

The Role of HRM in Global Transition to Green Economy Sustainability in Indonesia's Halal Industry

Taufiq Rahmat¹, Diah Apriliani², Iwan Ardiansyah³, Reza Fauzi Bukhori⁴ 

^{1,3,4}Management, Universitas Al-Ghifari

²International Relations, Universitas Al-Ghifari

ARTICLE INFO

Article history:

Received: 2024-07-11

Revised: 2024-09-18

Accepted: 2024-10-12

Available Online: 2024-12-25

Keywords:

HRM; Green Economy; Halal Industry; Sustainability; Halal Certification

DOI:

<https://doi.org/10.38043/jimb.v9i2.5997>

ABSTRACT

Indonesia halal industry faces challenges in adopting sustainable practices within the green economy framework, primarily due to limited human resource readiness. This study examines the role of Green Human Resource Management (Green HRM) in strengthening the global competitiveness of halal SMEs engaged in international exports. Using a qualitative case study approach, data were collected through in-depth interviews, participatory observations, and document analysis involving three business owners from the Halal Product Producers Association of Indonesia, representing western, central, and eastern regions. Findings indicate that Green HRM facilitates the development of green skills and sustainability-focused leadership, addressing gaps in awareness and capability among halal SMEs. Practical implications include integrating Green HRM into HR policies, emphasizing sustainability training and global green certifications. Additionally, the use of digital technology is highlighted as a means to expand access to training and accelerate the adoption of sustainable practices. The study's limitations include its focus on export-oriented halal SMEs, which may not fully represent the entire sector. Future research could explore the application of Green HRM in domestically focused halal businesses and assess long-term impacts on organizational performance. These findings underscore the need for global collaboration, government support, and human resource capacity-building to ensure the successful implementation of Green HRM in Indonesia's halal industry

This is an open-access article under the [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license.



1. INTRODUCTION

The transition to a green economy has become a crucial agenda in global development, driven by rising environmental challenges and the urgent need to mitigate climate change impacts. Many countries are integrating sustainability into their economic frameworks, focusing on reducing carbon footprints, promoting renewable energy, and adopting environmentally conscious practices across industries (Rahmat et al., 2022). This shift aims to balance economic growth with environmental preservation, ensuring a sustainable future for generations to come.

Green economy sustainability has also emerged as a priority in Indonesia, as the country integrates these global principles into its national policies and economic activities. Nations worldwide, including Indonesia, are actively incorporating sustainability principles into economic activities to achieve a balance between environmental conservation and socio-economic development (Georgeson et al., 2017). Indonesia, as the country with the largest Muslim population globally, has a prominent role in the halal industry (Aziza et al., 2024), which is growing rapidly and offers a unique opportunity to integrate halal principles with green economy practices for achieving sustainable development goals (Azam & Abdullah, 2020).

However, the halal industry in Indonesia faces significant challenges in transitioning to a green economy. The readiness of human resources (HR) within this sector remains limited, as many lack the requisite knowledge, skills, and awareness to adopt green practices. Key obstacles include insufficient training in green technologies and a limited understanding of sustainability's importance across the entire production and distribution chain of halal products (Das & Dash, 2022; Rahmat & Apriliani, 2023). Green Human Resource Management (Green HRM) has been identified as a potential solution to these challenges, as it integrates sustainability principles into HR practices, fostering the development of eco-friendly operational strategies (Mishra, 2017).

Indonesia's commitment to sustainability is underscored by its adoption of the Sustainable Development Goals (SDGs) through Presidential Regulation Number 59 of 2017. This policy mandates the integration of sustainability principles across various sectors, including the halal industry, yet its implementation remains inconsistent. The halal industry's ability to align with these national and global sustainability standards is crucial

for its competitive positioning in international markets, particularly as the demand for green halal products rises (Georgeson et al., 2017; Renwick et al., 2016).

This study addresses these gaps by examining the challenges faced by human resources in the halal industry, particularly in adapting to sustainability requirements. Key issues include limited access to education and training, insufficient support for green policies, and a lack of global certification that aligns with the principles of both halal and green economies (Doghan, 2024). The study also explores strategies to enhance HR capacity, including the adoption of Green HRM, to support Indonesia's transition towards a sustainable green economy (Rahmat & Apriliani, 2023).

The findings of this research aim to provide actionable recommendations for strengthening HR competencies in the halal sector, aligning HR development with Indonesia's green economy strategy and SDGs, and enhancing the sector's global competitiveness. By doing so, this study highlights the critical role of Green HRM in fostering a sustainable and inclusive economy in Indonesia's halal industry (Aust et al., 2020).

2. FRAMEWORK THEORETICAL

Sustainability theory provides a foundational framework for balancing economic growth, environmental protection, and social equity, collectively known as the three pillars of sustainability (Harrington, 2016). These pillars are crucial for addressing global challenges such as climate change, resource depletion, and social inequality (Aust et al., 2018). In the context of the halal industry, sustainability theory highlights the need for integrating environmentally friendly practices with halal principles, ensuring long-term benefits for businesses, consumers, and the environment (Georgeson et al., 2017).

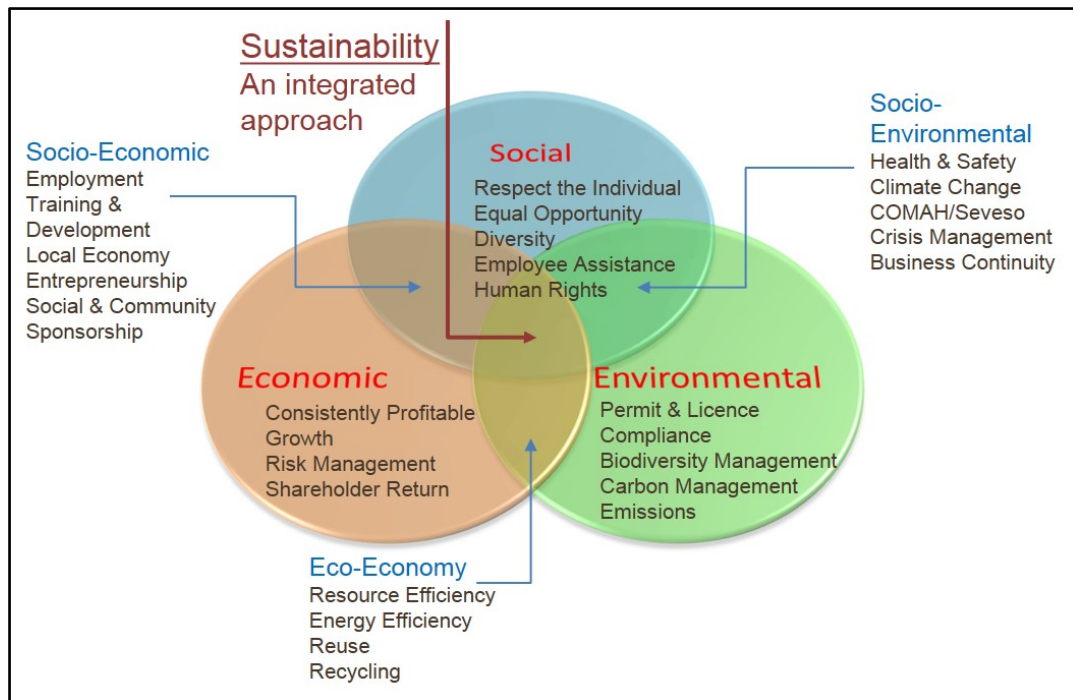


Figure 1. Sustainability Theory

Source: Environet Solutions (www.environet.ie) (Kelly, 2013)

2.1. Economic Pillar

The economic dimension of sustainability focuses on achieving stable economic growth while minimizing negative environmental impacts (Stankeviciute & Savaneviciene, 2013). For the halal industry, this entails improving operational efficiency, reducing resource waste, and adopting innovative technologies. Effective implementation of Green HRM plays a critical role in enhancing these capabilities by equipping human resources with the skills and knowledge required to adopt green practices (Pham et al., 2020). For instance, halal SMEs can optimize resource management and meet international halal certification standards, thereby enhancing their competitiveness in global markets.

2.2. Environmental Pillar

The environmental pillar emphasizes reducing the ecological footprint of industrial activities by promoting sustainable resource use, waste reduction, and energy efficiency (Maria et al., 2015). Within the halal

industry, Green HRM can support environmental sustainability by fostering a culture of ecological responsibility among employees. Training programs focusing on green skills, such as renewable energy usage and waste management, enable halal SMEs to integrate environmentally friendly practices into their daily (Rahmat & Apriliani, 2022). These initiatives are vital for meeting global environmental standards, particularly in regions where sustainable production is a prerequisite for market entry (Georgeson et al., 2017).

2.3. Social Pillar

The social dimension of sustainability centers on promoting social equity, well-being, and justice (Ahmad et al., 2024). For the halal industry, this involves creating fair and inclusive workplaces while addressing the socio-economic needs of communities. Green HRM contributes to this pillar by fostering work-life balance policies, offering equal opportunities for employees, and promoting ethical practices throughout the value (Renwick et al., 2016). Additionally, implementing sustainability leadership programs can empower leaders in the halal sector to drive positive change in organizational and societal contexts (Rahmat et al., 2022).

2.4. Integration of Sustainability Theory and Green HRM in the Halal Industry

Sustainability theory and Green HRM are intrinsically linked in addressing the unique challenges and opportunities of the halal industry. At the local level, integrating sustainability principles into HR management can enhance the industry's readiness to adopt environmentally and socially responsible practices (Rahmat, Faozanudin, et al., 2024). For instance, Green HRM initiatives focusing on training programs for green skills, waste management, and renewable energy can empower halal SMEs to align their operations with both Islamic principles and global sustainability standards (Rahmat & Apriliani, 2023). This alignment is particularly important in Indonesia, where policies such as Presidential Regulation (Perpres) Number 59 of 2017 on the Sustainable Development Goals (SDGs) provide a national framework for sustainable development.

From a global perspective, the halal industry faces increasing pressure to comply with international sustainability standards, such as environmentally friendly production and ethical labor practices. These requirements are critical for accessing competitive markets, particularly in regions like Europe and the Middle East, where consumers demand eco-friendly halal products (Azam & Abdullah, 2020). By leveraging Green HRM, halal businesses in Indonesia can bridge the gap between local practices and global expectations (Yuli & Wojtyla, 2020). For example, adopting sustainability-oriented HR policies enables companies to achieve certifications that enhance their credibility in international markets.

Moreover, Green HRM supports the integration of the three pillars of sustainability—economic, environmental, and social—into the operational framework of halal businesses. Economically, it fosters resource efficiency and cost savings. Environmentally, it promotes the adoption of practices that minimize ecological footprints. Socially, it ensures fair treatment of employees and communities, aligning with both global ethical standards and Islamic values. This comprehensive approach not only addresses global challenges but also strengthens the industry's competitiveness and resilience in an evolving market landscape.

3. METHOD

This study used a qualitative case study approach to explore the implementation of Green HRM in halal SMEs involved in global exports. The approach was chosen to gain an in-depth understanding of sustainability practices and HR management strategies in specific contexts (John et al., 2018). Participants were three business owners from the Halal Product Producers Association of Indonesia, representing western, central, and eastern regions of the country. The selection of participants followed the criteria outlined in **Table 1**:

Table 1. Participants

CRITERIA	Details
Membership	Halal Product Producers Association of Indonesia
EXPORT ACTIVITY	Actively exporting halal products internationally
ENGAGEMENT WITH GREEN HRM PRACTICES	Implementing or planning Green HRM initiatives
REGIONAL REPRESENTATION	Representing western, central, and eastern Indonesia

Data collection for this study centered on semi-structured interviews with halal business owners to gain a comprehensive understanding of Green HRM implementation. These interviews provided flexibility to explore key themes related to sustainability practices and specific challenges faced by owners in the halal sector (Bryman, 2016). Participatory observations at halal business sites offered real-time insights into how owners implement Green HRM strategies within their operational contexts. Document analysis of company policies, training

materials, and evaluation reports further revealed the formal approaches supported by these business owners. Data validity was ensured through triangulation by comparing findings from interviews, observations, and document reviews, while member checking confirmed the accuracy of results with participants.

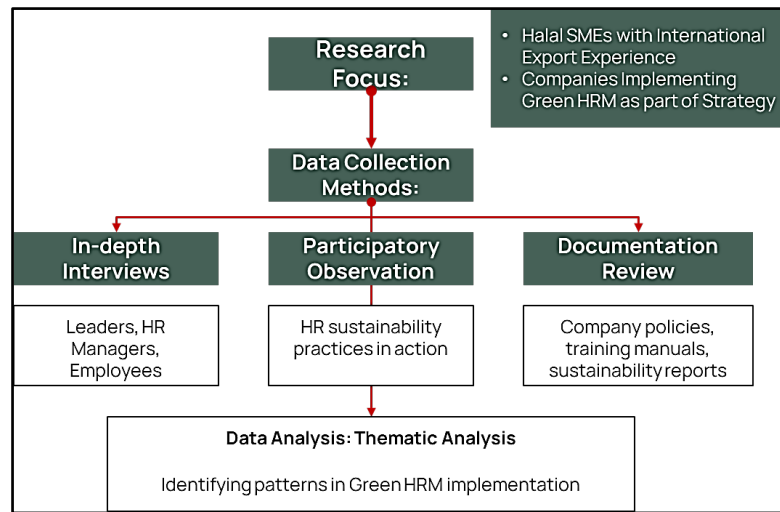


Figure 2. Research Stages, Source: Prepared by the author (2024)

4. DISCUSSION

4.1. The Relationship Between HR, Green HRM, and Sustainable Green Economy

The successful implementation of Green HRM in Indonesia’s halal industry depends on embedding sustainability principles into workplace behaviors, knowledge, ethics, and skills. Green HRM connects HR practices with sustainability goals, emphasizing the balance between economic, environmental, and social objectives as outlined in sustainability theory (Harrington, 2016). In the halal industry, this connection is evident in the role of HR in shaping production, standardization, and distribution processes that meet both halal requirements and environmental standards (Meylinda & Matondang, 2023).

Training employees in sustainability-based practices is a critical step in operationalizing this theory. By equipping employees with green skills, such as resource management and waste reduction, HR facilitates more efficient production processes (Mujar & Hassan, 2014). For instance, employees trained in energy management can identify opportunities to minimize energy consumption while maintaining halal compliance, thereby addressing economic and environmental objectives simultaneously. Sustainability theory highlights the importance of such practices, as they enable businesses to achieve cost efficiency while conserving resources for future generations.

From an environmental perspective, Green HRM integrates eco-friendly practices into the workplace to reduce the ecological footprint of halal SMEs. This includes adopting biodegradable materials, implementing energy-efficient logistics, and minimizing waste in distribution processes. These initiatives reflect sustainability theory’s emphasis on preserving natural resources and ensuring long-term environmental health. By fostering a workplace culture that prioritizes environmental ethics, Green HRM ensures that halal-certified operations align with global sustainability expectations.

The social pillar of sustainability is addressed by Green HRM through ethical labor practices and policies that enhance employee welfare. For example, HR strategies that promote fair wages, work-life balance, and inclusive work environments contribute to social equity within organizations. These practices align with sustainability theory, which underscores the need for social justice in achieving organizational and societal stability. In the halal industry, this integration not only supports employee well-being but also reinforces the sector’s reputation as a socially responsible industry.

Green HRM operationalizes sustainability theory within the halal industry by aligning HR practices with economic, environmental, and social goals. This alignment ensures that production, standardization, and distribution processes are not only Sharia-compliant but also environmentally sustainable and socially equitable. By integrating these principles, the halal industry strengthens its ability to compete in global markets while fulfilling its commitment to sustainability and Islamic values.

4.2. The Role of HR in Realising a Sustainable Green Economy in the Halal Industry

Realizing a sustainable green economy within Indonesia's halal industry requires the integration of sustainability principles into human resources (HR) practices. HR plays a central role in promoting economic, environmental, and social dimensions of sustainability by embedding behaviors, knowledge, ethics, and skills into workplace operations (Mujar & Hassan, 2014; Rohman et al., 2024). This ensures that production, standardization, and distribution processes comply with both Sharia principles and global environmental standards, positioning the halal industry as a key contributor to the green economy.

Green HRM facilitates the recruitment of employees who are committed to sustainability and halal principles. For instance, a participant shared, *"Our hiring practices now prioritize candidates with knowledge of sustainability and their application in halal-compliant production."* This ensures that the workforce is aligned with the organizational goals of reducing environmental impact while maintaining halal standards. Ardiansyah et al. (2023) emphasize that aligning recruitment criteria with sustainability objectives strengthens organizational capacity to address green economic challenges effectively.

Training programs also play a critical role in enabling employees to adopt sustainable practices in production and distribution. For example, an HR leader explained, *"Training on waste management and energy efficiency enabled us to reduce electricity usage by 20% while ensuring our processes adhered to halal standards."* These efforts align with Rahmat & Hadian (2019), who highlight the importance of equipping employees with skills to minimize environmental impact and optimize resource utilization in line with green economy principles (Rahmat & Hadian, 2019).

Beyond operational improvements, Green HRM incorporates policies that promote social sustainability by enhancing employee welfare. For instance, work-life balance initiatives and environmentally friendly facilities contribute to a healthier and more productive workforce. A participant noted, *"We introduced flexible working hours and installed renewable energy systems in the office, which significantly improved employee satisfaction and reduced our carbon footprint."* This reflects Ardiansyah et al. (2023), who argue that social sustainability practices, such as improving workplace facilities and transportation options, foster a positive organizational culture while supporting environmental goals (Ardiansyah et al., 2023).

To further promote social sustainability, companies can implement policies encouraging the use of renewable energy-based transportation and recycling facilities within the workplace. For example, providing employees with incentives for using bicycles or electric vehicles reduces commuting emissions and supports zero-emission goals. This aligns with Renwick et al. (2016), who emphasize the role of Green HRM in creating eco-friendly workplace environments that balance employee welfare with organizational objectives.

Compensation and reward systems also contribute to motivating employees to adopt sustainable practices. One halal SME leader explained, *"We introduced a reward system for teams that achieved waste reduction targets, which significantly increased participation in our sustainability programs."* These initiatives ensure that individual contributions are aligned with broader organizational goals, enhancing the overall impact of Green HRM on economic and environmental sustainability.

On a global scale, these practices enable halal companies to meet international sustainability standards, enhancing their competitiveness in eco-conscious markets (Almas et al., 2024). For instance, incorporating social sustainability practices into HR policies not only improves employee retention but also strengthens the organization's reputation as a socially responsible entity. This is particularly relevant in global markets where Muslim consumers increasingly demand halal products that prioritize environmental and social values (Georgeson et al., 2017).

In conclusion, HR plays a pivotal role in realizing a sustainable green economy in the halal industry by embedding sustainability principles into workplace behaviors, knowledge, ethics, and skills. Green HRM ensures that practices such as work-life balance, renewable energy use, and recycling initiatives align with sustainability goals, contributing to a socially and environmentally responsible industry that is well-positioned for global competitiveness.

4.3. Importance of Training in Supporting a Sustainable Green Economy in the Halal Sector

Training programs are crucial in building human resources (HR) that support the transition to a sustainable green economy within Indonesia's halal sector. With the global trend emphasizing sustainability across all business aspects, equipping employees with the knowledge and skills to implement green practices has become essential. HR training aligned with Sharia principles ensures that companies not only reduce their ecological footprint but also enhance their reputation as pioneers in sustainability within the halal industry (Fageh, 2022).

Through targeted training, halal companies can introduce green practices such as carbon reduction, efficient water management, and renewable energy adoption. For example, one participant shared, *"We conducted*

a series of workshops on renewable energy use, which led to a 15% reduction in energy consumption across our operations while maintaining halal compliance." Such efforts highlight the dual benefits of operational efficiency and adherence to Sharia principles, strengthening the company's marketability in eco-conscious Muslim markets (Harizah et al., 2024).

Training programs also prepare employees to address the social dimensions of sustainability by minimizing the negative social impact of corporate activities. For instance, a halal SME implemented a fair trade policy after training employees on sustainable supply chain management. As a manager explained, "Our training sessions emphasized the importance of fairness in supplier agreements, which not only improved relationships but also aligned with our organizational values of justice and integrity." These initiatives demonstrate how sustainability training can contribute to social justice and ethical business practices, which are integral to both Sharia and global sustainability standards.

To ensure long-term impact, training must be implemented as a continuous process that evolves alongside technological and regulatory developments. Building a culture of continuous learning enables employees to adapt to emerging challenges and contribute effectively to sustainable development (Sari et al., 2024). For example, a halal-certified logistics company adopted an ongoing training program on green transportation methods. This initiative resulted in the introduction of electric delivery vehicles, reducing emissions by 25% and enhancing compliance with international environmental regulations.

An approach based on competence is essential to support practical training that is sustainable in the halal sector. One strategic approach that can be implemented is HR Global Environmental Competency (HR-GEC) (Rahmat & Apriliani, 2023), which offers a comprehensive way to increase the role of HR in supporting sustainability. With a focus on developing relevant knowledge, skills, attitudes, and values, HR-GEC can help halal companies build a human resource capacity that is productive and sustainable, both economic, social, and environmental. The following is a description of the HR-GEC concept in support of the transition to economy green:

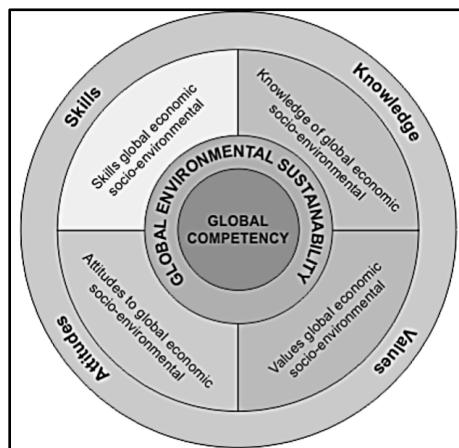


Figure 2. HR Global Environmental Competency Model (Rahmat and Apriliani, 2023)

HR Global Environmental Competency (HR-GEC) offers an approach for increasing the role of HR in support of global sustainability, including in the halal industry. Competence This covers four main elements: relevant knowledge, skills, attitudes, and values, along with sustainability. HR-GEC emphasises understanding global economic, social and environmental issues, including the complex connection between human activities and their impact on sustainability. In the context of the halal industry, competence encourages HR to develop environmentally friendly operational strategies at a time that guards the power competition economy. HR-GEC-based HR training helps increase skills For analysing, planning, and implementing initiatives that support sustainability, such as managing efficient waste, implementing renewable energy, and producing innovation (Rahmat & Apriliani, 2023).

Besides that, HR-GEC formed HR attitudes and values supporting global sustainability, such as commitment to protecting the environment, respect for social diversity, and openness to innovation. Values like social justice, responsibility answer social, and integrity become the foundation for making a decision that supports a green economy in the halal industry. With integrated elements, HR-GEC strengthens The concept of Green Human Resource Management (Green HRM), which aims to facilitate the transition to a green economy more effectively. Implementing HR-GEC enables HR to increase productivity and efficiency and contribute to economic, social, and environmental sustainability in a holistic (Rahmat et al., 2022), supportive objective of global sustainability and the inclusive Indonesian halal industry

In addition to technical competencies, HR-GEC fosters values such as environmental stewardship, respect for social diversity, and openness to innovation. These values align with Islamic principles and global sustainability goals, providing a foundation for ethical decision-making in the halal industry. As one participant noted, *"Our HR-GEC training has transformed how we approach operational challenges, enabling us to create solutions that balance environmental, social, and economic priorities."* Such integrated training enhances the competitiveness of halal companies in international markets by aligning their practices with global expectations for sustainability.

Globally, training programs tailored to Green HRM enable halal companies to meet the growing demand for eco-friendly and Sharia-compliant products (Apriliani et al., 2024). For example, a halal SME that adopted sustainable production techniques reported increased exports to regions like Europe and the Middle East, where consumers prioritize environmentally responsible practices. As highlighted by Rahmat & Apriliani (2023), HR-GEC strengthens the concept of Green HRM by bridging local practices with global standards, ensuring that halal companies remain competitive in a rapidly evolving market.

Training is a cornerstone for achieving sustainability in the halal industry. By incorporating models like HR-GEC and focusing on continuous learning, halal companies can equip employees with the skills and values needed to meet economic, social, and environmental objectives (Almas et al., 2024). Green HRM training not only enhances operational efficiency but also strengthens the global competitiveness of halal companies, ensuring their role as leaders in the sustainable green economy.

4.4. Challenge Implementation of Green HRM in the Indonesian Halal Industry

The implementation of Green HRM in Indonesia's halal industry faces significant challenges at both national and global levels. As the global focus on sustainability intensifies, halal companies in Indonesia must adopt Green HRM practices that align with international standards while addressing local constraints (Yuli & Wojtyla, 2020). Despite the growing recognition of sustainability, a major limitation remains the lack of understanding and awareness of sustainability principles among many companies, particularly halal SMEs, which form the backbone of Indonesia's economy.

1) Global Awareness and Implementation of Green HRM

Green HRM must be understood as both a local strategy and a global necessity to compete in international markets that prioritize eco-friendly production and corporate social responsibility. However, Indonesian halal companies often struggle to enhance HR competencies in sustainability (Rahmat, Ahman, et al., 2024). For instance, SMEs involved in halal-certified product manufacturing frequently cite limited resources for sustainability-focused training as a barrier. One business owner explained, *"Our employees understand halal requirements well, but training on how to integrate green practices into halal production is still lacking."* This highlights the gap between traditional halal compliance and modern sustainability demands. Renwick et al. (2016) emphasize that for industries like halal, aligning HR practices with both local ethical standards and global green initiatives is essential to remain competitive (Schmitz & Lema, 2015). To address this, the government could mandate sustainability-focused HR training tailored specifically for halal-certified businesses, ensuring that employees understand how to implement global green standards without compromising Sharia principles.

2) The Importance of Global Certification Bodies and HR Development

The establishment and strengthening of sustainable certification bodies are critical to aligning Indonesian halal products with international market requirements. For example, the Green Halal Certification initiative could provide a dual focus on Sharia compliance and sustainability standards, enhancing the global competitiveness of halal products. One SME representative shared, *"Our green halal certification helped us enter markets in Europe, where consumers prioritize both eco-friendly and halal-compliant products."* This finding underscores the importance of integrating sustainability into halal certification. Ahmad et al. (2024) argue that certification frameworks combining environmental and halal standards improve market access and consumer trust. To strengthen this initiative, Indonesia should lead efforts within ASEAN to create a regional halal certification body that incorporates sustainability. Such a framework would not only position Indonesia as a leader in the halal industry but also ensure that Southeast Asian halal products meet global sustainability expectations.

3) Strategic Partnerships and Global Collaboration

Strategic partnerships with international organizations such as the Global Reporting Initiative (GRI) and ISO are essential for building HR capacity in sustainability (Apriliani et al., 2024). These partnerships enable halal SMEs to adopt best practices in Green HRM while ensuring compliance with Sharia principles (Sari et al., 2024). For example, collaboration with global entities has allowed some halal producers to adopt eco-friendly materials in packaging, aligning with both sustainability goals and halal standards. Rahmat & Hadian (2019) emphasize that

partnerships enhance HR capacity by providing access to training programs focused on green skills, such as resource management, renewable energy adoption, and sustainable supply chain practices. By fostering collaborations, Indonesian halal companies can exchange best practices with countries that have successfully integrated Green HRM into halal-certified industries.

4) The Role of Technology and Digitalization

Digitalization offers transformative solutions for implementing Green HRM in the halal industry (Aldulaimi & Talal, 2021). Digital platforms allow companies to deliver training programs that focus on sustainability while addressing halal-specific requirements. For instance, an HR manager stated, *"We introduced an online module combining halal standards with sustainability practices, enabling employees to understand how to integrate these principles effectively."* (Rahmat, Ashshiddiqi, et al., 2024) highlight that e-learning modules tailored to halal industries can ensure that even employees in remote areas gain access to relevant training (Annisa & Indriyani, 2024). Additionally, digital tools allow halal companies to monitor and evaluate their Green HRM initiatives in real-time, ensuring that practices remain aligned with both Sharia and global environmental standards.

5) Potential Impact on Government Policies and Industry Regulations

The findings emphasize the need for government intervention to facilitate the implementation of Green HRM in the halal industry. Policies integrating Green HRM into halal certification processes could provide clear guidelines for companies to adopt eco-friendly practices that meet both Sharia principles and sustainability goals. For example, including environmental standards in BPJPH regulations would encourage halal SMEs to adopt sustainable operations as part of their compliance requirements. Furthermore, Indonesia should use its diplomatic influence within ASEAN to establish a regional halal certification body that integrates sustainability. This initiative would position Indonesia as a leader in both halal and sustainability practices, setting benchmarks for Southeast Asia and increasing global competitiveness. By aligning halal certification with environmental goals, Indonesia could strengthen its leadership role in the global halal economy. The government could also introduce financial incentives, such as tax breaks or grants, for halal businesses investing in Green HRM training and sustainable certifications. Such support would lower the financial barriers for SMEs and accelerate the industry's transition to sustainable practices (Ahmad et al., 2024). Aligning these policies with international frameworks like the SDGs would reinforce Indonesia's position as a global leader in sustainable halal production.

5. CONCLUSION

This study highlights the critical role of Green Human Resource Management (Green HRM) in fostering a sustainable green economy within Indonesia's halal industry. By integrating sustainability principles into HR practices—such as recruitment, training, and incentive systems—Green HRM enables the alignment of employee behaviors, knowledge, ethics, and skills with organizational sustainability goals. These practices are vital in ensuring that production, standardization, and distribution processes not only adhere to halal compliance but also meet global environmental standards and the expectations of eco-conscious Muslim markets.

To implement Green HRM effectively, the halal industry must prioritize embedding sustainability into every aspect of HR. This includes training employees to adopt environmentally friendly behaviors, such as efficient resource management and waste reduction, while maintaining ethical decision-making aligned with Sharia principles. Companies should also enhance workforce knowledge and skills to ensure the adoption of green technologies in production processes, sustainable supply chain practices, and energy-efficient logistics systems. These initiatives not only reduce environmental impact but also strengthen the industry's competitiveness in global markets.

Despite its potential, the halal industry faces significant challenges, particularly among SMEs, which often lack the resources and structured programs to develop their HR capacity. Larger companies, too, have yet to fully integrate Green HRM into their operations. Practical steps include incorporating sustainability criteria into recruitment processes, implementing reward systems for eco-friendly innovations, and leveraging digital tools to expand access to sustainability-focused training. These strategies can ensure that Green HRM is systematically adopted across the industry.

Government intervention is crucial in accelerating the adoption of Green HRM. Policies that integrate sustainability standards into halal certification processes would provide clear guidelines for businesses to align their operations with global requirements. Financial incentives, such as tax breaks and grants, could ease the financial burden on SMEs, while collaboration with international organizations like ISO and GRI could help establish globally recognized frameworks for HR practices and sustainability reporting. Indonesia should also lead ASEAN in forming a unified halal certification body that integrates sustainability, strengthening its leadership in the global halal industry.

This study primarily focuses on export-oriented halal companies, which may not fully represent the diverse dynamics of local SMEs. Future research could explore the adoption of Green HRM practices among

domestically oriented halal businesses and evaluate their long-term impacts on organizational performance. Additionally, cross-regional studies could offer insights into how Green HRM can be tailored to different cultural and market contexts within the halal industry.

By adopting these strategies, the halal industry can align with global sustainability goals while adhering to Sharia principles. Green HRM offers a practical framework for achieving eco-friendly and socially responsible operations, ensuring that Indonesia's halal sector remains competitive in a rapidly evolving global market.

6. REFERENCES

- Ahmad, S., Khan, M. T., & Tahir, M. (2024). *Global Strategies for the Blue Economy: Integrating Green HRM and International Political Dynamics*.
- Aldulaimi, S. H., & Talal, A.-A. (2021). Green Technologies of Human Resources for Green Economy: Application on GCC Countries. *International Journal of Green Management and Business Studies*, 1(1), 26–41.
- Almas, B., Sjafruddin, S., & Zainuri, H. (2024). Contribution of the Halal Industry to Sustainable Economic Development in Indonesia: A Bibliometric Analysis. *Proceedings of International Conference on Social Science, Political Science, and Humanities (ICoSPOLHUM)*, 4, 40.
- Annisa, A. A., & Indriyani, F. (2024). Digitalization of The Blue Economy: Conceptual Paper For The Development of The Global Halal Hub in Indonesia. *I-ECONOMICS: A Research Journal on Islamic Economics*, 10(1), 1–14.
- Apriliani, D., Rahmat, T., & Finaldin, T. (2024). Transformation of Indonesian MSMEs Towards International Markets Through Economic Diplomacy. *Iqtishaduna International Conference Proceeding*, 1, 172–177.
- Ardiansyah, I., Masluh, M., Heri, H., & Apriliani, D. (2023). HR-Commitment and Digital Organizational Communication To Improve the Digital-Quality Services in Private Universities. *Khazanah Sosial*, 5(1), 1–11.
- Aust, I., Matthews, B., & Muller-Camen, M. (2020). Common good HRM: a paradigm shift in sustainable HRM? *Human Resource Management Review*, 30(3), 100705.
- Aust, I., Muller-Camen, M., & Poutsma, E. (2018). Sustainable HRM: A comparative and international perspective. In *Handbook of research on comparative human resource management* (pp. 358–370). Edward Elgar Publishing.
- Azam, M. S. E., & Abdullah, M. A. (2020). Global halal industry: realities and opportunities. *IJIBE (International Journal of Islamic Business Ethics)*, 5(1), 47–59.
- Aziza, A., Rahmat, T., Halimah, O. S., & Ardiansyah, I. (2024). Trends In Muslim Hijab Fashion Purchases: The Impact of Price and Quality at E-Commerce. *Iqtishaduna International Conference Proceeding*, 1, 94–100.
- Das, S., & Dash, M. (2022). Role of green HRM in sustainable development. *Journal of Positive School Psychology*, 4444–4451.
- Doghan, M. A. Al. (2024). Green HRM practices, green capability and green performance: the avenues towards greener economy. *Cogent Business & Management*, 11(1), 2418418.
- Fageh, A. (2022). Building a synergy between the Halal Industry and The Green Industry in The Maqasid Syari'ah review as The Basis Of Islamic Economics. *Journal of Islamic Economic Laws*, 5(1), 139–158.
- Georgeson, L., Maslin, M., & Poessinouw, M. (2017). The global green economy: a review of concepts, definitions, measurement methodologies and their interactions. *Geo: Geography and Environment*, 4(1), e00036.
- Harizah, S., Supriyanto, A. S., & Mahsun, M. (2024). New Direction for Green Economics Through The Development of Global Islamic Economics: A Bibliometric Analysis. *IQTISHODUNA: Jurnal Ekonomi Islam*, 13(1), 249–264.
- Harrington, L. M. B. (2016). Sustainability theory and conceptual considerations: a review of key ideas for sustainability, and the rural context. *Papers in Applied Geography*, 2(4), 365–382.
- Kelly, G. (2013). *Sustainability – What can it mean for your business?* Environet Solutions. <https://www.environet.ie/news/sustainability—what-can-it-mean-your-business>
- Maria, E., Marina, P., & Pavel, G. (2015). Global trends of «green» economy development as a factor for improvement of economical and social prosperity. *Procedia-Social and Behavioral Sciences*, 166, 194–198.
- Meylinda, S., & Matondang, R. A. (2023). Strengthening of Islamic principles in the halal industry for sustainable development goals. *Islamic Economics Methodology*, 2(1).
- Mishra, P. (2017). Green human resource management: A framework for sustainable organizational development in an emerging economy. *International Journal of Organizational Analysis*, 25(5), 762–788.
- Mujar, N. A., & Hassan, N. (2014). The economics of halal industry. *Skudai: Universiti Teknologi Malaysia*.
- Pham, N. T., Hoang, H. T., & Phan, Q. P. T. (2020). Green human resource management: a comprehensive review

- and future research agenda. *International Journal of Manpower*, 41(7), 845–878.
- Rahmat, T., Ahman, E., & Apriliani, D. (2024). Strategies to Improve Sustainable Competitive Advantage in The Halal Industry Through Knowledge Sharing: HR Perspective. *Equity: Jurnal Ekonomi*, 12(2), 116–130.
- Rahmat, T., & Apriliani, D. (2022). Model Pengembangan Desa Wisata Berbasis Sustainability Tourism Dalam Persektif Green HRM. *KarismaPro*, 13(2), 87–98.
- Rahmat, T., & Apriliani, D. (2023). Model of Global HR Development and Green Economy Diplomacy: Strengthening Global Environmental Governance in Indonesia. *Journal of Law and Sustainable Development*, 11(11), e404–e404.
- Rahmat, T., Ashshiddiqi, M. T., & Apriliani, D. (2024). Urgency of Digital Literacy to Improving Work Readiness in the Industrial Revolution 4.0. *The Journal of Society and Media*, 8(1), 307–326.
- Rahmat, T., Faozanudin, M., & Nurany, F. (2024). *Manajemen E-Government*. Mafy Media Literasi Indonesia.
- Rahmat, T., & Hadian, D. (2019). Pengaruh Servant Leadership dan Komitmen Afektif Terhadap Organizational Citizenship Behavior (OCB) Serta Implikasinya Terhadap Kinerja. *STIE Pasundan*.
- Rahmat, T., Hurriyati, R., & Dirgantari, P. D. (2022). SDG's and Zero Emission Vision in Indonesia: Implementation of Green Marketing and'Green'Direct Marketing Campaign Opportunities based on Population Database. *International Journal of Nusantara Islam*, 10(1), 69–80.
- Renwick, D. W. S., Jabbour, C. J. C., Muller-Camen, M., Redman, T., & Wilkinson, A. (2016). Contemporary developments in Green (environmental) HRM scholarship. *The International Journal of Human Resource Management*, 27(2), 114–128.
- Sari, R. K., Alfarizi, M., & Ab Talib, M. S. (2024). Sustainable strategic planning and management influence on sustainable performance: findings from halal culinary MSMEs in Southeast Asia. *Journal of Modelling in Management*.
- Schmitz, H., & Lema, R. (2015). The global green economy. *The Triple Challenge for Europe, 1st Edn. Oxford University Press: Oxford, UK*, 119–142.
- Stankeviciute, Z., & Savaneviciene, A. (2013). Sustainability as a concept for human resource management. *Economics and Management*, 18(4), 837–846.
- Yuli, S. B. C., & Wojtyla, E. (2020). Challenges and strategies in developing human resources for the halal industry: Evidence from Indonesia. *Journal of Innovation in Business and Economics*, 4(02), 77–86.