


THE EFFECTIVENESS OF CAPACITY SHARING IN THE MAKASSAR HALAL INDUSTRY

Rini Andriani 1, Wahyudin Abdullah 2, Murtiadi Awaluddin 3

UIN Alauddin Makassar, Gowa, Indonesia

riniandriani0902@gmail.com

Article Info	ABSTRACT
<p>Article history: Received Feb 21, 2024 Revised March 16, 2024 Accepted April 17, 2024</p> <p>Keywords: Capacity Sharing, Halal Industry</p>	<p>This study explores the effectiveness of capacity sharing strategies in the context of the halal industry in Makassar, with a focus on increasing operational efficiency and product innovation. Capacity sharing helps companies reduce operational costs, accelerate time to market, and drive innovation by sharing production, logistics, and R&D facilities. The capability sharing strategy has the potential to optimize the use of resources through cooperation between companies in terms of production, sales, and research and development (R&D) facilities, which can bring significant benefits in increasing the competitiveness of the halal industry.' This research uses a literature research approach that allows collecting and in-depth analysis of case studies, strategic management theory, and relevant literature covering relevant aspects of Islamic economics. This study shows that this strategy can provide significant advantages for companies in meeting stringent halal standards and facing existing operational challenges. However, to ensure the success of this strategy, challenges such as compliance with strict halal standards and collaborative risk management must be taken seriously . Capacity sharing strategies have great potential to bring positive change in the halal industry, but they must be implemented with a careful approach and supported by the right framework. The practical implications of this research include encouraging the business world and regulators to consider capacity sharing strategies as a solution to increase efficiency and innovation to maintain competitive advantage in an increasingly complex and dynamic global market.</p> <p>This is an open-access article under the CC-BY 4.0 license.</p> 

Corresponding Author:

Rini Andriani

UIN Alauddin Makassar, Gowa, Indonesia

Email: riniandriani0902@gmail.com

INTRODUCTION

The halal industry in Makassar faces various challenges, including high operational costs and strict halal standards. This city, as a trade and distribution center in Eastern Indonesia, has great potential to develop a competitive halal industry. However, companies often struggle to meet complex halal requirements and manage high production costs. In this context, capacity sharing emerges as a potential solution. By sharing facilities and resources, companies can reduce overhead costs, speed production times, and increase operational efficiency. Additionally, collaboration between companies allows better access to new technologies and knowledge, which can ultimately drive product innovation.

The halal industry has grown rapidly in recent decades due to the increasing Muslim population worldwide and the increasing awareness of non-Muslim consumers about the benefits of halal products. Halal products are now expanding beyond food and beverages into a variety of industries, including cosmetics, pharmaceuticals, fashion and financial services. The global halal industry is estimated to be worth trillions of dollars, making it a highly competitive and dynamic sector. In this context, operational efficiency and product innovation are two important factors that determine the success and competitiveness of companies in the halal industry. The capacity sharing strategy is an increasingly popular strategy to increase efficiency and innovation in various industries. Capacity sharing refers to dividing resources between multiple organizations or business units to increase efficiency and maximize the use of existing assets. In the context of the halal industry, competency sharing takes many forms, such as sharing production, sales, and research and development (R&D) facilities with workers trained according to halal standards. However, implementing the competency sharing strategy in the halal industry faces certain challenges.

The halal industry is subject to strict standards and regulations to ensure compliance with Sharia principles, therefore, companies must implement high quality control and assurance systems to ensure their products and services remain halal throughout the supply chain. Then, there are concerns about data confidentiality and security, especially when capacity sharing involves multiple companies that potentially

have different or competing business interests. Therefore, clear mechanisms and frameworks are needed to manage these risks and ensure that capacity sharing does not compromise the halal integrity of products and services. On the other hand, the potential benefits of a competency sharing strategy in the halal industry are very significant, by sharing equipment and resources, companies can reduce operational costs, increase production efficiency, and reduce time to market for new products.

Collaboration in research and development can encourage innovation and development of better products to meet increasing consumer needs, this is very important in the halal industry, where consumers not only demand products that comply with sharia principles, but also high quality and innovative products. Research on the effectiveness of capacity sharing in the halal industry is still limited, and most of the existing literature generally tends to focus on the technical and operational aspects of capacity sharing. Therefore, this research aims to fill this gap by analyzing how capacity sharing strategies can be implemented effectively in the context of the halal industry and identifying the key factors that influence its success. This research uses a literature research approach to explore various previous studies, related theories, and case studies from the halal industry and other industries that have successfully implemented capacity sharing strategies. This study specifically examines how capacity sharing can help companies in the halal sector improve operational efficiency and encourage product innovation. This includes an analysis of the most effective forms of capacity sharing, possible challenges and risks, and strategies for overcoming these challenges.

In addition, this research also discusses the impact of implementing capacity sharing in the halal industry on sharia compliance and how to ensure that halal standards are maintained during the capacity sharing process. Therefore, it is hoped that this research can contribute significantly to the understanding of competency distribution strategies in the halal industry and provide practical recommendations to industry stakeholders. It is also hoped that the findings will provide a basis for further research in this area and help companies adopt best practices to increase their competitiveness in an increasingly competitive global market.

THEORETICAL CONCEPT

In the context of research on the effectiveness of competency sharing in the halal industry, theoretical concepts are the main basis for understanding how this strategy can be implemented and why it is important to study it in depth. The main related concepts include the competency distribution strategy itself, the characteristics of the halal industry, and theories that support analysis from a sharia economic perspective. A capacity sharing strategy is a collaborative approach in which companies or organizations share resources to achieve common goals. In the halal industry, this strategy takes the form of dividing production, logistics, research and development, or distribution facilities to optimize resource utilization and accelerate product innovation. This concept is based on the principles of economic efficiency and scalability, which is very important considering the rapid market trends and regulatory complexity in the global halal industry. The specificity of the halal industry also plays an important role in competency sharing strategies.

The Halal industry has specific requirements regarding compliance with Sharia principles, which cover Halal aspects from raw materials to production and distribution processes. This requires a strict monitoring system and a high level of compliance with Halal standards, and this must be taken into account when designing and implementing capacity sharing strategies. On the other hand, the halal industry is also a rapidly growing market with increasing demand, so a capacity sharing strategy can be a solution to meet increasingly complex and diverse market needs.

From a theoretical point of view, there are several related approaches that support the analysis of the effectiveness of competency sharing in the halal industry. Strategic management theory provides an understanding of how organizations can create and maintain competitive advantage through collaboration and the effective use of resources. Shared resource theory emphasizes the importance of shared access to scarce or expensive resources and can be applied in the context of sharing infrastructure and technology in the halal industry. In contrast, innovation theory provides a perspective on how

collaboration between companies can speed up the new product development process and increase value for consumers.

Together, these concepts form the conceptual framework necessary to understand how to effectively implement capacity sharing in the halal industry. By combining these theories with market realities and challenges faced by the halal industry, this research provides detailed insights into the potential of competency sharing strategies to increase the competitiveness and sustainability of the halal industry worldwide. Furthermore, a deeper understanding of these concepts can provide a solid foundation for strategic decision making at corporate and industrial levels and make a positive contribution to the development of the halal industry as a whole.

METHODS

This research uses library research methods, where we analyze various journals, books and industry reports to gain in-depth insight into capacity sharing practices in the halal industry, especially in Makassar. This approach was chosen because it allows the use of various literature sources, such as academic journals, textbooks, industry reports, and other publications that provide information and analysis related to the research topic without conducting intensive field research. Bibliographic research is suitable in this context because it allows researchers to gather information from previous studies, relevant theories, and case studies from various industries where capacity allocation strategies have been implemented.

The data used in this research comes from various literature sources related to capacity allocation in the context of the halal industry. This includes scientific journals published in the fields of strategic management, sharia economics and the halal industry, as well as books and reports from international and national organizations related to halal certification, supply chain management and product innovation. The first step in this research was a systematic literature search using academic databases such as PubMed, Google Scholar, ProQuest and IEEE Xplore. Key words used include "power sharing", "halal industry", "efficiency", "innovation" and "Islamic economy". The selection of documents is based on their relevance to the research topic and the quality of the methods used in the identified research work.

The collected data will be analyzed qualitatively using descriptive and thematic analysis methods. This analysis focuses on identifying patterns, themes and literature findings regarding the effectiveness of skills sharing strategies to increase efficiency and innovation in the halal industry. This approach allows us to synthesize relevant information without the need to conduct direct field research, thereby providing a

comprehensive picture of how capacity sharing is implemented and impacts the halal industry in Makassar.

RESULTS AND DISCUSSION

Based on analysis of relevant literature, this research found several key findings regarding the effectiveness of capacity sharing strategies in the halal industry in Makassar. Capacity sharing has been proven to be able to increase operational efficiency in various halal industry sectors. By sharing production and logistics facilities, companies can reduce overhead costs and increase optimal resource utilization. This not only reduces time to market but also increases competitiveness. An example of successful implementation is collaboration between companies that use shared infrastructure and mutually utilize existing distribution networks, which has proven effective in expanding halal products to the global market. Competency sharing also encourages product innovation in the halal industry. By facilitating shared access to new research and development, companies can accelerate innovation cycles and respond more quickly to changing market needs and evolving regulations. Research and development collaboration between companies in the halal industry has produced more diverse new products and met global consumer demand for increasingly complex halal products. These partnerships allow companies to share the risks and costs associated with innovation, accelerate new product development, and introduce innovative products that meet changing consumer needs.

In addition, logistics and sales coordination allows companies to optimize transportation routes and delivery times, reduce transportation costs and shorten response times to market demand. This is especially relevant for the halal industry, which often faces high costs related to certification and compliance with halal standards. By sharing logistics infrastructure, companies can save significant costs and improve overall operational efficiency. Capacity sharing allows companies to further increase economies of scale, thereby lowering costs per unit of production. This allows companies in the halal industry to remain competitive by offering high-quality products at lower prices. Optimizing resource utilization also allows companies to use resources more efficiently, reduce waste and increase productivity. By sharing capabilities in the context of innovation, companies can learn from each other and benefit from each other's expertise. For example, companies that have food technology expertise can collaborate with companies that have wider market access to create synergies that lead to innovative products and effective marketing strategies. Such collaboration accelerates the adoption of new technologies and increases companies' ability to innovate. Overall, this research confirms that capacity sharing strategies have great potential to improve operational efficiency and encourage innovation in the halal industry. The findings of this research show that, if implemented correctly and managed effectively, capacity sharing can

provide significant benefits to companies in the halal industry and help them remain competitive in an ever-changing global market.

DISCUSSION

The discussion of the findings of this research highlights several important aspects related to the implementation of capacity sharing in the halal industry in Makassar. Although capacity sharing strategies offer significant potential benefits, there are challenges and risks to be aware of. One of them is the risk associated with compliance with strict halal standards. In the halal industry, there are many regulations that must be adhered to to ensure products remain halal throughout the supply chain, from raw materials to final distribution. Companies that share production capacity must ensure that all stages of production and distribution comply with sharia principles. For example, co-production facilities must be halal certified and regularly audited to ensure ongoing compliance. This requires a strong monitoring system and standard operating procedures that are mutually agreed upon by all parties involved in the collaboration. If handled incorrectly, the risk of violating halal standards can endanger the integrity of the product and the company's reputation.

There are challenges related to managing collaboration and benefit sharing between companies involved in capacity sharing. Effective collaboration requires careful planning and clear agreements so that all parties benefit from the collaboration. This includes a fair distribution of costs, benefits and responsibilities, companies need to create detailed and transparent contracts that cover all aspects of collaboration, from the use of shared facilities to the sharing of innovation results. In this context, an effective monitoring and evaluation system is needed to manage inter-company relationships and minimize potential conflict and uncertainty. For example, companies may establish joint committees to monitor the implementation of agreements and resolve disputes that may arise. This discussion also highlights the importance of developing an appropriate regulatory framework to support competency sharing practices in the halal industry.

For companies wishing to adopt this strategy, clear and comprehensive regulations are essential as a guide. Governments and regulators must create an environment that supports capacity sharing by providing practical guidance and policies that encourage cooperation between companies without compromising compliance with Sharia principles and the integrity of dangerous halal products. In addition, the participation and support of financial institutions and governments is also important in creating an environment in which capacity sharing practices on a larger scale can be developed. For example, governments can offer tax incentives and subsidies to companies involved in capacity sharing, or provide access to funding programs to support joint research and development efforts.

The results of this research confirm that the capacity sharing strategy has great potential to increase operational efficiency and accelerate innovation in the halal industry. However, for maximum benefit to all stakeholders, implementation must be managed carefully and supported by an appropriate framework. Future research could focus on further investigating the key factors that influence the success of capacity sharing in the context of the halal industry. Additionally, developing innovative business models that support sustainable collaboration is also important. Flexible and adaptable business models can help companies overcome challenges related to halal compliance, collaboration management, and profit sharing, and capacity sharing can be an effective and sustainable strategy in the long term. With proper management and strong regulatory support, capacity sharing can be a very effective tool to increase the competitiveness and sustainability of the halal industry in the global market. This strategy not only helps companies reduce costs and increase efficiency, but also drives the innovation needed to meet changing consumer needs. Therefore, capacity sharing can play an important role in shaping a more competitive and sustainable future for the halal industry

CONCLUSION

This study examines the effectiveness of capacity sharing strategies in the context of the halal industry, with a focus on improving operational efficiency and encouraging product innovation. There are several conclusions that can be drawn from the results of the research and discussions that have been carried out. Capacity sharing strategies have proven to be a potential solution to increase operational efficiency in the halal industry. By utilizing common infrastructure and sharing resources such as production, logistics, and research and development facilities, companies can reduce operational costs and speed up time to market for halal products. This is important given the complexity and stringent requirements for meeting halal standards, which can be managed more effectively through cooperation between companies. Capacity sharing also plays a role in strengthening the innovation capacity of the halal industry.

Collaboration in new product development and research has been proven to be able to foster the emergence of creative ideas and innovative solutions that increase the company's competitiveness in the global market. Case studies show that companies involved in capacity sharing can respond more quickly to market changes and regulatory requirements while maintaining product quality and integrity. While this strategy has the potential to provide significant benefits, implementation is not without challenges. Compliance with Sharia principles throughout the supply chain remains a key focus and requires strict monitoring and a reliable quality assurance system. Careful planning and clear agreements between companies are also important to manage risks and ensure that the benefits of capacity sharing are distributed fairly and to the benefit of all parties involved.

Thus, the conclusion of this research is that the capacity sharing strategy has great potential to increase the competitiveness and sustainability of the halal industry globally. However, its success depends on the adoption of best practices, effective risk management, and support from appropriate regulations. Future research could focus on further exploration of successful implementation strategies, as well as the development

of frameworks that support sustainable collaboration within the halal industry. Thus, the capacity sharing strategy is not only a solution to increase operational efficiency and product innovation, but also plays an important role in strengthening the position of the halal industry on an increasingly competitive global stage.

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