Halal Assurance System for Leather Industry in Indonesia: Future Research Directions

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Abstract

Facing challenges to lead the halal industry worldwide, Indonesia as the country with the largest Muslim populations in the world has a target to become a major producer in the global halal industry by 2024. By strengthening the halal value chain as one of the strategies, the Indonesian government forces the local entrepreneurs to implement a Halal Assurance System (HAS) and use the halal logo by enacting the law and regulation regarding halal assurance for all products traded in Indonesia including non-food sectors. The urgency of labeling the leather products with halal logo due to the material of these products are derived from animals needs to be studied further by researchers from multi-disciplines. This research aims to conduct a review of the existing literature on HAS and relates them to the issues mainly faced by the leather industry to identify the possible themes and challenges for new research in the field of HAS for non-food products. A total of 20 articles screened from 106 articles retrieved from well-known databases, Emerald, Science Direct, Scopus, and Web of Science in the latest ten years were identified in this study. The review summarizes there are four themes that place in order to be studied comprehensively, the success and barrier factors of implementing HAS for non-food products, the external factors that influence the decision making of implementing HAS, the relationship between HAS implementation and the business performance, and the traceability system to support the HAS practices.

Keywords
Halal Assurance System, Halal certification, Leather industry, Non-food products.

1. Introduction

Halal and haram are fundamental legal principles in Islam and have been implemented in a wide aspect of Muslims’ life. The term halal is often associated with meat and food, but actually halal is a way of life that is carried out based on the Al-Quran and Hadith (Chandia & Soon, 2018). Halal is based on value (Tieman et al., 2012) and for a company, it is crucial to guarantee the compliance of this value more than just promising the use of permissible material according to sharia but considering other factors or activities that may contaminate the product along the production
process. The continuity of halal value can be maintained through the implementation of the Halal Assurance System (HAS). HAS implementation includes in requirement of the certification procedure, particularly in Indonesia. Nowadays, the halal certification has become a necessity not only for food products (Ab Rashid & Bojei, 2019; Ab Talib & Ai Chin, 2018; Ali et al., 2017; Bashir et al., 2019; Giyanti et al., 2020; Hendijani Fard & Seyyed Amiri, 2018; Majeed et al., 2019; Mohd Nawawi et al., 2019; Othman et al., 2016; Randeree, 2019; Soon et al., 2017; Talib et al., 2014; Tan et al., 2017; Tawil et al., 2015) but also covers non-food products (Annabi & Ibibdapo-Obe, 2017) with certain criteria. In Indonesia, halal certification has been voluntary on business owner initiative for more than 30 years, but since the enactment of the Law of The Republic of Indonesia No. 33 Year 2014 concerning Halal Product Assurances (JPH) halal certification becomes mandatory for certain fields of industry including leather production. This act regulates the products/services that must be certified halal including food, beverage, drug, cosmetic, chemical product, biological product, genetically engineered product, as well as consumer goods that are worn, used, or utilized by the public.

Leather is a by-product of meat/animal production which hides/skin is categorized as a non-edible product that is utilized as the material of the fabric, cosmetics, pharmaceutical, and animal feed industry (Alao et al., 2017). Over the centuries, leather goods are utilized as clothing, footwear, gloves, and much more products which have durability, uniformity, uniqueness (UNIDO et al., 2014), feel, elasticity, the permeability of air and perspiration, temperature and water resistance, stability, and attractive appearance (Buljan & Kráľ, 2019). These attributes of leather are very exclusive and prestigious whereby leather is almost impossible to be substituted by other materials. Although bonded and artificial leather looks like real leather, the special features of leather products make it still in demand and have its particular market segment that is estimated to continue to grow along with the world's population. Nowadays, leather and leather goods are among the most traded products worldwide thereby it is a challenge for countries that have leather commodities as vital assets to take part as players in the international market competition. Khan et al. (2015) stated that value-added creation is the only way for the leather industry to penetrate the market and contribute to achieving national economic growth.

According to the previous research in the leather sector, many researchers are interested in studying more about sustainability (Dwivedi et al., 2019; Gupta & Racherla, 2018; Moktadir, Rahman, et al., 2018), GSCM (Moktadir, Ali, et al., 2018; Purnomo et al., 2019) and environmental management (Ortolano et al., 2014) as the leather industry has the potential to pollute the environment due to production residues and chemicals that are disposed of directly into the natural surroundings. Hazardous waste generated from the tanning process is the form of chromium compounds is very dangerous for the environment and health. The tanning industry is the fourth highest contributor to pollution due to the use of chromium which has an impact on health (Blacksmith Institute, 2012). The enormous negative impact caused by the leather industry on the environment encourages many researchers to focus on the issue of sustainability with the aim of helping the successful implementation of environmental management practices (Gupta and Racherla, 2018; Gupta et al., 2018; Moktadir, Rahman, et al., 2018; Wahga et al., 2018; Dwivedi et al., 2019). Indonesia is one of the countries that have a negative contribution to the environment such as water pollution, deforestation, and social damage (Raharjo, 2019) including leather sector particularly small-medium business (SME) which has low leather processing technology (Ratearningyas & Lawiyah, 2016) and low quality of the workforce whereas the expertise in managing SMEs is very lacking thereby technology transfer from the government still less effective (Yusuf Tojiri et al., 2019).

1.1 Objectives

Halal label for leather products is still questioned mainly by industrial players. There is a need to explore and discuss more deeply from multi perspectives by researchers to answer the potential problem that might arise in the leather certification process. Since the regulation came up after a very long discussion and consideration, further studies from the company’s point of view including the benefit from financial and non-financial sight are crucial to be done. Current researches in the field of halal certification and halal assurance system are mainly focused on the food sector (Ab Talib et al., 2017; Abd Rahman et al., 2017; Ahmad et al., 2017; Hassan et al., 2015; Nuratifah et al., 2019; Othman et al., 2017; Ramli et al., 2020) and to the best of our knowledge the research in the field of halal for leather products is very lacking. The present work aims to review the prior research about HAS from the strategic level to implementation and fill the gap of limited existing research in the field of HAS for the leather industry by providing the new avenues of research and finding challenges related to HAS for the leather industry, as a by-product of animal that closely relates to halal-haram issues.
2. Literature Review

2.1 Halal for Food and Non-food Product

Nowadays, halal is not merely related to food and beverages but has embedded in every aspect of human life (Prabowo et al., 2015). Therefore, discussion about sharia compliance has been growing to non-food products and services which halal is not the only terminology to determine that the product is permissible according to Islamic law but sometimes sharia or pure is more preferable to be used in labeling a non-food product or services to differentiate it with food products. Halal is commonly associated with Muslim communities as well, in fact, halal has globally expanded to the non-Muslim countries which the players could be Muslim or Non-Muslim. The discussion in the food production area has become very attractive due to the emerging issues and various aspects that need to be considered from religious values and obligations, process design, logistics, distribution, marketing, human and resources, to safety and security.

Halal research in the food production area has been widely discussed by many researchers using various approaches and perspectives. The principles of halal from religious perspectives are addressed briefly in almost all halal research papers but some research tries to discover more deeply about the halal principles to gain more understanding and put it as a foundation to other research that intend to study about halal. Tieman & Hassan (2015) explored the common principles in food consumption rule from Kosher, Christian, and Muslim law and the benefit of the implementation of the principles for the food production system. Tieman et al. (2012) also tried to highlight that halal principles need to be adopted and integrate within the conventional supply chain management. The halal integrity in the food supply chain is highly important to guarantee the halal status of the food products from farm to fork to increase the consumers' satisfaction (Soon et al., 2017).

Some researchers are interested in investigating the consumer perspectives about halal food and how deep their knowledge, the importance level of halal certification, and the halal logo existence before purchasing a product (Fathi et al., 2016; M. Khan et al., 2019; Parvin Hosseini et al., 2019; Vanany et al., 2020). Halal and safety have been becoming a strategy to capture the market. Safety is another important aspect that needs to be controlled in the food industry. According to research conducted by Haleem et al. (2019) stated that safety and security are critical for the consumers in purchasing a product specifically food, cosmetics, and pharmaceuticals. Neio Demirci et al. (2016) discovered that it is still unclear the position of food safety in halal assurance system based on the comparison between Codex Alimentarius Commission’s general principles of food hygiene and the MS 1500:2009 standards.

The benefit of implementing “halal principles” in the current system in food production to the firms’ performance has shown a positive effect (Ab Talib et al., 2017; Gyianti et al., 2020; Othman et al., 2017). Therefore, the success of the halal management system in improving organizational performance has encouraged the researchers to define and investigate the driver factors (Ab Talib, 2017; Ahmad et al., 2017; Gyianti et al., 2020) and obstacles (Prabowo et al., 2015) that hinder the implementation of halal practices. De Boni & Forleo (2019) specifically investigated both the success and hindering factors for the development of the Italian halal food market domestically and the prospective to internationalize the Italian halal food products. Islamic market is really potential to be accessed by developing a strategic way to reach the global Muslim market (Bashir et al., 2019). Since the halal principles cover all activities in human life, it will open good opportunities to develop halal business for non-food products.

Halal studies for food products have been growing to the non-food area for example cosmetics, pharmaceutical, tourism, finance, entertainment, and lifestyle (Annabi & Ibidapo-Obe, 2017; Mohd Nawawi et al., 2019; Shahid et al., 2018; Sukesi & Akbar Hidayat, 2019) but the number of research concerning in halal for leather products is very limited. This research trying to gather all potential issues especially in Indonesia associated with leather production that could be approached using halal principles for the solution. The discussion will be more focused on HAS implementation in leather production by reflecting on the issues that emerged in halal food production addressed in the previous literature.
2.2 Halal Assurance System in Indonesia

The term of halal within Indonesia law system can be found in Law Number 33 Year 2014 concerning Halal Product Assurance; Food Law No. 18/2012; Consumer Protection Law No. 8/1999; Government regulation on Food Labelling and Advertising No. 69, Health Law No. 23/1992; and Livestock and Animal Health Law No. 6/1967. In a conventional quality system, the term “quality” is defined based on human consensus, whereas in the halal assurance system, it is based on the divine teachings of the Quran and other Islamic laws that explain it (Prabowo et al., 2015). Implementing HAS is the requirement for halal certification procedure in Indonesia under assessment of Halal Inspection Agency (LPH) that could be from Assessment Institute for Foods, Drugs, and Cosmetics-Indonesian Council of Ulama (LPPOM MUI), government institution, university, or Islamic Foundation, under supervision of Product Halal Assurance Organizing Agency (BPJPH). The Halal Assurance System is an integrated management system that is prepared, implemented, and maintained to regulate materials, production processes, products, human resources, and procedures in order to maintain the continuity of the halal production process. The general guidelines of HAS has been provided by LPPOM-MUI to be followed by the industries in Indonesia. The HAS training is also available both in the form of regular training and online training (e-training) conducted by LPPOM-MUI. Based on the criteria in HAS 23000, shows that the holistic sharia compliance must be clearly explained from halal policy to the management reviews and supported by related documents (Figure 1).

![Figure 1. Criteria in HAS 23000](image)

2.3 Issues in Indonesian Leather Industry

The hides and leather industry is a pertinent issue to be discussed due to this sector has a significant impact on rural development, social welfare, employment, and the environment. The leather and footwear industry in Indonesia is one of the biggest contributors to the national economy (Ministry of Trade of The Republic of Indonesia, 2018). According to BPS (2018) data, the leather industry contributed 26 percent to GDP where it was recorded as the highest percentage among 22 manufacturing sectors. Leather industries in Indonesia are dominated by SMEs. SMEs in Indonesia represent 99.99 percent of all enterprises of which 98.70 percent come from micro-scale industries. SMEs contributed to the national economy in reducing unemployment and absorbed more than 97 percent of the total national workforce. SMEs are mostly located in rural areas and employ workers from the local residents thereby need more attention to be developed. Currently, Indonesia is in the sixth position as exporter of leather products in the international market (BPS, 2017), but this achievement is still dominated by large-scale industrial players (10.72%). Both large and small-medium enterprise leather industries have their particular problem in running their business. Putra et al. (2018) found that SMEs in the Indonesian leather industry failed to penetrate the global market because of low quality and less competitive products. SMEs in Indonesia are unable to produce high-quality leather-based finished products and meet the global market due to the limitation of skilled employees and low leather processing technology (Ratnaningtyas & Lawiyah, 2016). Based on research conducted by Kodrat et al. (2019) said that the role of technology is still less optimized due to the low quality of the workforce and lack of expertise in managing SMEs. While the larger enterprises are struggling to reach the target of production in the condition of raw material shortage. TREDA under the Ministry of Trade Republic of Indonesia (2009) found that Javanese cow-hide leather is one of the highest quality leather types in the world. Unfortunately, these commodities are exported abroad mostly in form of raw or semi-finished products (sheets) which are usually sold at a low price. In contrast, the Pakistan leather industry has export 90 percent of the
leather in the form of finished leather or leather products which the average rate of leather exports have increased 11 percent per annum (Ghafoor et al., 2012) thereby leather industry in Pakistan highly contributed to their national economic growth.

Leather production also has a negative impact on the environment. One of the environmental damages resulting from the leather industry is the contamination of the Cimanuk Garut River, West Java, due to business players, dominated by SMEs, using chemicals in the production process and the waste directly discharged into the river (Waaly et al., 2018). Even though the government promises to provide incentives in the form of exemption from technology import duties for the facilities that purchased from abroad, but this approach may not be appropriate to solve the environmental pollution problem because of the financing constraints of SMEs (BPS, 2017; Kodrat et al., 2019) where technology procurement need a lot of capital for investment. Regardless, the environmental factor can be seen as an opportunity for companies due to the existence of a market segment that cares about environmental issues (Raharjo, 2019).

In recent years, the Muslim community has had major concerns about sharia compliance in a product, including in Indonesia as a country with Muslim as a major community. Halal certification is no longer implemented only by companies engaged in food production but has also been applied by a small number of companies engaged in the production of non-food products. There are a number of products that have obtained a halal certificate from the MUI, namely refrigerators, cooking utensils, tissue, socks, paper, wall paint, and adult diapers. Leather products are included in the category of products that is mandated by the state to meet the requirements of Islamic law. As a by-product of animals, there is a threat of sustainability of cow skin products due to the circulation of leather products made from pigskin (Direktorat Jenderal Bimbingan Masyarakat Islam, 2015). According to the Fatwa of the Indonesian Ulama Council (MUI) No. 56 Year 2014, animal dead skin, both animals ma'kul al-lahm (meat can be eaten) and ghair ma'kul al-lahm (meat should not be eaten) are unclean but can become sacred after being tanned, except dogs, pigs, and others derived from both or one of them. Therefore, based on the sharia law, there is no excuse for products that come from dogs and pigs to be worn by Muslims. Besides, leather production uses chemicals in the process, mainly the tanning process therefore needs awareness and carefulness in using additives that might contain prohibited derivatives. Thus, there a three big issues in the Indonesian leather industry, quality issue, environmental issue, and halal issue that are important and attractive to be studied.

### 2.4 Halal Assurance Practices

This research highlights the leather issues in Indonesia and refers to HAS that is provided by LPPOM-MUI. LPPOM MUI is an institution that has the authority to issue halal labels or carry out the halal certification process in Indonesia. HAS 23000 is a halal certification requirement set by LPPOM MUI for the halal certification of a product. These requirements contain the criteria for the Halal Assurance System (SJH) and other requirements, such as halal certification policies and procedures. The requirement of each criterion is explained in Table 2.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halal policy</td>
<td>Top Management must establish a written Halal Policy and disseminate Halal Policy to all company’s stakeholders.</td>
</tr>
<tr>
<td>Halal management team</td>
<td>Top Management must appoint Halal Management Team include all parties involved in critical activities and the duty, responsibility, and authority of Halal Management Team must be clearly defined.</td>
</tr>
<tr>
<td>Training and education</td>
<td>Company must have a written procedure regarding training and should provide graduation criteria to ensure personnel competency.</td>
</tr>
<tr>
<td>Materials</td>
<td>Materials should not be derived from: pork or its derivatives, Khamr (alcoholic beverages) or khamr derivatives which are physically separated from Khamr, blood, carrion, and parts of human body.</td>
</tr>
<tr>
<td>Products</td>
<td>Brand or names of the products must not use names which imitate haram things or practices that are inappropriate with Islamic law.</td>
</tr>
<tr>
<td>Production facilities</td>
<td>Production facilities must ensure that no cross contamination with materials/products unclean/impure and there must be procedures to ensure no cross</td>
</tr>
</tbody>
</table>

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Contamination occurs for production facilities that is used interchangeably to produce certified products and products that are not certified.

<table>
<thead>
<tr>
<th>Written procedures for critical activities</th>
<th>Companies must have written procedures regarding the implementation of critical activity.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traceability</td>
<td>Company must have a written procedure to ensure the certified products are originated from approved materials and made in facilities that fulfill the criteria of halal production facilities.</td>
</tr>
<tr>
<td>Handling of non-conformance products</td>
<td>Company must have a written procedure to handle the products which were already made from materials and/or produced in facilities that are not complying with criteria.</td>
</tr>
<tr>
<td>Internal audit</td>
<td>Company must have a written procedure for internal audit of Halal Assurance System.</td>
</tr>
<tr>
<td>Management reviews</td>
<td>Top management must review the effectiveness of Halal Assurance System implementation once in a year, or more often if necessary. The results of evaluation must be delivered to the parties who are responsible for each activity.</td>
</tr>
</tbody>
</table>

Source: LPPOM MUI

3. Methodology

The prior literature in this research was selected from digital databases of well-known publishers Emerald insight (47 articles), Science Direct (10 articles), Scopus (18 articles), and Web of Science (32 articles), using “Halal Assurance System” as the keyword. The papers in the last ten years (publication from 2011 to 2021) were downloaded and the screening process was based on duplicate articles, written in English, title screening, abstract screening, and text screening. There were 89 non-duplicate articles and remained 82 articles publish in reputable journals. There were 20 articles selected in the final screening that is used as the main reference in determining the theme.

4. Future Research Directions

Based on the current issues in the Indonesian leather industry, HAS 23000 criteria, and main research articles, there are four themes that are potential to be studied and support the implementation of HAS for the leather industry in Indonesia.

4.1 The Internal Motivation and Barriers in Implementing Halal Assurance System

Halal certification has been rife to be given to non-food products in Indonesia for example Muslim hijab, refrigerators, cooking utensils, tissue, socks, paper, wall paint, and adult diapers. It is really interesting to find out the drivers or motivation from these industries to implement HAS and getting halal certification since this decision was made before the enactment of halal regulation when halal implementation was still voluntary in Indonesia. Determining the critical success factors is very common in the previous research to lead the industrial players toward successful implementation of a strategic decision. Therefore, the research conducted by Zailani et al. (2015) will be relevant to be adopted in halal research for non-food products. The drivers that motivate firms to adopt HAS for non-food products can be explored to the industrial players that have implemented HAS as a strategic decision. Ahmad et al. (2017) identified critical success factors for the effective implementation of the halal food management system as a guideline for SMEs. Therefore, by studying in this area will come up with an understanding of the importance of implementing a halal management system particularly in the leather sector thereby HAS will be fully performed and give a positive effect to the company. The findings will also help the leather industry to be more focused on the critical factors that support the success of HAS implementation. Furthermore, the research about the hindering factors for the implementation of HAS in non-food products is important as well to direct the firm owner to perform HAS implementation effectively. Prabowo et al. (2015) found that the lack of socialization and information as the barriers for restaurant and food catering services in East Kalimantan Indonesia in obtaining halal certification. The role of government and certifying body is highly important in enhancing public knowledge and awareness. Halal for non-food is a new regulation and potentially faces obstacles in real practices. This will lead the researchers to pay attention.
and give contributions for the solution thereby the benefit of HAS implementation for non-food products particularly leather goods can be explored from different perspectives and direct to the best way and strategic in initiating the implementation of HAS for the leather industry.

4.2 The External Factors that Influence the Decision Making of Implementing Halal Assurance System

As previously explained that halal certification in Indonesia is mandatory and the leather industry is included in this regulation. Government regulation is one of the external pressures that become the reason for implementing HAS in the food industry. Giyanti et al. (2020) stated that the external pressures may influence the depth of halal standard implementation and give impact to the performance. Therefore, the awareness and knowledge of an organization in performing halal procedures can be measured. Othman et al. (2017) found that the sensitivity of the halal industry to the government’s policy has a positive relationship to the firm performance. The role of the government in facilitating the knowledge transfer to the organization from non-food sectors or the sensitivity of non-food sector industry to the government regulations regarding halal management implementation is really interesting to be observed as an insight for the leather industry in implementing HAS.

Many research found that external pressures influence the motivation of implementing halal standards in organizations (Giyanti et al., 2020). Consumer pressure is also the main consideration in halal implementation. The research to understand the halal market has been widely conducted by some researchers, including the motivation to choose halal products or services (Fathi et al., 2016; M. Khan et al., 2019; Parvin Hosseini et al., 2019; Shahid et al., 2018; Shome et al., 2018; Vanany et al., 2020), the perspective of halal from Muslim minority countries (Mohd Nawawi et al., 2019), until the strategy to expand the halal product from non-Muslim country to the global halal market (Bashir et al., 2019). Quality is one of the consumers’ reasons for choosing halal products. (M. I. Khan et al., 2021) stated that halal products follow stricter quality standards than other similar kinds of products thereby customer believes that halal logo refers to a high-quality product. Therefore, the consumers’ expectation about product quality in purchasing a leather-based product with the halal label is very interesting to be investigated. Thus, the urgency of implementing HAS for the leather industry and use the halal logo as a strategy in capturing the market become more acceptable. By understanding the need of the current market to wear halal leather products will enhance the firm motivation to implement HAS in their management system and increase the confidence level of getting better performance.

Furthermore, the negative impact of the leather process on the environment potentially influences the consumers’ decision in buying a product. Nowadays, consumers have become increasingly critical to the environmental issue as impacted by industrial activities. Therefore, business actors are increasingly careful and responsible for the social and environmental impacts that may result from their business (Ulfah & Ikbal, 2012). Environmental factors can be seen as opportunities for companies due to the existence of a market segment that cares about environmental issues (Raharjo, 2019). The “toyyib” attribute that represents “good things” which the application of this concept in halal food means that the halal products should be wholesome, i.e. safety, cleanliness, nutritious, non-hazardous to health, and purity (Ab Talib, 2017; Annabi & Ibidapo-Obe, 2017; Haleem et al., 2019; M. I. Khan et al., 2021) need to be discussed whether this attribute also relates to the responsibility to produce something that safe and harmless to the environment and society. The finding of this research will direct to the further research about how to incorporate the “toyyib” principle into the HAS activities in non-food industry. Since the environmental issue has become crucial in the leather industry, the research to observe the relationship between halal principles/practices to the environment needs to be fostered.

4.3 The Influences of Halal Assurance System on Organizational Performance

Prior research examining the relationship between HAS and firm performance is very limited. Ab Rashid and Bojei (2019) clarified the relationship between halal traceability system and halal industry environmental factors on halal food supply chain integrity. Some research trying to find out the intention of the manufacturer to adopt HAS (Ab Talib, 2017; Giyanti et al., 2020; Ngah et al., 2017) which is the important level of HAS implementation from the manufacturers’ perspective portrayed from the findings. Ali et al. (2017) investigated the impact of halal food supply
chain integrity on firms’ performance. Based on a review of the previous research about the influence of halal food certification to the performance conducted by Ab Talib et al. (2017) showed a positive relationship. To the best of our knowledge, the study that investigates the effect of HAS implementation in the halal-certified non-food organizations on performance particularly in Indonesia does not exist. This evaluation needs to be done to ensure the benefit of implementing HAS for non-food product organizations, both quantitative and qualitative approaches. It is also important to find out the level of HAS implementation in the current halal-certified non-food organization. The research in this area will significantly contribute to the knowledge and practices of HAS implementation in non-food organizations including leather industry.

4.4 Traceability System in Halal Assurance System

Traceability is an important practice in HAS (Abd Rahman et al., 2017) to guarantee that certified products are made by halal material and processed using facilities that free contamination of non-halal materials. Figure 2 describes the distribution channels of cowhide in Indonesia from animal husbandry or farmer (upstream) until the distribution of the products to the customers (downstream) that is summarized from interview to a slaughterhouse owner, an SMEs owner of cowhide production, a restaurant, and a retail shop. The long process from animal husbandry to the leather goods industry potentially moves the material into the grey area (unclear between halal and haram). Determining halal critical points is crucial and there is a need to study in this field for the leather industry. Due to HAS is internally performed by industry, there is a need for the leather industry to formulate the standard procedure to trace the material, chemicals, or production facilities. The use of technology could be another approach in supporting halal traceability.

![Figure 2. Distribution Channels of Leather Products in Indonesia](image)

5. Conclusion and Contributions

This paper discusses the implementation of HAS in food industries and other sectors to highlight the issues or research trends that commonly exist and potential to be studied in the field of the non-food industry including leather products. The enactment of government regulation for all products circulated and traded in Indonesia including leather products force the business owner to consider every aspect to comply with the requirement in HAS 23000. The research that focuses on HAS implementation for the non-food organization is very lacking whereas the discussion in this knowledge area has become urgent. Besides halal certification, quality and environment are the other issues in the Indonesian leather industry. This paper proposed some research themes that may be studied in the future. The internal and external motivation in implementing HAS needs to be explored to reach the success of halal practices. Furthermore, the comparison between internal and external drivers of implementing HAS in non-food halal-certified organization will reveal the dominant factors that can direct the business players particularly the leather industry to a better strategy. The external factors might come from the government or market pressure. By understanding the factors will guide the company to be more focused on the key success in managing halal practices. Another gap in this area is defining the barrier factors that hindering the HAS implementation in the non-food industry. Halal practices for non-food industries might sound excessive and unnecessary. Therefore, exploring the benefit from business perspectives becomes crucial to ensure that this strategy gives a positive advantage to the organization. Examining the

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influence of HAS on business performance may answer the hesitation of this strategy. Finally, due to traceability system is important in HAS implementation, the research in this field for non-food industry particularly leather products is crucial to be done.

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