

STUDY OF ORGANIZATIONAL CULTURE OF HALAL SMALL INDUSTRY IN EAST JAVA INDONESIA

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Abstract

This research is a study of halal culture in small industry organizations in East Java. To support the halal industry in East Java, it is necessary to have a Halal Value Chain Development mechanism integrated with the Halal Traceability System and the Halal Assurance System. The aim of this study was to determine the organizational culture in the small food and beverage industry related to halal certification in East Java Province. For academics, the results of this research are useful for institutions in developing materials for integrated Islamic education and teaching with science. This research is field research that uses qualitative research methods. The sampling technique uses a sampling technique. The topic in this study was the small food and beverage industry related to halal certification in the province of East Java Indonesia. The data collection techniques in this study are observation, interview, and documentation techniques, and data collection of similar information from various sources. The results showed that 91.03% of the small food and beverage industry in East Java Indonesia that were surveyed had a good organizational culture related to halal certification.

Keyword: culture, industry, small, halal

East Java has tremendous potential as a halal industry or integrated halal industry center with superior products. East Java has a sizable number of Micro, Small, and Medium Enterprises (MSMEs), with the food and beverage industry accounting for 60% of all MSMEs. The food and beverage sector accounts for 40% of all MSMEs and is dominated by halal certification. Companies can win in business competition if they are diligent in capturing consumers continuously, resulting in abundant profits (Diana dkk. 2018). The ability of employees to implement units within the agency is critical to achieving these goals. (Gea 2014) revealed that in today's competitive business environment, companies compete with one another to obtain and retain superior human resources to stay in the company. In addition to competing on product quality, businesses must supervise human resources in terms of patterns of behavior, attitudes, and habits that can be used to improve company performance. In addition to competing on product quality, businesses must pay attention to the human resources section, which includes patterns of behavior, attitudes, and habits that can be beneficial to company growth. (Hakim 2016) revealed that to function properly, an organization or company must manage and utilize its existing human resources. This management can be carried on by integrating with arrangements for the deepening of work regulations.

Organizational culture is a belief system developed by the organization as well as the primary tool of the company. If organizational culture effectively solves challenges, it supports organizational planning (P. Pratiwi 2012). Because organizational culture is the belief that underpins the vision, mission, goals, and values that are firmly held by members of the organization or company, it is a factor that determines the success of a company's economic performance (S. Pratiwi dan Reskino 2016). As a result, we require a mapping of organizational culture in the context of East Java's business actors. This study looks at halal culture in small industry organizations in East Java. To support the halal industry in

East Java, a Halal Value Chain Development mechanism that is integrated with the Halal Traceability System and the Halal Assurance System is required. The goal of this study was to determine the organizational culture in the small food and beverage industry in East Java Province about halal certification. Academics will find the findings of this study useful in developing materials for integrated Islamic education and science teaching.

Methods

Location and time of research

Malang and its surroundings, Batu, Kediri, Pasuruan, Lumajang, and Blitar are among the research locations. The study will take place between June and October of 2021.

Design and Techniques for Research Sampling

Using a sampling technique, determine regional classification sampling. Simple random sampling is included in this technique. Purposive sampling is included in this sampling technique (Moleong dan Edisi 2004). This study employs both quantitative and qualitative methods. A questionnaire was used to collect data on the level of readiness of industrial management to welcome the halal industry era. Qualitative research is research in which researchers conduct analysis enter and participate in the research process, acting as informants who provide the necessary data (Gentles dkk. 2015). Data mining was performed on 20 different industries and 50 different respondents.

Primary and secondary data were used in this study. Primary sources of data are those that provide data directly to data collectors. The researcher conducts participatory observations as the first primary source. The second method is interviewing, in which the researcher employs a structured interview method, in which the researcher prepares several questions that are used as interview guidelines before conducting the interview. In addition to using primary data, researchers also use secondary data, which is information derived from the literature on the subject. The qualitative approach entails drafting preparation, field selection, permit administration, exploring and assessing the situation, and selecting and utilizing respondents. Responses were chosen using the Purposive Sampling technique.

Findings And Discussion

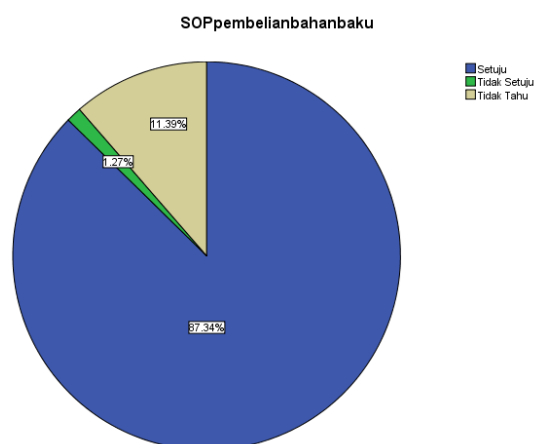


Figure 1 Micro food and beverage business actor

In addition to using primary data, researchers also use secondary data, which is information derived from the literature on the subject. The qualitative approach entails drafting preparation, field selection, permit administration, exploring and assessing the

situation, and selecting and utilizing respondents. Responses were chosen using the Purposive Sampling technique. According to Figure 1, 87.34 percent of micro food and beverage business actors in East Java agree on the existence of SOPs for the purchase of raw materials, processing, and distribution of finished products. This demonstrates that East Java micro-enterprises have a good halal culture in terms of product halal assurance.

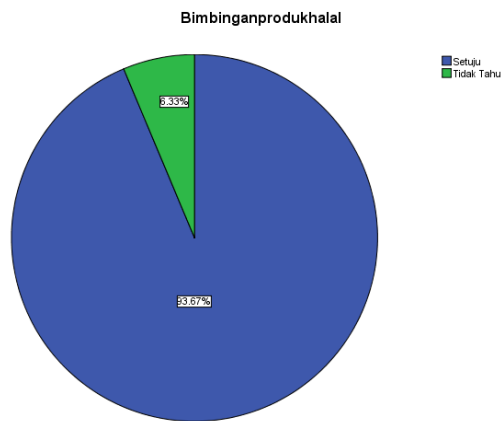


Figure 2. Halal Product Guidance for employees

Improving human resource quality has a positive impact on the company's product sales revenue, whereas poor human resource management has a negative impact on the company's product sales revenue. 2018 (Rachmanu dan Ridlwan 2018). As a result, for halal product business actors, it is critical that all employees have a good understanding of halal products. Employee performance motivation was reduced as a result of a lack of leadership policies. According to Figure 2, 93.67 percent of food and beverage micro business actors in East Java agreed to train to improve their resource competencies so that the organizational culture of business actors in East Java had a good culture of employee competence.

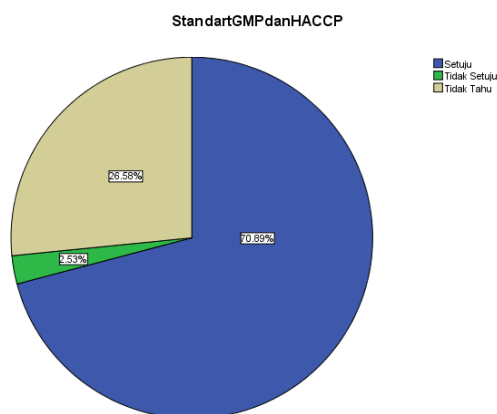


Figure 3. Standard GMP and HACCP

GMP implementation can refer to a variety of references, but so far, GMP implementation has relied on regulations issued by the Food and Drug Administration (BPOM) based on the type of product produced. (Zakiyah, Yushila, dan YKP, t.t.) HACCP is a food safety prevention system that analyzes the possibility of hazards occurring in the production system as well as monitors actions against critical control points (Febriana dan

Artanti 2009). According to Figure 3, 70.89 percent of food and beverage micro business actors in East Java agree with the implementation of GMP and HACCP, indicating that most business actors have a good culture in carrying out quality control over their production.

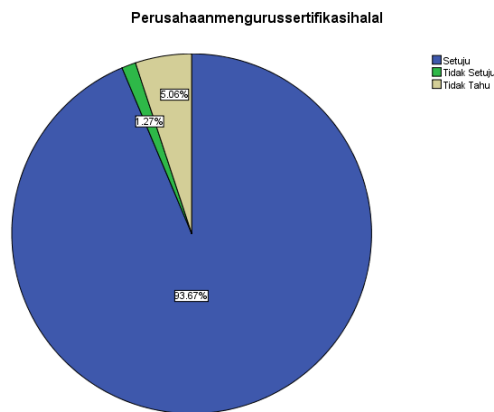


Figure 4. The company takes care of halal certification

The Halal certification is a written fatwa issued by the Indonesian Ulema Council (MUI). The goal of halal certification is to provide a formal legal acknowledgment that the product issued complied with halal requirements. (Nukeriana 2018). According to Figure 4, 93.67 percent of Mamin micro-entrepreneurs in East Java agree that companies must take care of halal certificates, implying that the culture of East Java business actors regarding halal certificates is positive.

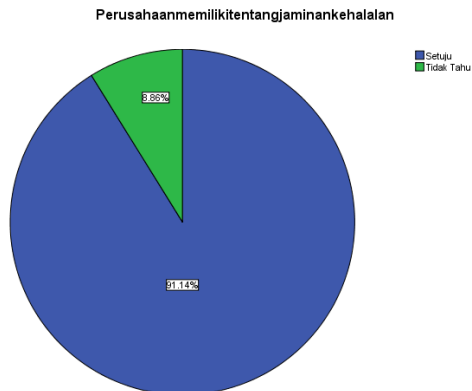


Figure 5. The company has About Halal Guarantee

According to Figure 5, the implementation of halal policy in East Java micro-enterprises shows that 91.14 percent of East Java Mamin micro-enterprises agree if the company has a guarantee of halal products delivered to employees. This demonstrates that almost all business actors already have plans in place to deal with risks and opportunities that are proportional to the impact of halal product suitability.

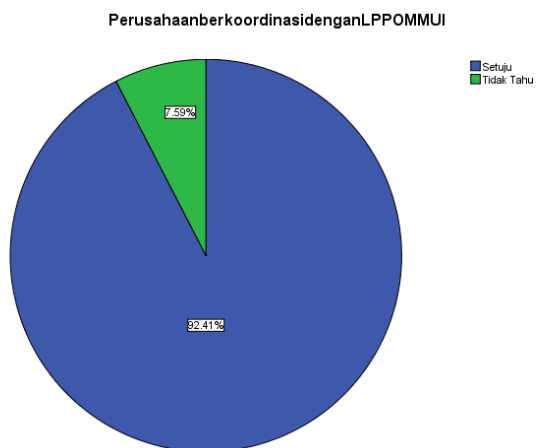


Figure 6. Company Coordinates with LPPOM MUI

According to Figure 6, 92.41 percent of food and beverage companies/business actors in East Java agree to collaborate with LPPOM MUI, demonstrating that business actors have good ethics to meet the 2016 halal SNI government standards.

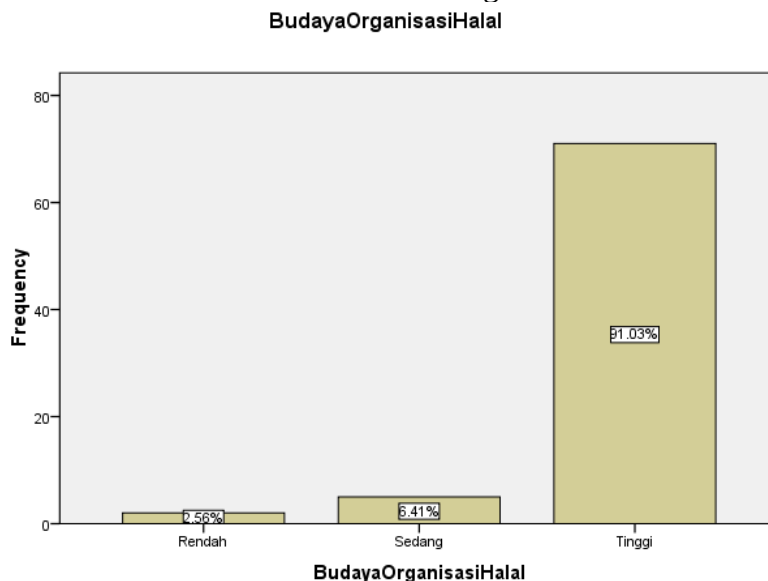


Figure 7. Halal product guidance for employees

According to Figure 7, in general, the micro business actors in East Java have demonstrated a high or good organizational culture, with 91.03 percent already having a halal organizational culture.

Conclusion

The findings revealed that 91.03 percent of small food and beverage industries in East Java that became respondents already have a good organizational culture related to halal certification in terms of SOPs, increasing human resources, coordinating with LPPOM MUI, GMP, and HACCP standards, and caring about taking care of halal certificates.

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