, and financing maintenance after realization conducted. Meanwhile, as a marketer/funding students perform various activities such as; provide product and contract information, simulation of products and services offering, as well as cross-selling products to customers. Students are also taught the strategy in achieving the owned target.

The entire competence establishment process is performed through emphasizing on practical activities such as role playing with the case method that implemented and scheduled on each practice course.

Competence of service excellence that is taught to the students adapted to the needs of the banking industry. Specifically, things that are taught during the performed learning process including; service attitude, product knowledge, physical appearance, and work equipment.

At the attitude and service, students are given these learning;

a. Readiness to serve

If the service counters empty: officers did not let customers waiting, if the officers serving another customer then invited the customer to wait with polite and friendly attitude. There are officers during recess and they are willing to serve.

b. Start the interaction with positive attitude

Giving a smile, giving a warm and friendly greetings (based on time), invite customers to sit and offer help.

c. During the interaction/serving.

Listen, do not argue, and do not interrupting the customer, upright sitting position and facing customers and ask for permission to customers if there have to be interruptions. Such as incoming call, another customer is coming, leaving the counter or heading to do something that causes the customer to wait.

d. Terminate (close) the service

Offer another help, give a smile, say thanks and giving a friendly greetings (based on time).

Related to the product knowledge, students learn about:

a. How to explain the products/information asked by customers

b. Explain the general rules and product features appropriately

c. Explain the requirements of the account opening application

d. Giving the explanation using tools (computers, calculators, brochures), explains not too fast, avoiding jargon and technical and ambiguous language

e. Help customers to complete/fill an application form

f. Giving another alternative bank products (savings, deposits, mortgages)

g. Can explain the procedures for customer complaints

Related to physical appearance, students from Finance Banking Department are taught about standard of appearance for both male and female officers, which include; the use of uniforms, shoes, name tag and hairdo. As for the work equipment, students learn the cleanliness and tidiness of the workplace as well as what equipment is allowed and there should be above the workbench.

6.2.3 Professional Certification

The objective of this certification is to guarantee the quality of the competence of Indonesian workers in the labour market within and outside the country. Especially for professional bankers, including students from banking courses, technical certification activities carried out by the Institute of Professional Certification (LSPP) as an institute which get license from National Board of Professional Certification (BNSP).

Beginning in 2015, the Diploma III of Economics UII gradually began to certify the competency of the students in their last semester, especially on Finance and Banking Major. Certification test is adapted to the Indonesian National Work Competence Standards (SKKNI), for the banking through LSPP. There are three areas of competence that is appropriate for students from Finance and Banking Department Diploma III of Economics UII, namely Teller and Customer Service[20].

Certification that performed for students become important in line with the implementation of AEC would require competent Human Resources (HR). Competence becomes absolutely must-have ability because of increasingly complex competition in the banking industry as well as the higher risk of existing business. In addition, the certification also provides benefits such as

- a. value added of students to the company/industry in relation to their career.
- b. increase the value added of students corresponding to the chosen profession.
- c. Increase student confidence in carrying out the profession and competent in the labour market

Process undertaken by Finance and Banking Department toward certification performed for students can be seen in the picture below.

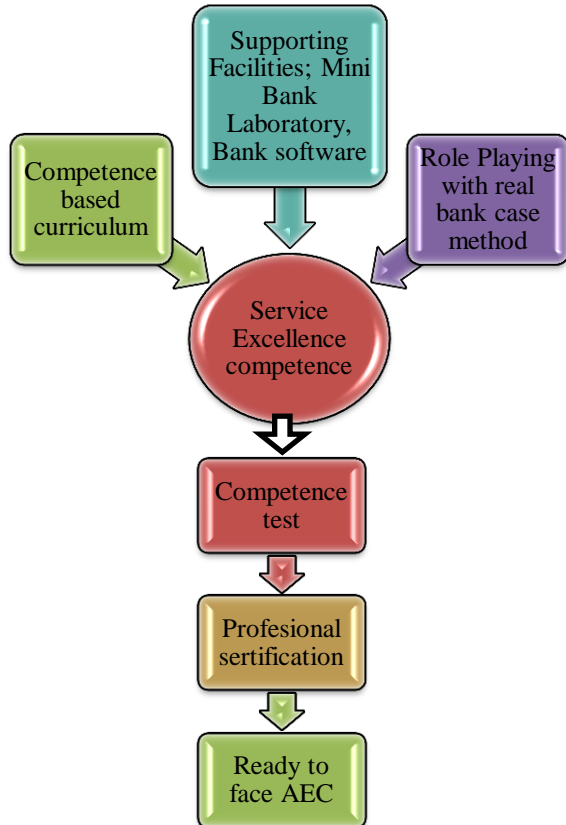


Fig 2. The formation process of the service excellence competence and professional certification readiness of students from Financing and Banking Department, constructed by researchers.

6.3 RESEARCH RESULT

Results of interviews conducted at ten Islamic banks about the importance of excellent service competence shown in the following table.

Table 4 Service excellence competence for students

Bank	Need/No
Bank Syariah Mandiri	Need
Bank BRI Syariah	Need
Bank BNI Syariah	Need
Bank BTN Syariah	Need
Bank BPD Syariah	Need
Bank Bukopin Syariah	Need
Bank Muamalat	Need
Bank Mega Syariah	Need
Bank Permata Syariah	Need
Bank Niaga Syariah	Need

Source: Interview, 2015

From the interviews conducted, ten respondents who are decision-makers at the bank, stated that the service excellent competence is necessary for a college graduate for a career in the banking sectors. Because in todays banking industry employees are required to be able to provide a satisfactory service to customers

6.3.1 Student competence in common with the needs of the Islamic banking industry

The following is an example of competency element is on the Customer Service

Table 5 Customer Service and Teller Competence

Unit Title	Elements of Competency
Banking Products and Services	Providing products and services information to the customers, delivering informations
Handling Complaints	Preparing, handling and reporting customer's complaints
Opening an account	Preparing an account, Serving customers, and processing account
Maintaning customers accounts	Preparing, Identify customers who require attention, handling customers that need attaention
Start of day processing	Preparing the early days, identify costumers transactions, preparing funding requirements cash, identify costumers

	transactions
Transactions process	Services the cash transactions, doing non cash transactions, submit cash, documents transactions
End of day processing	Closing the daily transactions

Source: Ministry of Labor&Industry SKKNI, 2013

Student competence in Finance and Banking Departement implemented according to the needs of Islamic banking industry that refers to the elements required from SKKNI for funding and services competence.

Competence in the above table are given gradually through the course supporting competence. The Implementation given by adjusting the existing competence in the performance criteria based on SKKNI Funding and Services.

7. CONCLUSION

Excellent service competence is a competency that is needed in the Islamic banking industry. service excellent competency for students will be an added value and help graduates to win the competition in entering the world of work. Learning process that refers to SKKNI makes students have an advantage because of their competence in accordance with the standards required by the industry. Based on the SKKNI funding and services criteria, the learning process that performed on Finance and Banking Department Diploma III of Economics UII, has been referring to the SKKNI so it is accordance with the needs of Islamic banking industries.

8. SUGGESTIONS

More in-depth study is required in order to know whether the service excellent competence in Finance and Banking Departement affect the competitiveness of students when entering the workforce.

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