# THE EFFECTIVENESS OF THE FORMATION OF HALAL PRODUCT COMMUNITIES BASED ON HALAL CERTIFIED SMES IN TEBING TINGGI

## Yusriati<sup>1\*</sup> Dedi Amrizal<sup>2</sup>

\*<sup>1, 2</sup>Universitas Muhammadiyah Sumatera Utara \*<sup>1</sup>email: <u>yusriati@umsu.ac.id</u>

Abstract: Regulation of the Minister of Religion Number 20 of 2021 concerning Halal Certification for Micro and Small Business Actors has encouraged LP3H (Halal Product Process Assistance Institution) to provide assistance to business actors in Tebing Tinggi. The assistance steps that have been carried out are program socialization, administrative fulfillment, product verification, product validation, data finalization / submission, status monitoring. After providing assistance, LP3H needs to carry out activities to form a halal business product community from SMEs (Small and Medium Enterprises) that have been assisted in the halal certification process. This needs to be done to maintain product quality and foster SME actors as a form of LP3H's accountability to SME actors who have been assisted. The obstacle faced by halal assistants is that the assistants have not been trained in forming and managing halal product communities based on certified SMEs. The purpose of this study is to determine how the effectiveness of the formation of a halal community based on certified SMEs as a valuable asset of The Halal Product Assurance Organizing Body (BPJPH) in socializing business actors' awareness of the importance of taking care of halal certification and being consistent in maintaining public trust. The research method used is descriptive research method with data processing using qualitative methods. The results of the interviews were analyzed using categorization analysis. To test whether the community that has been formed is effective or not using the N-Gain test. The results of this study reveal that the halal product community based on certified SMEs is effective for socializing the importance of halal management for SMEs, facilitating the guidance of certified business actors and facilitating efforts to maintain consistency in producing halal products in the community.

Keywords: Halal Certificate; Halal Community; Halal Products; SMEs

## I. INTRODUCTION

The awareness of SMEs to take care of halal certification has begun to increase in Tebing Tinggi City. All happened because of the role of the Ministry of Religion through BPJPH which offers regular / paid halal certification management and free halal certification management. The regular route is carried out by LPH (Halal Examining Institution) while the free one is carried out by LP3H. This study observes the problems faced by LP3H in carrying out its strategic functions when forming a halal product community from SMEs that have been assisted in the halal certification process. LP3H Halal Center UMSU collaborates with researchers to observe the process of forming and fostering the halal community.

The UMSU Halal Center has worked based on work procedures obtained from BPJPH directly without a halal product community being formed after successful halal certification assistance efforts. As we know that the assistance steps that have been carried out so far include program socialization, administrative fulfillment, product verification, product validation, data

finalization / submission, and status monitoring. The steps of certification assistance do not include the stages of coaching SMEs after halal certification assistance is carried out by LP3H. This SME coaching should be very important to maintain their commitment, consistency, honesty, understanding and awareness of the continuation of their halal products that bring benefits to many people. With the coaching of these SMEs, they will become very effective information conveyors and become new SME recruiters who will carry out halal certification in the future. Therefore, it is necessary to form a halal product community that will be maintained by the LP3H Halal Center UMSU periodically. The formation of a community depends on the number and awareness of SMEs who intend to take care of halal certification.

According to data from the Office of Cooperatives and SMEs of North Sumatra Province in 2021, there were 1.2 million officially registered SMEs. However, only 4,000 SMEs have registered for the halal certification program at BPJPH. So only 0.2% of SMEs in North Sumatra have officially registered with BPJPH. For Indonesia, based on data from the Ministry of Cooperatives and SMEs in 2019, there are only 2.4% of SMEs that have halal certification. For this reason, it is necessary for SMEs to become information disseminators regarding the importance of halal certification by making halal assistants at the LP3H halal Center UMSU as their partners.

The implementation of Minister of Religion Regulation Number 20 of 2021 concerning halal certification for Small and Medium Enterprises (SMEs) is a basic reference for the implementation of halal certification arrangements for business actors domiciled in North Sumatra, especially Tebing Tinggi City, which is the responsibility of the Halal Task Force and LP3H under the control of the central BPJPH. The target that has been set so far by BPJPH in producing halal-certified SME business products is an effort that is in line with the mentoring activities of SMEs, especially the formation of this halal community. So far, efforts to meet targets and mentoring activities have been carried out by the LP3H Halal Center UMSU without paying attention to the potential of certified SMEs. This potential turns out to be quite strong in disseminating information on obtaining halal certificates and maintaining product consistency in the application of Islamic law to all things that will be consumed by Muslims in Tebing Tinggi City.

LP3H has needed examples of communities that have been formed in an effort to fulfill PBJPH targets related to the number of SMEs and increase SMEs' understanding of Islamic law and the quality of products produced. The community that has been formed has activities aimed at building awareness of the importance of halal products, protecting products and inviting other actors to do so, besides that the community assisted by LP3H also educates actors in terms of business management, internet business, internet usage and training etc.

Problems that often arise in the field have a lot to do with the readiness activities of MSME players who have been certified and directed work programs from LP3H that lead to the business development of certified MSME players. This is necessary to maintain product quality, good management, sustainability and consistency in implementing the Islamic Sharia system in food products known as halal certification.

Currently, the number of SMEs coming to LP3H is increasing day by day. However, it has not been able to reach the target given by BPJPH to date. Based on data from the North Sumatra Provincial Cooperative and UKM Office in 2021, there are 1.2 million SMEs in North Sumatra, but only 4,000 business actors (0.2%) have registered for the halal certification program at BPJPH. This condition shows that the mentoring process is still a lot and will be very tiring. For this reason, a community is needed that is formed from SMEs that have been certified as conveyors of information and at the same time fostering business actors who have not been certified. In general, the fundamental problems found in the field so far are: (1) there is still a low understanding of SMEs regarding the management of halal certification; (2) there are mentoring steps that have not taken advantage of community formation; (3) there is no example of effective community management to be carried out by LP3H. Therefore, it is necessary to implement a community of halal-certified actors to inform and assist the socialization process to uncertified SMEs. The problem formulation of this research is how the effectiveness of the formation of halal product communities based on halal-certified SMEs in Tebing Tinggi City.

## **II. LITERATURE REVIEW**

The halal companion activities owned by LP3H have never been followed up to the stage of community formation. The stages of socialization, training and assistance in obtaining halal certification carried out by the government for MSME players through LPH and LP3H are recognized as very important and useful for MSME players who intend to implement halal certificates [1].

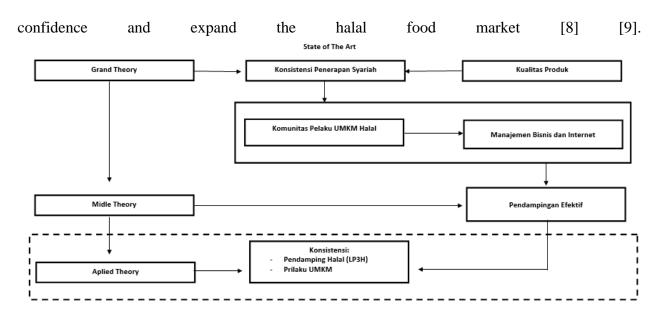
In Kamus Besar Bahasa Indonesia (KBBI) community is defined as people who live and interact with each other in certain areas. Descriptively, the notion of community refers to a group of people in which there are individuals who feel part of the community network, based on bonds of solidarity, trust and common security. Normatively, the community can indicate an interest in sharing and cooperating in all aspects of human life. This normative role continues because in this space the normative order in the community can develop into a shared ideology. Shared ideology in the community can be used to disguise conflicts of interest. [2].

The nature of an effective professional community is sustainable and based on planned action [3]. The benefits obtained from halal mentoring that forms a community are to increase community knowledge and expertise in marketing to increase modern product promotion, increase production activities through increased product orders from a wider market share, provide social learning to solve real problems in the community [4]. The main objectives of this mentoring activity are to analyze what factors are supporting and inhibiting the existence of institutions, to provide training to institutions to develop work program plans, and to analyze the potential of institutions to determine branding [5].

Finally, it can be stated that mentoring is a strategy that greatly determines the success of community empowerment programs, in accordance with the principle of helping people, improving the quality of human resources, so that they can identify themselves as part of the problem and try to find alternative solutions to the problems faced [6][7]. After the documents are sent to the fatwa commission by the companion or MSME players, LP3H must form a community of MSME players who have been certified. This is to ensure product quality and consumer

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### III. METHODOLOGY OF THE RESEARCH

This research applies descriptive methods with data processing using qualitative methods. The data processing uses categorization analysis. This study uses categorization as a measuring tool in processing data obtained from indept-question interviews and enriched with secondary data on the implementation of halal certification assistance. The research analysis used is categorization analysis. To test whether the community that has been formed is effective or not, the N-Gain test is used. A pretest and posttest were conducted on the community that had been formed. The results of the N-Gain test will prove whether the existence of a community of halal-certified SMEs is effective in maintaining product quality, improving the business management skills of SMEs, increasing the ability to use the internet and interact with the online business world, strengthening shari'a understanding of the importance of halal products for the community. After this research is completed, it is hoped that LP3H can form other community groups to socialize halal certification and maintain the consistency of actors in providing halal products and invite other MSME players to take care of halal certification.

## IV. RESULTS AND DISCUSSION

Applications for halal certification from SMEs in North Sumatra have involved the following organizations / institutions: Assessment Institute for Food, Drugs and Cosmetics of the Indonesian Ulema Council (LPPOM MUI), MUI Fatwa Commission, Halal Product Guarantee Agency (BPJPH), Halal Certification Supervisor and LP3H such as the UMSU Halal Center. LP3H offers assistance with the stages of obtaining halal certification. The stages have used references from PP No. 31 of 2019 concerning the Halal Assurance System but there is no follow-up carried out after the certification process is complete. This is an important thing to continue to maintain product quality and consistency of actors with halal sharia law.

Every SME actor should carry out several activities in obtaining halal certification for their business. This starts from the activity of understanding policies / regulations related to halal certification, looking for a companion in managing halal certification or participating in socialization

related to halal certification, attending halal training, following the steps of assisting in managing halal certification, monitoring the halal certification process that has been carried out, and following routine guidance and monitoring after a halal certificate is obtained. The stages of processing halal certificates that have been carried out are contacting business actors, filling in data, verval, making recommendations, and sending files to the fatwa committee. These steps do not include important activities that should be carried out by LP3H after BBJPH issues a halal certificate.

Efforts to foster and maintain the consistency of SMEs to be consistent with the application of Islamic law after certification is obtained has not been a matter of concern. This effort can be done by forming a community of SMEs that have issued halal certificates. The Regional Office of the Ministry of Religion through BPJPH (Halal Product Guarantee Agency) already has three LP3H in North Sumatra, but the research location is LP3H UMSU which is called Halal Center UMSU. This research aims to make the halal mentoring process for SMEs continue even though they have received halal certification. In fact, LP3H must provide guidance through a community of certified SMEs based on Minister of Religion Regulation No. 20 of 2021. There is no community formed from the three LP3Hs in North Sumatra except for the halal community formed by the LP3H Halal Center assistant in Tebing Tinggi City. The existence of this community has held regular coaching and meetings with assistants who have assisted SMEs before in obtaining halal certification.

The first step taken in this research is to find a community that has been formed and has conducted meetings and coaching with assistants from LP3H. The formed community consists of 45 SMEs that have been certified (experimental group). There are 39 SME actors who have not been certified who are currently being assisted (Control group). Pretest and posttest data were collected from the two research groups.

The second step is to conduct interviews with a sample of experimental group members. The instrument is made based on the categorization in the interview draft related to the activities of the community of SMEs that have been certified halal. In addition, it was also asked what role and guidance had been carried out by halal assistants from the LP3H Halal Center UMSU. Based on the obtained data, it can be mapped in the following table:

No	Uraian	Temuan	Aksi
1	Implementation of the stages of assisting the halal certification program for SMEs before the halal community is formed	according to procedures and varies in terms of halal companion services due to the	Providing basic training on the use of the internet and sihalal applications.
2	Due du et	internet.	I D2II must establish a
2.	Product exposure and consistent efforts	Routine checking mechanism based on	LP3H must establish a procedure for checking with the halal community

### Tabel Hasil Wawancara

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	to comply with	LP3H procedures has	
	Sharia law	been agreed upon.	
3.	Socialization of the importance of halal certification and recruitment of SMEs that have not yet been certified	Always delivered in every meeting	LP3H prepares reporting procedures and initial mentoring by certified SMEs.
4.	Business management and coaching from LP3H	There is a work program planned by LP3H	LP3H designed a work program involving faculty of economics and business lecturers to foster SMEs that have been certified

#### **Source : Internal Data**

Based on the data obtained, the following results can be described:

a. The current state of halal-certified SMEs.

SMEs that have obtained halal certificates still need to get direction regarding the utilization of halal certificates in improving their businesses. They also need coaching that aims to develop their business to become large. SMEs also still need guidance in terms of strengthening their commitment to implementing halal product guarantees from their businesses. Business actors also still need training that can improve the quality of the products they will produce such as the use of digital marketing and the use of social media in expanding the scale of their business.

b. LP3H has not directed halal assistants to form a halal community.

After the halal certification assistance steps have been carried out, assistants have not been charged or recommended by LP3H to form a community to maintain product quality and consistency in their understanding of sharia teachings, especially related to halal products. Halal assistants are still focused on obtaining halal licenses for business actors. In general, halal assistants have not attempted to form a community of SMEs that they have assisted. Effective communication only occurs during the process of obtaining halal licenses for SME products. Communication that exists between halal assistants and business actors afterwards is only personal and has not become something routine and directed.

c. Condition of the halal community

The halal community that has been formed cannot stand alone but depends on the role of the assistants. The halal assistants are tasked with maintaining and guiding the community by jointly compiling a work program that is beneficial for halal-certified SMEs. The program that has been made will also provide benefits to LP3H which is a large container where the community is based. The current community has held several meetings with LP3H assistants with an agenda limited to strengthening the importance of halal certification for the community. In addition, discussions and coaching are also carried out regarding strengthening understanding of the halal assurance system that must be carried out in the production cycle by business actors. The halal

community that was formed has also conducted religious guidance for business actors. Business actors also get a lot of important information related to facilitation assistance from the Tebing Tinggi local government such as being involved in exhibitions held by the local government. They also have the opportunity to participate in business development activities carried out by the Tebing Tinggi City Trade Office. Through the existing community, they also support each other in terms of selling the products of each SME.

The third step is testing with the N-Gain test to see whether the community formed is effective or not.

Group			Statistic	Std. Error	
Nilai	experiment	Mean		77,7827	1,37045
N_Gain		95% Confidence Interval for Mean	Lower Bound	75,8291	
			Upper Bound	81,7562	
		5% Trimmed	d Mean	79,6865	
		Median		81,3333	
		Variance		95,301	
		Std. Deviatio	on	7,86411	
		Minimum		39,86	
		Maximum		90,68	
		Range		49,82	
		Interquartile	Range	11,53	
		Skewness		-1,596	,354
		Kurtosis		2,672	,695
	control	Mean		29,2205	1,31365
		95% Confidence Interval for Mean	Lower Bound	27,5612	
			Upper Bound	31,8799	
		5% Trimmed	d Mean	29,5955	
		Median		29,4815	
		Variance		65,302	
		Std. Deviatio	on	6,20377	
		Minimum		5,52	
		Maximum		45,73	
		Range		40,21	

# **Descriptive Data N-Gain**

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In	nterquartile Range	10,92	
S	kewness	-,746	,378
K	lurtosis	1,262	,741

#### **Source : Internal Data**

The test results show that the existence of a community for halal-certified SMEs is very effective with an N-Gain value of 77.8.

### V. CONCLUSION

This research has produced very valuable findings from the formation of a halal community of halal-certified SMEs that have been carried out by assistants from the UMSU Halal Center. The existence of this community can maintain their understanding of the existence of halal products in society, help disseminate information on the importance of halal certification, help connect mentors and SMEs in Tebing Tinggi City, and get business coaching, cyberspace utilization, and guidance on the importance of Islamic law, especially halal. The conclusion can be drawn that the existence of this halal community after being measured using the N-Gain Test has proven to be very effective in helping to improve the business profile of SMEs.

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