Analysis of the Implementation of Sharia Principles in Human Resource Management of Islamic Cooperative

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ABSTRACT

This study aims to analyze the implementation of Sharia principles in human resource management, identify challenges in their application, and elucidate strategies employed by the management and administrators of the Savings and Loans and Sharia Financing Cooperative Ta'awun Sumedang to address these obstacles. Utilizing a qualitative approach, data were collected through observation, in-depth interviews, and documentation. Findings indicate that Sharia principles are integrated into human resource management through Islamic values such as trustworthiness (amanah), truthfulness (shiddiq), wisdom (fathanah), and effective communication (tabligh), which are evident in work practices, communication, training, and organizational culture. However, challenges include employees' limited understanding of Islamic economics, insufficient training grounded in Islamic values, and an incentive system focused on quantitative targets rather than Sharia-based ethics. To overcome these issues, the cooperative implements strategies such as thematic training oriented toward Sharia principles, regular spiritual development programs, and enhancements to the performance management system that incorporate Islamic work ethics assessments. The study concludes that leadership commitment and the internalization of Sharia values are critical for optimizing human resource management aligned with Islamic principles in cooperative settings.

Keywords: *Human Resource, Implementation, Sharia Cooperative, Sharia Principles*

ABSTRAK

Penelitian ini bertujuan untuk menganalisis penerapan prinsip-prinsip Syariah dalam manajemen sumber daya manusia, mengidentifikasi tantangan dalam penerapannya, dan menguraikan strategi yang digunakan oleh manajemen dan pengurus Koperasi Simpan Pinjam dan Pembiayaan Syariah Ta'awun Sumedang untuk mengatasi kendala tersebut. Dengan menggunakan pendekatan kualitatif, data dikumpulkan melalui observasi, wawancara mendalam, dan dokumentasi. Temuan penelitian menunjukkan bahwa prinsip-prinsip Syariah terintegrasi dalam manajemen sumber daya manusia melalui nilai-nilai Islam seperti amanah, kebenaran (shiddiq), kebijaksanaan (fathanah), dan komunikasi yang efektif (tabligh), yang terlihat dalam praktik kerja, komunikasi, pelatihan, dan budaya organisasi. Namun, tantangannya termasuk pemahaman karyawan yang terbatas tentang ekonomi Islam, pelatihan yang tidak didasarkan pada nilai-nilai Islam, dan sistem insentif yang lebih berfokus pada target kuantitatif daripada etika berbasis Syariah. Untuk mengatasi masalah ini, koperasi menerapkan strategi seperti pelatihan tematik yang berorientasi pada prinsip-prinsip Syariah, program pengembangan spiritual secara teratur, dan peningkatan sistem manajemen kinerja yang menggabungkan penilaian etika kerja Islam. Penelitian ini menyimpulkan bahwa komitmen kepemimpinan dan internalisasi nilai-nilai Syariah sangat penting untuk mengoptimalkan manajemen sumber daya manusia yang selaras dengan prinsip-prinsip Islam dalam lingkungan koperasi.

Kata kunci: *Sumber Daya Manusia, Implementasi, Koperasi Syariah, Prinsip Syariah*

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INTRODUCTION

Sharia cooperatives are vital in promoting an economy grounded in justice and Islamic values, offering financial services that comply with Sharia principles and avoid practices such as usury (*riba*). The Savings and Loans and Sharia Financing Cooperative (*Koperasi Simpan Pinjam dan Pembiayaan Syariah*/KSPPS), a prominent model in Indonesia, operates based on Islamic contracts like profit-sharing (*mudharabah*), partnership (*musyarakah*), cost-plus financing (*murabahah*), leasing (*ijarah*), and benevolent loans (*qardhul hasan*). These cooperatives prioritize not only financial profitability but also blessings (*barakah*), member welfare, and economic justice, as mandated by Law Number 25 of 1992 on Cooperatives and the Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 11 of 2018 on the Management of Savings and Loans Cooperatives and Sharia Cooperatives. The National Sharia Council-Indonesian Ulema Council (*Dewan Syariah Nasional – Majelis Ulama Indonesia*/DSN-MUI) Fatwa Number 92/DSN-MUI/IV/2014 provides essential guidance for implementing Sharia principles, including in human resource management within these cooperatives. Effective human resource management is crucial to ensure operations align with Islamic values, requiring personnel who are professionally competent and well-versed in Sharia principles (Kamara et al., 2024; Kuswanto, 2024; Mappasanda et al., 2025).

Human resource management in Sharia cooperatives must integrate Islamic values such as trustworthiness (*amanah*), truthfulness (*shiddiq*), wisdom (*fathanah*), and effective communication (*tabligh*) to support organizational goals (Hidayah et al., 2022; Dwi et al., 2024; Rinawati & Khusnudin, 2025). Studies by Lestari (2023) and Hadi (2023) demonstrate that human resource management practices, when guided by Islamic work ethics, positively enhance employee performance in Islamic financial institutions. These studies emphasize that strategies like regular training, annual performance evaluations, and communication rooted in Islamic values such as honesty and responsibility improve productivity. Similarly, Purba (2022) and Gano et al. (2024) highlight that Islamic human resource management strategies, including training and performance evaluations, foster an organizational culture aligned with trustworthiness and truthfulness. However, challenges include limited employee understanding of Islamic economics, insufficient Sharia-based training, and reward systems prioritizing quantitative targets over Islamic values. These obstacles underscore the need for a structured approach to embed Sharia principles in human resource management practices.

A research gap exists due to inconsistencies between theoretical frameworks and practical applications of Sharia-based human resource management in KSPPS. Irman et al. (2020) note that while Islamic financial institutions often adopt Sharia principles in financial operations, their human resource management practices frequently lack comprehensive guidelines integrating values like trustworthiness and wisdom into daily work. Ali (2010) and Arwani (2024) observe that many employees in Sharia cooperatives lack adequate knowledge of Islamic economics, hindering the internalization of Sharia values in human resource management. Additionally, Kuran (2018) and Nurjanah (2022) point out that reward systems in many Islamic institutions focus on conventional performance metrics, neglecting Islamic ethical values. These findings highlight the need for deeper exploration into the practical implementation of Sharia principles in human resource management and the strategies to address associated challenges.

KSPPS Ta'awun Sumedang has made efforts to incorporate Sharia principles into its human resource management practices. This study analyzes the extent to which these principles are comprehensively understood and applied by administrators and managers, identifies challenges in their application, and explores strategies employed by the cooperative's management to overcome these obstacles. The findings aim to contribute theoretically to the development of Sharia-based human resource management knowledge and provide practical recommendations for Savings and Loans and Sharia Financing Cooperatives and other Islamic financial institutions to formulate effective, value-aligned human resource management strategies. This study seeks to enhance the understanding of how Sharia principles can be practically integrated into human resource management, fostering an organizational culture rooted in Islamic ethics.

LITERATURE REVIEW

Principles of Sharia

According to Arwani (2024), Sharia is a comprehensive framework guiding Muslims' lives, encompassing divine ordinances from Allah and the Prophet Muhammad's teachings, as detailed in the Qur'an and Hadith. Kamali (2021) defines Sharia as all prescriptions Allah has set for His servants, covering faith (*aqidah*), ethics (*akhlaq*), and legal governance of economic and social activities. In HRM, implementation involves translating Sharia principles into practical actions that foster changes in knowledge, skills, attitudes, and ethical behavior. Van Meter and Van Horn (1975) describe implementation as delivering policy outputs through structured activities to achieve objectives, which, in Sharia-based HRM, means embedding values like *amanah*, *shiddiq*, *fathanah*, and *tabligh* into organizational practices. In Islamic economics, Sharia principles prohibit *riba* (usury), *gharar* (uncertainty), and *maysir* (gambling), while promoting justice, balance, and social responsibility in transactions (Soemitra, 2021; Lubis et al., 2023; Sarwar, 2024).

Nurjanah (2022) and Maulana (2024) emphasizes that applying Sharia principles in HRM fosters ethical practices, such as transparency, accountability, and fairness, shaping an Islamic organizational culture. These principles ensure economic systems are equitable, transparent, and sustainable, encouraging cooperation and mutual benefit among stakeholders. Implementing Sharia in HRM requires structured training programs, ethical policies, and leadership commitment to internalize values like trustworthiness and honesty (Rahmawati et al., 2023; Astuti, 2024; Syamsul et al., 2025). Abdullah et al. (2025) notes that Sharia principles guide organizations toward ethical decision-making, enhancing employee motivation by aligning work with spiritual goals. This approach distinguishes Sharia-based HRM by prioritizing both professional competence and spiritual integrity, ensuring that organizational practices reflect Islamic ethics. By fostering a culture rooted in Sharia values, organizations can enhance employee commitment and contribute to a just and ethical workplace environment, aligning with the broader objectives of Islamic economics.

Human Resource Management

As defined by Dessler (2020), Human Resource Management (HRM) is a strategic approach to optimizing employee capabilities through planning, organizing, directing, and supervising activities to achieve organizational goals. Mathis and Jackson (2011) describe HRM as a method to manage personnel effectively and efficiently to meet organizational objectives, emphasizing coordination and strategic alignment. In Sharia cooperatives, HRM must integrate Islamic values such as *amanah*, *shiddiq*, *fathanah*, and *tabligh* to ensure alignment with Islamic ethics (Maulana et al., 2021; Risma et al., 2022; Febrianto et al., 2024). Qasim et al. (2022) and Lestari (2023) highlights that HRM practices, when moderated by Islamic work ethics, significantly enhance employee productivity in Islamic financial institutions through regular training and performance evaluations. Similarly, Hadi (2023) and Ruhullah et al. (2025) notes that strategies like annual evaluations, skill development, and communication rooted in Islamic values like honesty and responsibility improve employee motivation and organizational performance.

Noe et al. (2019) and Hartati (2025) emphasize that HRM involves motivating and maintaining performance through strategic approaches, which, in Sharia settings, include spiritual development and ethical training programs. Nurjanah (2022) and Basalamah (2024) underscores that Islamic HRM fosters a culture where professional competence and ethical conduct coexist, enhancing organizational commitment to Islamic principles. The challenge lies in balancing conventional HRM practices with Sharia-compliant values, requiring tailored policies that prioritize justice, social responsibility, and spiritual growth. Irman et al. (2020) note that effective HRM in Islamic institutions requires continuous training to deepen employees' understanding of Sharia principles, ensuring their application in daily operations. By integrating Islamic ethics, HRM in Sharia cooperatives not only drives organizational success but also reinforces adherence to Islamic values, creating a workplace that nurtures both professional and spiritual fulfillment, ultimately contributing to a just and equitable organizational environment aligned with Islamic teachings.

Sharia Cooperative

Sharia cooperative is a cooperative entity that operates its activities based on Sharia principles and in accordance with the fatwas issued by the DSN-MUI (Annisa et al., 2024). Sobarna (2023) explains that a Sharia cooperative is a cooperative business entity that runs its operations in line with Islamic legal principles, as determined by fatwas issued by the DSN-MUI. Latifah et al. (2024) emphasize that a Sharia cooperative is an economic entity that integrates Islamic Sharia principles with cooperative activities, where all transactions and economic activities are based on Islamic teachings such as the prohibition of usury (*riba*), the principle of justice, and the concept of mutual cooperation. Soemitra (2017) defines a Sharia cooperative as an institution established by a group of individuals with the goal of mutually assisting one another in fulfilling economic needs based on Sharia principles. Profits are distributed fairly according to each member's contribution, with an emphasis on transparency and justice in every transaction. Amalia, (2016) states that a Sharia cooperative is a form of cooperative whose operations are supervised by the Sharia Supervisory Board (*Dewan Pengawas Syariah*/DPS) to ensure that all its activities comply with Islamic law. This cooperative functions as a financial intermediary that collects and distributes funds in halal and productive financing forms. According to DSN-MUI Fatwa No. 141/DSN-MUI/VIII/2021, Sharia cooperatives may be established and operated provided that they comply with the rules (*dhawabith*) and limits (*hudud*), ranging from the regulations on establishment, institutional structure, capital, and business activities, to social activities (*tabarru'at*) and contracts. Furthermore, the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia defines a Sharia cooperative as a form of cooperative whose business activities involve financing, savings, and investments based on profit-sharing (Sharia) principles.

RESEARCH METHOD

This study employs a qualitative approach with a case study method to deeply explore the implementation of Sharia principles in HRM at KSPPS BMT Ta'awun Sumedang, emphasizing meaning over generalization as suggested by Creswell (2014). The qualitative approach allows for an in-depth examination of natural conditions, with the researcher serving as the primary instrument to capture the nuances of Sharia-based HRM practices. The focus is on understanding the context, challenges, and strategies employed by the cooperative's management, providing a comprehensive view of how Islamic values are integrated into organizational practices. This descriptive qualitative research aims to analyze and interpret the phenomenon of Sharia principal implementation in HRM, offering insights into its practical application.

The research centers on KSPPS BMT Ta'awun Sumedang, specifically examining how Sharia principles are applied in HRM processes. The subjects include the cooperative's management, HR managers, and employees involved in HRM policies and practices, ensuring a diverse range of perspectives. Data collection involves multiple techniques to ensure robustness: in-depth interviews with management, HR managers, and operational staff provide detailed insights into their understanding and application of Sharia values. Participatory and non-participatory observations of managerial and operational activities reveal how Islamic principles, such as *amanah* and *shiddiq*, are manifested in daily work. Additionally, a documentary study of HR policy documents, standard Operating Procedures (SOPs), work manuals, and training materials offers a formal perspective on the cooperative's HRM framework. These methods collectively enable a comprehensive exploration of the research problem.

Data analysis follows Miles and Huberman (1994) model, which provides a systematic framework for processing qualitative data. The process begins with data reduction, where essential information from interviews, observations, and documents is simplified and organized to focus on Sharia-based HRM practices. Next, data presentation involves arranging the findings into narratives, tables, or charts to facilitate understanding and highlight key patterns. Finally, conclusion drawing synthesizes the analysis to formulate main findings systematically, ensuring they reflect the research objectives. To ensure data validity, the study employs triangulation of sources and techniques, comparing results from interviews, observations, and documents to confirm consistency. Member checks are also conducted, where findings are verified with informants to ensure accuracy and enhance the reliability of interpretations.

This methodological approach ensures a thorough investigation of Sharia principle implementation in HRM at KSPPS BMT Ta'awun Sumedang, capturing both the practical and theoretical dimensions. By combining qualitative depth with rigorous data validation, the study provides a robust foundation for understanding the challenges and strategies in aligning HRM with Islamic values. The findings are expected to contribute to both academic knowledge and practical applications for Islamic financial institutions.

RESULTS

Implementation of Sharia Principles in HRM

The first research objective is to analyze the implementation of Sharia principles in HRM at KSPPS BMT Ta'awun Sumedang. Data collected through in-depth interviews with management, HR managers, and employees, combined with observations of managerial activities and documentation of Standard Operating Procedures (SOPs), work guidelines, and training materials, reveal that Sharia principles are integrated through Islamic values such as *amanah*, *shiddiq*, *fathanah*, and *tabligh*. The operational manager highlighted the consistent emphasis on *amanah* in managing customer funds, viewing it as a responsibility that carries both worldly and spiritual consequences. Likewise, the HR manager explained that daily religious lectures are used to instill *shiddiq* and *fathanah*, presenting work as a form of worship. Observations also indicated that regular meetings and open discussions demonstrate the application of *tabligh*, promoting transparent communication. Data reduction focused on these values, eliminating irrelevant operational details to highlight HRM practices. As shown in Table 1, these principles are embedded in daily briefings, transparent reporting, professional training, and regular meetings, demonstrating a commitment to Islamic ethics. The findings indicate that these values are not merely slogans but are actively manifested in work practices, communication, training, and organizational culture, driven by strong leadership commitment.

Table 1. Sharia Values in HRM Practices

Sharia Values	Implementation in Human Resource Management	Evidence of Practice
Amanah	Emphasis on work responsibility as worship	Daily religious lectures, motivational briefings
Shiddiq	Honesty in reports and work activities	Transparency in work reports
Fathanah	Professional training and regular evaluations	Islamic finance training
Tabligh	Effective communication between divisions and leadership	Monthly meetings, discussion forums

The implementation process is supported by structured training and spiritual activities, ensuring employees internalize Sharia values. Leadership plays a pivotal role in fostering an Islamic organizational culture, aligning HRM with cooperative goals. These findings confirm that KSPPS BMT Ta'awun Sumedang effectively integrates Sharia principles into HRM, enhancing ethical and professional conduct.

Challenges in Applying Sharia Principles

The second research objective is to identify challenges in applying Sharia principles in HRM at KSPPS BMT Ta'awun Sumedang. Data from in-depth interviews with HR managers, management, and operational staff (e.g., marketing, tellers, customer service, collectors), combined with observations of work processes and reviews of HR policies and SOPs, reveal significant obstacles. Many employees, particularly new hires, lack a background in Islamic economics, which leads to difficulties in understanding Islamic commercial law (*fiqh muamalah*) terms and principles. The HR manager explained that there is a lack of specific training on Islamic economics for new employees, emphasizing the absence of regular Sharia-based training programs. Furthermore, the reward system tends to prioritize quantitative targets over Islamic values such as honesty and trust. One collector pointed out that their performance is measured based on targets rather than on adherence to values like honesty or trust. Table 2 summarizes these issues, identifying limited understanding, lack of training, and a non-Islamic reward system as the primary barriers. Observations also revealed a gap between ideal Sharia values and actual daily practices, with not all employees demonstrating full commitment to Islamic ethics.

Table 2. Key Challenges in Sharia HRM

Main Theme	Sub-theme / Code	Brief Description
Limited Understanding	Not yet understanding Islamic economics	Employees have difficulty understanding the terms and principles of fiqh muamalah
Lack of Sharia Training	Islamic training is rarely available	Internal training does not focus on Islamic principles
The reward system is less Islamic	Bonuses are only from targets	There are no indicators such as honesty and trustworthiness
Organizational Culture Constraints	Not everyone is fully committed yet	There is a gap between ideal values and daily practices

Further analysis, as shown in Table 3, underscores these findings through insights from key informants, including the chairman, who acknowledged that the bonus system has not yet fully incorporated Islamic values. These challenges indicate that, although there is a commitment to Sharia principles, systemic gaps in training and incentives hinder their full implementation. Addressing these obstacles requires targeted interventions to enhance employee knowledge and to align HRM systems more closely with Islamic ethics.

Table 3. Informant Perspectives on Challenges

Informant	Important Statement	Theme
HR Manager	We indeed do not have specific training on Islamic economics for new employees	Lack of Islamic training
Teller	I joined here and started working, I didn't know the terms of Islamic law	Lack of employee understanding
Chairman of the Board	We realize that the bonus system has not fully incorporated Islamic values	The reward system is not yet Islamic
Collector	We work based on targets, not on honesty or trust	The reward system is not value-based

Strategies to Overcome Challenges

The third research objective is to explain the strategies employed by KSPPS BMT Ta'awun Sumedang to address challenges in implementing Sharia principles in HRM. Data gathered through interviews with the board (chairman, secretary, treasurer), HR managers, and operational staff, alongside observations of internal activities and documentation of training programs and SOPs, reveal proactive efforts. The cooperative conducts weekly spiritual development sessions, such as group Quran recitations and religious talks (*tausiyah*), to enhance employees' spiritual awareness. The secretary explained that weekly study sessions are held to strengthen employees' spirituality, while a customer service employee shared that staff regularly participate in *tadarus* every Friday before work. Although training on Islamic work ethics is provided, the HR manager acknowledged that both the quantity and quality of such training need improvement. Table 4 outlines these efforts, which include Sharia-oriented training, spiritual guidance, and performance evaluations that incorporate Islamic ethics.

Table 4. Strategies to Address HRM Challenges

Main Theme	Code/Sub-theme	Brief Description
Continuous Training Efforts	Islamic Character Training	Training is provided on Islamic work ethics and Sharia principles
Spiritual Guidance	Regular Study Sessions and Tadarus	Employees are invited to participate in weekly study sessions to enhance their spiritual awareness.
Integration of Sharia Values into Human Resources	Work Ethics Evaluation	The performance evaluation system includes indicators of Islamic values

The performance management system is being refined to assess Islamic work ethics, with the chairman noting that Islamic values have begun to be incorporated into the standard operating procedures (SOPs) and performance evaluations. Table 5 highlights these efforts, reflecting a clear commitment to integrating Sharia values. Observations of morning briefings and training sessions confirmed that these activities contribute to fostering an Islamic organizational culture. Validation through triangulation such as comparing interviews, documents, and observations, and member checks ensured the accuracy of these findings. These strategies demonstrate a deliberate effort to overcome HRM challenges, although further enhancement of training and evaluation systems is still required to achieve full alignment with Sharia principles.

Table 5. Informant Perspectives on Strategies

Informant	Important Statement	Theme
Chairman of the Board	We have started instilling Islamic values into the SOP and performance evaluation	Integration of Sharia Values
HR Manager	There is Islamic work ethics training, but the quantity and quality still need to be improved	Continuous Training
Secretary of the Board	We hold weekly study sessions to enhance the employees' spirituality	Spiritual Guidance
Customer service	We are invited to participate in Tadarus every Friday before work	Spiritual Guidance

The findings across all objectives were validated through rigorous data triangulation, ensuring consistency between interviews, observations, and documentary evidence. Member checks with informants confirmed the accuracy of interpretations, enhancing reliability. For the first objective, the integration of *amanah*, *shiddiq*, *fathanah*, and *tabligh* into HRM practices reflects a robust application of Sharia principles, supported by leadership commitment and structured activities. For the second objective, challenges such as limited employee knowledge, inadequate training, and a target-driven reward system highlight systemic gaps, as evidenced in Table 2 and Table 3. For the third objective, strategies like spiritual development, thematic training, and improved performance evaluations, as shown in Table 4 and Table 5, demonstrate proactive efforts to address these challenges. Collectively, these results indicate that KSPPS BMT Ta'awun Sumedang is committed to aligning HRM with Sharia principles, though enhancements in training intensity and reward system alignment are necessary for optimal implementation. The synthesis of these findings provides a comprehensive understanding of Sharia-based HRM, offering insights for both theoretical development and practical application in Islamic cooperatives.

DISCUSSION

The findings of this study confirm that KSPPS BMT Ta'awun Sumedang has effectively integrated Sharia principles into its HRM practices through Islamic values such as *amanah*, *shiddiq*, *fathanah*, and *tabligh*. These values are not merely rhetorical but are actively implemented in daily work practices, communication, training, and organizational culture, as evidenced by regular religious lectures, transparent reporting, and open discussions. According to Nurjanah (2022) and Srivastava et al. (2024), the integration of these values into HRM fosters a culture of ethical service, particularly in customer-facing roles, aligning with the cooperative's commitment to Islamic principles. The leadership's role is pivotal, as their commitment ensures that these values are internalized across the organization, transforming routine tasks into acts of worship. This aligns with research by Aldulaimi (2016) and Lestari (2023), which demonstrates that Islamic work ethics enhance employee performance when consistently applied through training and evaluations. The success of this implementation at KSPPS BMT Ta'awun highlights the importance of aligning HRM with Islamic values to create a cohesive and ethical organizational environment.

Despite these achievements, significant challenges persist in fully implementing Sharia principles in HRM. Employees' limited understanding of Islamic economics, particularly *fiqh muamalah*, hinders their ability to apply Sharia concepts effectively, as noted by Irman et al. (2020), who identify low financial literacy as a major barrier in Sharia cooperatives. The lack of systematic, Sharia-focused training further exacerbates this issue, with current programs being sporadic and insufficiently comprehensive. Additionally, the reward system remains oriented toward quantitative targets, neglecting Islamic values like honesty and trustworthiness, which aligns with findings by Zainuldin et al. (2018) and Hadi (2023) that incentive structures in Islamic institutions often prioritize measurable outcomes over ethical conduct. These challenges indicate a gap between the cooperative's aspirations and its HRM practices, requiring more robust strategies to embed Sharia principles fully. The informal nature of some HRM processes, as highlighted by Abdulah (2024), further complicates the consistent application of Sharia values, underscoring the need for formalized guidelines and structured training programs.

To address these challenges, KSPPS BMT Ta'awun has implemented strategic initiatives, including weekly spiritual development sessions, such as *tadarus* and religious talks, to enhance employees' spiritual awareness. Thematic training on Islamic work ethics, though limited in frequency, aims to deepen understanding of Sharia principles, while performance evaluations are beginning to incorporate Islamic ethical indicators. These efforts resonate with findings by Hassan et al. (2022) and Nurjanah (2022), who notes that spiritual and ethical training increases employee motivation by framing work as worship. However, the cooperative must intensify these efforts to achieve optimal alignment with Sharia principles. Research by Irman et al. (2020) suggests that systematic training on transitioning to Sharia-based systems significantly improves understanding among cooperative staff, supporting the need for more frequent and comprehensive programs. The gradual integration of Islamic values into performance management systems reflects a commitment to overcoming these obstacles, fostering a culture that balances professional competence with ethical integrity.

The implications of these findings are twofold. Theoretically, this study enriches the literature on Sharia-based HRM by demonstrating how Islamic values can be practically integrated into organizational practices, offering a model for other Islamic financial institutions. Practically, it suggests that KSPPS BMT Ta'awun and similar cooperatives should invest in regular, structured Sharia training and revise reward systems to prioritize ethical values over quantitative targets. These steps can enhance employee competence and commitment, strengthening the cooperative's alignment with Islamic principles. By addressing these gaps, Sharia cooperatives can foster sustainable, ethical organizational cultures that contribute to economic justice and community welfare, aligning with the broader goals of Islamic economics.

CONCLUSION

The study reveals that KSPPS BMT Ta'awun Sumedang has effectively implemented Sharia principles in its HRM by integrating Islamic values such as *amanah*, *shiddiq*, *fathanah*, and *tabligh* into daily work practices, communication, training, and organizational culture. These values are actualized through transparent reporting, regular spiritual briefings, and professional training, supported by strong leadership commitment. However, challenges persist, including employees' limited understanding of Islamic economic concepts, insufficient Sharia-focused training, and a reward system prioritizing quantitative targets over Islamic ethics. The cooperative addresses these through strategic efforts like weekly spiritual sessions, thematic training, and performance evaluations incorporating Islamic work ethics, though these initiatives require further intensification to fully align HRM with Sharia principles.

The findings offer theoretical contributions by enriching the literature on Sharia-based HRM, demonstrating how Islamic values can be practically applied in cooperative settings. Practically, they suggest that KSPPS BMT Ta'awun should enhance Sharia training and revise reward systems to emphasize ethical values, fostering a stronger Islamic organizational culture. However, limitations include the study's focus on a single cooperative, potentially limiting generalizability, and reliance on qualitative data, which may miss quantitative insights. Future research could explore Sharia-based HRM across multiple cooperatives, incorporate quantitative metrics to assess performance impacts, and investigate the role of technology in enhancing Sharia training programs, providing a more comprehensive understanding of effective HRM strategies in Islamic financial institutions.

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