Anticipating Human Resource Development Challenges and Opportunities in ‘Halal Supply Chains’ and ‘Halal Logistics’ within ASEAN

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Abstract

The increasing global economic importance of the Association of South-East Asian Nations (ASEAN), is creating new cultural challenges for participating governments. These challenges are clearly impacting on Human Mobility and Human Capability Development within the trading bloc. Development challenges are particularly evident in supply chains, where new knowledge, skills, and attitudes are needed to ensure respect for Halal services and the provenance of Halal products as they are traded across the region. While reflecting on this issue, this paper looks closely at the implicit and explicit challenges and opportunities in building culturally relevant ASEAN ‘Human Capabilities’ along increasingly globalized supply chains. The discussion also aims to explore the myriad of matters which could potentially impact the development and implementation of a competency-based Human Resource Development (HRD) strategy for ASEAN in and around Halal trading practices. It examines how this activity could positively influence the preservation of quality and enable the building of trust and assurance along Halal Supply Chains. The discussion also focuses on the potential deployment of occupational standards to improve Human Capability training interventions along Halal Supply Chains, which at their core respect religious beliefs and are conscious of cultural sensitivities.

Keywords: human capability development, cultural awareness, human resource development, human mobility, halal supply chain, halal logistics.
Introduction

The Arabic language describes 'Halal' as an Islamic belief representing things and actions permissible under Sharia law [1]. Another important concept related to Halal is 'Thoyyib', a word that also comes from the Arabic language, which means 'good and wholesome' [2]. Based on these religious foundations, the term Halal is used as an indication of quality, connoting considerable value, benefits, and public religious observance to Islamic consumers and producers [3]. It is in respect of these core beliefs that Halal certification aims to standardize the production and treatment of comestible food products and imposes similar religious requirements for items including pharmaceuticals and cosmetics, together with practices around tourism and entertainment [4]. Furthermore, placing considerable importance on the supply chain extends standardization of practice to the transportation and security of Halal products. Thus putting a particular emphasis on the formal educational interventions required to assure an appropriately trained and religiously attentive workforce [3]. These certification regimes generate significant levels of trust which are placed in supply chains by a wide range of consumers. This trust implies that there will be substantial concerns from the industry and community regarding any service non-compliance [3].

The growing economic importance of Halal industries has created an increased and acute awareness of the need for the qualified and competent provision of associated services within the freight logistics chain [5]. Over 1.6 billion Muslim consumers globally generate an annual industry worth $US 2.3 trillion [6]. This global economic importance of the sector has shown the urgent need to provide value-added services, purposively designed to make Halal integrity certain before sale and consumption [5]. Fully cognizant Muslim end users have always accepted intimately the importance of using Halal products to ensure their afterlife [5]. Still, it is of interest that, more recently, there have been growing requests for Halal products and foodstuffs from the broader population [7]. These new consumers are choosing Halal over other services and products because they are considered more wholesome, cleaner and hygienic, a belief based on the strict product compliance regimes related to the claim of a 'Halal' [8].

Discussion

Halal Supply Chain and Logistics

The emerging field of Supply Chain and Logistics (SCL) according to Seuring and Müller [9], essentially contains Supply Chains (SCs) consisting of a complex network of organizational involvement, both up and down-stream, through linkages aimed at producing value for products and services for the consumer [10,11]. Logistics are an integral component of SCs, playing a vital role in the management of flows of materials, information, and money [12]. Lively debate continues today regarding the difference between the concepts of supply chain and logistics [13], but it seems that the logistician functions have been the predominant focus of such discussions [14]. In this respect, logistics is considered as a series of activities that create time-and-place utility [15–17], which are extremely important when considering the integrity of Halal supply chains. As indicated earlier, new ways of perceiving supply chains have evidenced a move away from the more linear models previously promulgated, towards a more ‘social science’ understanding that supply chains are more akin to complex adaptive systems [18]. This
complexity adds to the practical difficulties of ensuring integrity and security of component supply chain activities.

The existing supply chain models which are currently deployed do not immediately conflict with 'Sharia' principles. However, more effort needs to be placed around the co-evolution of the ecosystems and the management of the non-negotiable religious aspects of Halal supply chains, together with the development of unambiguous determinations of compliance [19]. The significance of maintaining integrity and security along a Halal food supply chain for the end customer cannot be underestimated. Particular attention needs to be placed around the many interdependent actors who interact and deliver services to meet this specialized and diverse marketplace [20]. At its core, Halal Supply Chain Management (HSCM) aims to create a network of compliant providers from source to customer [21]. Integral activities and issues within Halal supply chains extend well beyond the required religious activities, such as the ritual slaughtering of animals and the strict avoidance of cross-contamination with Haram products. Service providers within the supply chain must also be mindful of preserving the wholesome nature and nutritional value of the foods as they move to their final point of consumption [22]. Of interest to this paper is the observation of [23] who articulated the lack of clarity around the broader commercial and operational implications of Halal, highlighting the multitude of different ideas being proffered by researchers. However, there are three key components or elements which are universally agreed in the field of HSCM. These are: (i) strict avoidance of direct contact with illicit goods; (ii) ensuring there are no risks of contamination; and (iii) maintaining Muslim consumer perceptions of Halal products.

Khan noted in a study on Halal Logistics [24], the implementation of ‘farm-to-table’ operations with the Halal sector has created real and immediate problems for those involved in the broader logistics complex [20]. Adopting Halal compliant practices within logistics operations involves a degree of nuance, as these activities must ensure Halal products, while in transit, remain compliant to Shariah principles [25]. These compliance frameworks and integrity models are needed to ensure that products and services remain strictly Halal, suggesting that greater focus on existing and future Human Resource Development interventions in this area are required.

**Human Capital Development in the SCL Complex**

Trade across the ASEAN bloc is placing unique challenges on Human Capability and the free flow of human capital across the region. These challenges become especially evident around the establishment of agreed standards for the various occupations within the trading bloc [26]. The current literature highlights that there is an insufficient study on, or around, Halal training interventions on the development of Human Capital. It should be remembered that industry sectors, together with those firms which operate within them, make investments in Human Capital based on the assumption that such investments in people will improve their market competitiveness [27]. Indeed, Wasonga and Murphy [28] believe that organizations can only achieve success through engaging skillful and knowledgeable workers. Those skills and knowledge within the workforce can then be leveraged [29] to provide added value, and to facilitate the critical assurance of those firms who are provisioning services along the supply chain [30]. In this respect, knowledge of the area serves as an enabler, assisting workers in processing and connecting within a work setting [31]. It is this knowledge acquisition, and more broadly, the
related skills development that is required to facilitate the controlled flow of products along supply chains, thus ensuring Halal integrity compliance is preserved.

SCL plays a critical role in all economies, with skilled workforces contributing significantly to a country’s economic success [32]. These investments in people will directly impact on the future growth of Halal industries across the ASEAN region. It is widely agreed that efficient and effective SCs are essential to the economy, but they are also required for trade competitiveness [33]. It, therefore, follows that investment in SCL practitioners is of vital importance since people influence and contribute to the competitive mindset [34–37]. In particular, Lambert [38] has asserted that managers and academics need to begin a dialogue around the interconnectedness of Supply Chain Management (SCM) and broader traditional business functions. As the complexity of work demands increases, discussants are becoming more mindful of the specific skills and knowledge demanded of professionals in the SCL sector. This interconnectedness is critically reflected in Halal supply chains, as system complexity is further heightened to ensure religious and social compliance and to meet consumer expectations.

Growth in the Halal sub-sectors has a consequent flow-on effect on the demand for competent Halal Human Capital. Currently, this demand for the development of knowledgeable, skilled, and religious aware workforce cannot be matched by educational institutions [39]. The growth in the Halal economy requires a competent workforce that both meets minimum industry criteria and is committed to upholding the integrity of the Halal system [39]. Here, the ‘attitude’ component of competency plays an integral role in provisioning a mindset that respects religious beliefs, and as a result, accords the appropriate practices to ensure service obligations are upheld without compromise. This growing importance of the area suggests that in the larger Technical and Vocational Education and Training (TVET) framework, Halal and other religious and cultural concepts should be intimately embedded into HRD design [39]. A new generation of Halal knowledgeable and skilled personnel is necessary to create the human resource pipeline to execute, monitor, and improve global trading opportunities, [40], especially across the ASEAN region. It should be remembered that in the development of such TVET interventions, industry and stakeholders should be meaningfully engaged and culturally respected for their participation in the design and implementation process. In attempting to determine what training would be required, it ultimately depends on who was asked for their opinion [41]. Therefore, the more stakeholders who are engaged in the development of the intervention, the greater will be the richness and quality of contributions to future training programs and deployment.

**Challenges and Opportunities**

The immediate and future development of Halal component workforces across ASEAN is integral in ensuring the region’s competitiveness and to further encourage a skilled and culturally aware labor movement across the ten jurisdictions. However, it should be recognized that numerous considerations could impact the investment in HCD frameworks with the Halal sector. One of the main problems, as raised previously in Malaysian Halal research, was the lack of Halal awareness amongst key supply chain actors, particularly around their understanding of ingredients, sources, processing, transport, and storage [42]. Unfortunately, negative Halal attitudes still exist within the non-Muslim population [43], which adds to the evident deficiencies in consumer awareness in those jurisdictions with Muslim-majorities [43]. These difficulties are combined with the
perceived weakness of the policy development and deployment around Halal certification and logo usage [44], and this is exacerbated by results of past studies that revealed insufficient knowledge and understanding among those workforces within companies who hold Halal certification [45]. Researchers have concluded three distinct issues that need to be addressed around HRD within the Halal sector, these being: (i) the need for Halal training programs which focus on skills development around the management of Halal ecosystems and the broader knowledge of Shariah, (ii) the wide variations (durations, content, and coverage) of existing staff abilities, and (iii) the perceived variation and differences currently existing in Halal training programs [45].

With the increasing globalization of markets, the modern Halal SCL professional must now possess well-developed inter-cultural aptitudes in addition to other more general talents [46]. Moreover, organizational readiness is a decisive factor in the better adoption of compliant Halal freight logistics and to assist workforces to readily acquire the required services necessary to ensure broader system integrity [5]. So as to facilitate organizational readiness, occupational standards are beginning to integrate more respectful engagement practices into their design [47]. Yet, even with these positive initiatives, it has been observed that religion and broader belief systems, when included in occupational standards, lack consistent integration and an explanation around their inclusion in some standards but not in others [47]. However, the inclusion of religion and beliefs into knowledge and performance criteria do not always reflect the adequate addressing of those issues [48].

**Investigation of the Development of Halal Specific Occupational Standards**

Jais highlighted, some six years ago, the need for the development of a Halal workforce, particularly at the middle management and supervisory levels [39]. Significant changes in Halal HRD are yet to be realized across the ASEAN region. However, given the breadth of opportunity and economic returns available with the Halal industry, there is an immediate requirement to train and equip individuals with the necessary knowledge, skills, and attitude to provide and ensure Halal quality assurance.

Essentially the Halal industry needs a 'Roadmap' for Human Capital Development that could be agreed across ASEAN. To assist in this planning, the introduction of occupational standards across all industry sectors engaged in the production of goods for a Halal market is of paramount interest. These occupational standards could act as critical benchmarks for the implementation of a training and assessment infrastructure, particularly in the TVET sector. An occupational standard is a description of the requirements in which an individual must show competence while carrying out specific mapped tasks within a workplace. Occupational standards effectively act as the evidence base when educators deliver HRD interventions. They require an individual to meet minimum competence levels, including showing an understanding of the underpinning knowledge, skills, and attitudes needed for a job role. The components of an occupational standard include a statement of performance outcome/criteria, knowledge and skills required for enabling competent performance, and the defined context for the workplace performance. An individual who can show evidence of meeting these criteria in the workplace is then deemed ‘competent’. Such standards could be built into broader Halal quality assurance and integrity systems.
Enterprises or industry sectors often develop occupational standards to meet their specific human resource requirements, and this approach could be particularly relevant for the Halal industry [49]. The balanced development of occupational standards requires the bringing together of critical stakeholders. In the case of the Halal sector, these players could include religious leaders, selected impacted industries, transport organizations, community leaders, TVET providers, and peak organizations representing enterprise interests. The required occupational standards would be fashioned through inviting inputs from those key stakeholders and informed discussions held with concerned individuals and groups. Agreements on action could then be reached through ‘roundtables’ formed from representations from each of these groups. These ‘roundtable’ discussions would: Define an occupational standard relevant to an industry-specific job task; List the components of performance criteria, knowledge, skills and attitude within a workplace context; Describe the requirements for success in achieving this standard; describe the component tasks involved in each standard, and provide assessment criteria frameworks for measuring the outcome/success of TVET interventions.

Several generic templates can be used to describe occupational standards and units of competence [50,51]. These templates should be used as guides wherever relevant. The purpose of defining, describing, and establishing assessment criteria and methodologies for each component of a particular ‘occupational standard’, is to provide system assurance that those trained and or assessed ‘individuals’ would be able to perform per Halal industry requirements. Because of establishing ‘occupational standards’, training courses could be developed, and these courses could be ‘stand-alone’ or could supplement existing programs, possibly forming part of broader TVET national qualification frameworks. Such occupational standards would eliminate the ‘ad hoc’ development of courses and ensure that consistency across the trading block, and ultimately achieve mutual economic benefit. Further, by constructing the HRD standards, ecosystems would provide opportunities for Human Mobility across borders and also help to nurture and develop future workforces across jurisdictions while availing themselves of the commercial opportunities that come from actively participating in an increasingly important sector of the marketplace. Moreover, this would supply the Halal industry with a growing number of skilled and competent workers so that supply chain actors could meet their Halal quality assurance and certification obligations.

**Conclusion**

This paper highlights the significant economic opportunities that may emerge in the exploration of the design and development of Halal-compliant supply chains. Should supply chain actors acknowledge, recognize and consequently manage the integrity of these freight logistic interventions appropriately, real benefits for communities, businesses, and governments throughout the ASEAN region could be realized. In focusing on improving these Halal supply ecosystems, by provisioning better quality goods and services to the end-consumers, ASEAN member states could avail themselves of new markets. Further, to achieve the resultant trust and guaranteed provenance of Halal products and services, key supply SCL actors need to build attentive and religiously aware workforces. The authors contend that before jurisdictions within ASEAN embark on the design of training interventions and the development of specialized Halal qualifications, they first must understand more broadly the skills, knowledge, and attitudes needed to frame and define roles along the supply chain. We believe that the design and
development of comprehensive sectoral occupational standards are pivotal in ensuring Halal product and service integrity. The readiness of the ASEAN TVET sector in aiding in this occupational development is still somewhat an ‘open’ discussion and thus requires further inquiry. Furthermore, to catalyze investigations around the developer capacities needed for regional and jurisdictional Halal occupational standards, increased levels of ASEAN governments' appetites to explore ASEAN responses to Halal compliance is warranted. The authors also contend that sharpened inter-cultural aptitudes and human capabilities could significantly facilitate the achievement of the meaningful engagement necessary to fully understanding the complexities around Halal security assurance and service provision.

Conflict of Interest

The authors declare that there is no conflict of interest regarding the publication of this paper.

References


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Adam Voak is a multi-skilled educator and human development facilitator who understands that people are the real source of competitive advantage within organizations. Adam’s underpinning philosophy is that aligning an industrial establishment with its people, by developing, engaging, and rewarding them to release their full power and potential, is the key to economic and organizational success. This vision is put into practice by helping organizations to design and build high-performance organizational cultures that engage and inspire their workforces by fostering innate talent and encouraging the agility and creativity that people need to constantly embrace new ways of working. In this area, Adam brings an ethical and legal understanding of the implications and outcomes of Human Development frameworks.