

# Self-Declare Halal Product Assurance System in Indonesia in The Review of Management Functions

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**Abstract:** This study examines the criteria for Indonesia's self-declared Halal Product Assurance System (SJPH) through the lens of George R. Terry's classical management functions. Amid the growing importance of halal certification for micro and small enterprises (MSEs) and the introduction of a self-declaration policy, this research aims to analyze the self-declaration SJPH criteria stipulated in BPJPH Regulation Number 57/2023 using the planning, organizing, directing, and controlling framework. This study used a qualitative library research method, reviewing national and international academic literature, as well as regulatory documents related to halal certification and management theory. The results show that the self-declared SJPH comprises a set of internal halal-assurance criteria covering policy commitment, organizational structure, material and production control, and monitoring mechanisms. From a management-function perspective, these criteria align with principles of strategic planning, resource organization, workforce direction, and continuous quality control. However, implementation remains constrained by resource and literacy limitations among MSEs, although institutional support and market incentives provide opportunities for improvement. These findings expand classical management theory by introducing a multi-actor coordination dimension within halal governance and offer a practical roadmap for strengthening the implementation of halal assurance systems among MSEs in Indonesia.

**Keywords:** Halal Product Assurance System, Self-Declare, Management Function, BPJPH and UMK.

## INTRODUCTION

The current dynamics of the halal product assurance system in Indonesia are complex, especially after the implementation of the *self-declaration policy* for micro and small enterprises (MSEs). The latest regulation, through Decree of the Head of the Halal Product Assurance Agency Number 57 of 2023, emphasizes the importance of the halal assurance system manual as a guideline for business actors (Kepkaban BPJPH No. 57 2023) and can also stimulate sustainable marketing (Rizky and Sholihah 2025). However, in practice, managerial challenges remain dominant, ranging from data falsification (Ashibly 2025), lack of technical understanding, a shortage of trained human resources, to weak internal oversight mechanisms (Evriyenni and Gebrina 2024; Sup et al. 2020).

Conceptually, the halal assurance system is an integral part of quality management in the halal industry. The application of management functions formulated by George R. Terry, which include planning, organizing, directing, and controlling (Blampied et al. 2023; Gavrilova and Filippov 2022; Rifaldi Dwi Syahputra and Nuri Aslami 2023), will provide a relevant theoretical framework. Several recent studies in Indonesia confirm that the systematic application of management functions is key to the successful implementation of a halal assurance system, particularly at the MSE level with limited resources (Syamsuri et al. 2024).

Empirical research in the field indicates that there remains a gap between regulation and implementation. For example, research by Yusuf, Amin, and Muthiadin (2024) on the implementation of SJPH at the Q-Ta Bread MSME in Aceh found that the main obstacle was not only limited funding but also weak

managerial planning in preparing halal documents (Alawiyah and Saifuddin Zuhri Purwokerto 2022; Ardiani Aniqoh and Hanastiana 2020; Peristiwo 2019; Salleh and Harun 2021; Yusuf K, Amin, and Muthiadin 2024) . This indicates that aspects of management functions, especially planning, have not been fully implemented effectively in this area.

On the other hand, global literature on halal management emphasizes the importance of consistent system implementation (Tieman 2021) . However, local literature highlights the unique Indonesian context. Safitri (2022) found that in catering practices, the greatest challenge lies not only in the certification process but also in organizing *human* resources to adhere to halal standards (Safitri and Kumalasari 2022) .

Academic studies also highlight that *self-declaration* can simplify business operations, but the risk of non-compliance increases if the supervisory function *is* not strengthened. Karim (2024) emphasized the importance of mentoring the implementation of SJPH in Balikpapan MSMEs, because without intensive guidance, many business actors only process documents administratively without actualizing them in the field (Astuti et al. 2023a, 2023b; Aziz 2017; Aziz, Ghofur, and Hidayati 2021; Karim, Rusdi, and Nabila 2025; Nadia et al. 2023; Ngibad, Winarti, and Aziz 2023; Rizaldi and Tambunan 2022; Sakti and Ramadhani 2023) .

This phenomenon highlights a research gap: the lack of studies examining the *self-declaration halal assurance system* from a management function perspective. Most previous studies have focused primarily on legal aspects or Sharia compliance, while managerial analysis remains limited. This research offers a novel analytical framework for management functions to assess the manual criteria for the *self-declaration halal assurance system* in Indonesia.

Several previous studies have indeed touched on the implementation of SJPH in MSEs (Zulfa et al. 2023) , as well as the supervision of the implementation of halal products in food (Krisharyanto, Retnowati, and Hastuti 2019) , and an analysis of the challenges and opportunities of the halal industry in Indonesia (Jannah and Malahayati 2024) . However, the more recent context of *self-declaration policies* has not been widely

explored. Therefore, this study seeks to fill this gap by directly linking the management function and implementation of the latest BPJPH regulations. Furthermore, Yeni Rohaeni and Ahmad Hidayat Sutawijaya (2020) emphasize that halal management in Indonesia must be understood not only as an administrative system, but also as a sustainable business management strategy (Ngibad et al. 2023; Yeni Rohaeni and Ahmad Hidayat Sutawijaya 2020) . This perspective is increasingly relevant when business actors at the MSE level become the main objects of *self-declaration policies*, which demand stronger managerial capabilities than mere normative compliance.

Within the theoretical framework, this research starts from the assumption that the success of *self-declaration* depends on the quality of management functions. *Planning* must include a realistic strategy for MSEs; *organizing* must effectively divide roles; *actuating* must demand concrete implementation; and *controlling* must ensure continuous evaluation and improvement. Without these, the SJPH manual becomes a useless document.

Recent national literature supports this argument. Syamsuri's (2024) research concluded that the effectiveness of the SJPH is measured not by the mere existence of documents, but by the extent to which management functions are carried out with discipline (Syamsuri et al. 2024) . For example, businesses that have written standard operating procedures but fail to control the halal raw material supply chain still do not meet the SJPH's substantive standards. From a public policy perspective, the BPJPH emphasizes that *self-declaration* is designed to relieve MSEs of the burden of certification costs. However, in practice, the administrative burden remains significant without managerial support. Analysis by Tandepadang et al. (2023) confirms that SJPH socialization is often ineffective because MSEs focus more on production than administration (Tandepadang et al. 2023) .

In an academic context, this research makes a theoretical contribution by expanding the application of management function theory to the study of halal assurance systems. In practice, it also provides implementation recommendations for MSEs, supporting

institutions, and the BPJPH (Indonesian Halal Assurance Agency) to develop more context-specific training models tailored to the characteristics of MSEs in Indonesia.

Therefore, the purpose of this study is to examine the manual criteria for the *self-declared halal product assurance system* in Indonesia from the perspective of George Terry's management functions and to analyze the challenges of its implementation. With this approach, it is hoped that the research will make a tangible contribution to the development of halal management theory and enhance the effectiveness of public policy in halal product assurance.

## METHODOLOGY

This research employed a qualitative design using library research (documentary analysis). This approach was selected because the study focuses on examining regulatory frameworks and scholarly literature rather than collecting primary field data. Since the objective is to analyze the self-declaration Halal Product Assurance System (SJPH) through a theoretical lens, the systematic review and interpretation of official policy documents and academic sources were considered methodologically appropriate. The analysis was grounded in George R. Terry's classical management functions planning, organizing, directing, and controlling, which served as the conceptual framework for interpreting the SJPH self-declaration criteria (Hellingsworth, Hall, and Anderson 2020). These four functions serve as a conceptual framework for analyzing the criteria for a self-declaration-based halal product assurance system. Data were obtained through the study of official documents, including the Decree of the Head of BPJPH Number 57 of 2023 concerning Guidelines for the Halal Product Assurance System, recent academic literature from reputable international journals, and books on halal management and law. Therefore, this study focuses on the interpretation of literature and regulations as the basis for analysis.

The independent variable in this study is George R. Terry's management function, while the dependent variable is the criteria for the self-declare halal product assurance system. The intervening variable is determined by BPJPH policy regulations, which act as a connecting factor between management theory

and halal certification practices. The data analysis technique used is content analysis, which systematically reviews policy documents, scientific works, and management theory literature to identify patterns, relationships, and practical implications of the self-declared criteria. This analysis is carried out through the stages of concept identification, categorization by management function, and critical interpretation of their relevance to the context of halal certification in Indonesia.

## RESULTS AND DISCUSSION

### 1. Study of Management Functions

Management, as the science and art of managing resources to achieve organizational goals, has undergone significant conceptual development. George R. Terry's management functions serve as a conceptual foundation for understanding the governance of the self-declared halal product assurance system in Indonesia. According to Terry, management is a series of actions, including planning, organizing, directing, and controlling, implemented to achieve organizational goals effectively and efficiently (George R. Terry 2021; George Robert and Stephen G. 1987; Terry 2017; Terry and Rue 2019). This function is not merely an administrative activity but reflects a strategic framework that underpins modern organizational management in both the public and private sectors. In the context of *self-declaration*, the halal assurance system is not merely an administrative regulation but a managerial mechanism that must be structured to maintain consumer trust (Nopriansyah et al. 2025; Zulham 2021).

The first function, planning, is the starting point in the entire management process. Planning is the process of setting goals, formulating strategies, and determining the steps needed to achieve desired results. Good planning includes analyzing the internal and external environment, identifying opportunities and threats, and mapping the organization's strengths and weaknesses. Terry emphasized that without planning, management activities will lose direction, because planning is like a compass that guides the organization's journey (R Terry in Murtie 2012; Terry and Rue 2014). In the Indonesian context, managerial planning often faces challenges of limited data and unstable market predictions, so adaptability and flexibility are needed (Hasibuan 2016). In the

planning phase, a study by Syamsuri, Parakkasi, Muthiadin, and Amril in the article "Transformation of the Food Industry Through the Halal Food Law: Effective Management of the Halal Assurance System" (2024) suggests that food industry players need a clear regulatory roadmap and technical standards from the outset. For example, the roadmap should include identifying raw material risks, preparing standard procedures and documentation, and scheduling internal and external audits. Without such planning, self-declared regulations will be difficult to consistently implement (Syamsuri et al. 2024).

After planning, the second function is organizing. This function concerns the division of tasks, authority, and responsibility within the organizational structure to achieve predetermined goals effectively. Organizing involves arranging human resources by competency, establishing a clear structure, and coordinating across work units. According to Robbins and Coulter (2011), organizing is not simply dividing work but also uniting parts of the organization within a collaborative framework (Robbins P and Coulter 2011). In the context of public institutions in Indonesia, organizing often faces the problem of lengthy bureaucracy and rigid hierarchies, so management reforms need to be directed at streamlining workflows and decentralizing authority (Ardelia and Luthfi 2024). The implementation of the organizing function is also evident in Yusuf, Amin, and Muthiadin's study of the Q-Ta Bread MSME (2024), which shows that MSEs that successfully implement *self-declared SJPH* have a clear team structure, even on a small scale, with a division of tasks such as material procurement, production processes, and documentation. An established structure facilitates coordination between elements in business and regulation (Yusuf K et al. 2024).

The third function, directing or motivating, emphasizes the importance of motivating people to work toward predetermined goals. This function addresses not only leadership but also how motivation, communication, and group dynamics contribute to increased work effectiveness. Terry emphasized that actuating is the art of influencing others to work with full awareness and responsibility (Terry 2017; Terry and Rue 2014). Recent research has shown that actuating within organizations is

closely linked to transformational leadership, which creates a shared vision and fosters intrinsic motivation (Yukl 2013). At the local level, a study by Safitri and Kumalasari demonstrated that the ability of MSE leaders to build effective interpersonal communication plays a significant role in the success of management implementation (Safitri and Kumalasari 2022).

The fourth function, *controlling*, is key to ensuring that all organizational activities proceed according to plan. Control is carried out through monitoring, evaluation, and corrective action when deviations occur. According to Terry, control is a systematic effort to set performance standards, measure achieved results, and compare them to standards, to then take corrective action (George Robert and Stephen G. 1987; Terry 2019; Terry and Rue 2014). In the digital era, the control function is increasingly supported by information technology, enabling real-time, data-driven monitoring. In Indonesia, control in the public sector often faces obstacles such as limited reporting systems and low accountability, so governance innovations that emphasize transparency and integrity are needed (Yusuf K et al. 2024).

These four functions, when executed in an integrated manner, form a continuous management cycle. Planning without control loses its relevance, while organizing without action leads to stagnation. Similarly, actuation without planning can create undirected energy. Therefore, organizational effectiveness is largely determined by the balance and synergy of these four management functions. In the context of contemporary research, the POAC management function is also increasingly linked to modern management dynamics such as *agile* management, technology-based management, and value-based governance. This demonstrates that the classic management functions remain relevant but need to be reinterpreted to suit the times and local context. An in-depth study of POAC is not only crucial for strengthening management theory but also serves as a practical guideline for organizations navigating the complexities of a constantly changing environment.

When viewed holistically, these four management functions are integrative. Research by Syamsuri et al. (2024) shows that MSEs with strong planning, organizing,

directing, and controlling capabilities are better able to maintain the credibility of their halal products than those with weak performance in any one of these functions (Syamsuri et al. 2024). In the context of regulation and public policy, the planning function is also linked to legal legitimacy. Decree of the Head of BPJPH Number 57 of 2023 establishes SJPH guidelines with commitment and responsibility requirements (halal policy, business owner responsibilities, human resource development), which are related to halal assurance (BPJPH Regency Decree No. 57 of 2023). Local research supports this: Karim (2025), in a study of MSE mentoring, found that clear internal halal policy documents strengthen the position of business actors in facing regular supervision (Karim et al. 2025).

The organizational function within regulations must also incorporate inter-institutional networks. Research by Safitri, Khairunnisa Indah, and Kumalasari (2022) on Livia Catering shows that coordination with halal inspection agencies and the separation of facilities/production flow arrangements are important criteria in operational organization (Safitri and Kumalasari 2022). Likewise, MSEs with clear lines of responsibility within the halal management team tend to be more successful in implementing SJPH.

Guidance is also not just about one-off training, but also about continuity and internalization. Syamsuri et al. (2024) noted that business actors who participate in repeated training or regular mentoring are able to create standard operating procedures (SOPs) that are implemented daily, not just for archiving (Syamsuri et al. 2024). Finally, control functions in the digital era can be strengthened through the use of online reporting and technology-based traceability systems. In the *Food Industry Transformation study* by Syamsuri et al. (2024), it was found that the use of digital systems for HAS documents and audit reports accelerated responses to audit findings and increased transparency to regulators and consumers (Syamsuri et al. 2024).

## 2. SJPH Manual Criteria for Self-Declaration in Indonesia

The manual criteria for the halal product assurance system (*SJPH*) for the self-declaration mechanism in Indonesia are set out in Decree Number 57/2023 of the Head of

BPJPH. This document serves as the main reference for micro and small business actors who wish to declare their products halal themselves, without going through third-party certification. The manual stipulates that business actors are required to prepare (1). Commitments and responsibilities (halal policies, business owner responsibilities, human resource development); (2). Materials; (3). Halal Product Process; (4). Products; (5). Monitoring and evaluation, related to halal assurance (BPJPH Head Decree No. 57 2023). With these five pillars, it is hoped that business actors in the MSE category can obtain halal certification free of charge and self-declare.

The SJPH manual for the *self-declaration mechanism* serves as a binding guideline for micro and small businesses to ensure the sustainability of their products' halal status, through a series of managerial and technical requirements that can be implemented at the business-unit level. BPJPH Head Decree No. 57/2023 stipulates that this manual must be completed in full, signed by the owner, and accompanied by evidence of implementation, thereby serving as proof of the business owner's legal and managerial responsibility for maintaining product halal status (BPJPH Head Decree No. 57/2023).

### a. Commitment and responsibility

The halal policy in the manual establishes organizational commitment as the primary foundation: the policy document, established and socialized by the leadership, serves as the reference point for all operational activities to align with PPH (Halal Product Process) requirements. The Head of BPJPH's Decree explicitly instructs that the policy be published in the production area, documented as evidence of socialization, and used as material for ongoing development so that all personnel understand and maintain the halal integrity of the business unit (BPJPH Head Decree No. 57 2023). Empirical evidence from the MSE study shows that the presence of a written policy and evidence of socialization are positively correlated with operational compliance and market legitimacy (Yusuf K et al., 2024).

The business owner's role in the manual is not merely symbolic—the owner is required to provide facilities, appoint a halal supervisor/person in charge through

an internal decree, and ensure the availability of relevant human resources to implement the PPH. This responsibility includes a clear division of tasks, allocating time for training, and being prepared to sign and retain documentation proving implementation (BPJPH Decree No. 57 of 2023). Case studies of catering businesses indicate that establishing a halal supervisor within the MSE's organizational structure improves documentation regularity and process compliance, especially when accompanied by regular coaching (Safitri and Kumalasari 2022).

Human resource development is mandated and encompasses at least one internal training module listed in the manual's appendix, documentation of the materials, and evaluation of training outcomes. The manual emphasizes that development must be ongoing and documented to serve as a mechanism for internalizing halal culture, not merely a formality during the *self-declaration registration process*. (BPJPH District Decree No. 57 2023). Field studies show that repeated training and technical assistance have a positive effect on the transformation of MSME production behavior so that SOPs become real practices in the production kitchen, not just archives (Syamsuri et al. 2024).

b. Material

The SJPH Manual requires that all raw materials, additives, and auxiliary materials used be traceable and, whenever possible, listed in the Halal Materials List or supported by evidence such as a supplier certificate, supplier statement, or a critical material risk analysis document. If new materials are to be used that are not yet listed, businesses are required to obtain approval prior to use and document the risk assessment process (BPJPH Decree No. 57 of 2023). Recommended best practices include recording the purchase date, name/brand/manufacturer, place of purchase, and verifying the material's conformity with the internal list—all of which are formalized through a material inspection form.

In the field, ingredient challenges among MSEs include the availability of certified ingredients and reliance on local

suppliers without adequate halal documentation. The Roti Q-Ta case study highlighted these challenges and recommended the development of a reliable halal supplier network and training in ingredient verification skills for MSE halal supervisors (Yusuf K et al. 2024). Simple documentation efforts (e.g., ingredient inspection forms) have been shown to reduce the risk of using questionable ingredients when accompanied by regular internal audits.

c. Halal Product Process

The PPH in the SJPH manual contains technical provisions that must be met throughout the production process from receipt of materials through storage, processing, and packaging. These provisions emphasize the separation of facilities or, if separation is not possible, the implementation of documented and verified cleaning procedures before and after production to prevent cross-contamination (BPJPH Decree No. 57 of 2023). The implementation of written SOPs for each critical activity is mandatory to enable inspections and audits to measure compliance with the PPH.

A study of SJPH implementation in the catering and small-scale food industry shows that achieving process compliance is highly dependent on the quality of the SOPs, the frequency of practical training, and consistent supervision. Safitri and Kumalasari (2022) demonstrated that the implementation of HAS-23000/SJPH self-declaration in a catering business achieved substantive compliance when the SOPs were practiced daily and supplemented by a process checklist (Safitri and Kumalasari 2022). These findings support the design of the BPJPH manual, which places written procedures and audit checklists at the core of the PPH.

d. Product

The product criteria in the manual include requirements for formulation, sensory characteristics that do not indicate haram elements, and labels/packaging that are not misleading. The manual emphasizes that products with sensory characteristics that suggest haram ingredients or are prohibited by fatwas do not meet the criteria, and certain animal products, for

example, in clearly haram categories, cannot be registered (BPJPH Headquarters Decree No. 57 of 2023). Furthermore, the manual stipulates that product composition and formulation must be documented in an appendix so that BPJPH can verify the composition when necessary. This regulation is oriented towards consumer protection while maintaining the market reputation of business actors.

In practice, empirical studies show that product compliance (formulation and labeling) impacts supply to a wider market; MSMEs that can provide comprehensive product documentation are more likely to gain the trust of buyers and distribution partners (Syamsuri et al. 2024). For businesses, this confirms that investing in product integrity both documentation and quality control is an investment in sales value and market access.

e. Monitoring and evaluation

The SJPH Manual establishes internal monitoring mechanisms and reporting to regulators. Internal audits must be conducted at least annually by the halal supervisor/person in charge using the provided internal audit checklist (BPJPH Decree No. 57 of 2023). All evidence of audit implementation, corrective actions for non-conformities, and training must be retained as part of the compliance track record. The Manual also requires reporting of material composition lists and PPH to BPJPH every six months, as well as reporting internal audit results annually. This arrangement aims to combine internal accountability with external verification mechanisms that are sampling/verification-based.

Evaluation of field monitoring practices indicates that internal audits are effective only when supported by human resource capacity and commitment to implementation. The Q-Ta Roti MSE study reported that routine audits drive process improvements but are often hampered by time and cost constraints; therefore, the manual includes a simple checklist format intended to facilitate audit implementation by MSEs (Yusuf K et al. 2024). Digital transformation, such as the use of online forms and photo documentation, has been identified as a potential solution to improve

monitoring efficiency, although adoption has been uneven (Syamsuri et al. 2024).

Overall, the SJPH manual provides flexibility for small businesses while maintaining halal standards through the principles of documentation, oversight, and accountability. National studies show that MSMEs that meet the SJPH manual criteria tend to have a competitive advantage, not only in halal aspects but also in business management efficiency.

BPJPH Head Decree No. 57/2023 establishes the SJPH criteria structure for *self-declaration*, which combines the principles of corporate policy, material verification, process control, product definition, and monitoring/evaluation mechanisms (BPJPH Head Decree No. 57/2023). The successful implementation of these criteria depends heavily on translating policy into concrete managerial practices: firm leadership policies, adequate human resource provision, thorough documentation of materials and processes, and internal audits and regular reporting.

Thus, the SJPH manual criteria for self-declaration are not merely administrative rules, but rather an integrated management framework with planning, organizing, directing, and controlling functions. Empirical evidence from local studies suggests that when these elements are operationalized in a disciplined manner, *self-declaration* can be an inclusive instrument for expanding halal certification without compromising credibility. However, without guidance, technical support, and continuous evaluation, the risk of deviation and low public trust remain challenges that need to be addressed through complementary policies and mentoring programs.

### 3. Challenges of Self-Declare Implementation from a Management Perspective

The implementation of self-declaration in halal certification in Indonesia faces various managerial challenges. The first challenge is limited knowledge among micro and small businesses about the halal product assurance system. Yusuf, Amin, and Muthiadin (2024) noted that many MSEs lack understanding of mandatory documents such as ingredient lists, hygiene procedures, and internal audits, thus creating administrative risks during verification by the BPJPH (Indonesian Food and Drug Authority).

The second challenge is human resources. According to Safitri and Kumalasari (2022), catering MSEs often lack dedicated personnel responsible for halal certification, resulting in inconsistent management functions such as planning and control (Safitri and Kumalasari 2022). This situation highlights a gap between formal regulations and on-the-ground capacity.

Furthermore, financial constraints also pose a barrier. Syamsuri et al. (2024) emphasized that although self-declaration costs are relatively lower than regular certification, the additional costs for documentation, employee training, and internal audits remain burdensome for some MSEs (Syamsuri et al. 2024). This hinders consistent implementation of management functions, particularly in the areas of organization and control.

Another challenge arises with infrastructure. A field study by Safitri and Kumalasari (2022) found that separating halal and non-halal production facilities is difficult for small businesses with limited space (Safitri and Kumalasari 2022). As a result, compliance with SJPH standards often remains limited to documentation, without adequate physical implementation.

On the other hand, digital literacy issues persist. Yusuf et al. (2024) reported that most MSEs had difficulty using the BPJPH online application for *self-declaration registration* (Yusuf K et al. 2024). Yet, system digitization is a key pillar of strengthening modern management control and reporting.

Coordination between stakeholders is also a challenge. Syamsuri et al. (2024) emphasized that the synergy between BPJPH, LPH, and local governments is suboptimal, resulting in uneven socialization and mentoring for MSEs across Indonesia (Syamsuri et al. 2024). This situation makes Self-declaration implementation is more accessible to MSEs in large cities, but challenging in rural areas (Jamaluddin et al. 2022).

The compliance aspect also deserves attention. According to Yusuf, Amin, and Muthiadin (2024), even though halal manual documents have been prepared, not all businesses conduct routine internal audits. This indicates a difference in perception between meeting administrative requirements and substantively implementing halal management functions (Yusuf K et al. 2024).

An additional challenge is the low motivation of some business owners. Safitri and Kumalasari (2022) found that some MSEs only submitted self-declarations due to market or business partner demands, rather than an intrinsic awareness of the importance of halal assurance (Safitri and Kumalasari 2022). This impacts the effectiveness of management's guidance and development functions.

Another challenge is the lack of long-term monitoring. Syamsuri et al. (2024) found that after obtaining halal certification through a *self-declaration mechanism*, some MSEs tended to decrease their compliance with daily SOPs (Syamsuri et al. 2024). Yet, basic management principles demand continuous control.

Ultimately, the main challenge lies in transforming the management culture itself. Implementing self-declaration requires a shift in mindset from merely fulfilling formal obligations to halal management practices oriented toward business sustainability. Without this paradigm shift, the management criteria in the SJPH will remain merely an administrative document, with little impact on improving the competitiveness of halal MSEs in Indonesia.

## DISCUSSION

The management functions proposed by George R. Terry provide a relevant analytical framework for interpreting research findings on the criteria for self-declaring SJPHs in Indonesia. The four main management functions planning, organizing, directing, and controlling can be used to evaluate the effectiveness of the implementation of BPJPH Regulation No. 57/2023 in the context of halal certification. This approach can determine the extent to which *self-declaring policies and practices* support the country's strategic goal of establishing a credible and competitive halal ecosystem.

In terms of planning, research results indicate that the SJPH criteria provide clear guidelines for business actors (Munawar et al. 2023). For example, the obligation to establish halal policies and document critical procedures is part of a planning strategy that supports traceability of the production process. This aligns with George R. Terry's view that planning is the foundation of management, determining the direction and objectives of an organization. In this context, BPJPH

regulations serve as a macro plan that must be translated into micro-scale implementation by business actors.

From an organizational perspective, research findings emphasize the importance of establishing a halal management team (Munawar et al. 2023). This team serves as a small organizational structure that ensures the implementation of SJPH across all business lines. This interpretation aligns with George R. Terry's theory that organization aims to systematically divide tasks and responsibilities to achieve organizational goals. However, challenges arise for MSEs, which often lack sufficient human resources to form a formal team.

**Direction / drive function** This can be seen through the halal training criteria required by BPJPH. Research findings indicate that halal education serves as a means to improve business actors' understanding of sharia principles and technical standards (Jamil et al. 2020; Kurahman, Priatna, and Cahyanto 2023; Wibowo et al. 2022). This aligns with Terry's notion that direction is a management effort to motivate people to carry out tasks according to plan. Thus, halal training is not only a transfer of knowledge but also an instrument for building an organizational culture based on halal integrity.

Meanwhile, the control aspect is reflected in the monitoring and evaluation criteria. Based on research findings, the monitoring and evaluation mechanism regulated by BPJPH serves as an instrument for internal audits and continuous evaluation of halal compliance (Hidayati et al. 2024). This interpretation aligns with Terry's view, which emphasizes the importance of control as a function to measure results, compare them to standards, and make corrections when necessary. With this control mechanism, the *self-declaration system* relies not only on business actor declarations but also has measurable evaluation standards.

Another interpretation suggests that the four management functions are synergistically interconnected. Strong planning without clear organization will be ineffective, and direction without control will create the potential for deviation. In the context of *self-declared SJPHs*, this synergistic relationship is evident in the management cycle, which begins with halal policy commitment, team formation, training, and internal audits. With this

framework, Indonesia's halal system can operate more adaptively to market dynamics.

However, research findings also reveal a gap between the theoretical ideals of management functions and their implementation on the ground. For example, MSMEs often experience limitations in conducting internal audits or management reviews. This confirms that while the management function framework is universal, its implementation is still influenced by organizational capacity and available resources. Therefore, the primary challenge lies in how regulators can provide supporting instruments to enable businesses to consistently implement management functions.

Finally, these findings confirm that George R. Terry's theory of management functions is not only relevant to large organizations but also applicable to public policy contexts, including the implementation of halal product assurance systems. The functions of planning, organizing, directing, and controlling have been proven applicable for evaluating the effectiveness of BPJPH Regulation No. 57/2023. With this interpretation, the study provides a theoretical contribution by expanding the application of management theory in the realm of halal certification, as well as a practical contribution through recommendations for improving *self-declaration governance*.

The findings of this study align with those of Hartini and Malahayatie (2024), who emphasized the importance of management commitment in ensuring the sustainability of halal certification (Hartini and Malahayatie 2024). They demonstrated that organizations with written halal policies are better able to maintain halal integrity in the long term. This is consistent with the SJPH criteria, which mandate a halal policy as a normative guideline. However, unlike Hartini and Malahayatie's study, which focused more on large companies, this study highlights real challenges in the MSE sector, which has more limited managerial capacity.

Research by Hasan, Sulong, and Tanakinjal (2020) also found that halal training is a crucial factor in the successful implementation of the halal system in Malaysia (Hasan, Sulong, and Tanakinjal 2020). This study's findings reinforce this argument by demonstrating that halal literacy remains a significant obstacle to the implementation of *self-declaration* in Indonesia. Although training is mandatory in

SJPH, implementation in the field remains uneven, particularly among micro-businesses. Therefore, this study provides additional empirical evidence on the urgency of improving the quality of human resources in halal certification.

The findings regarding limited internal oversight align with research by Wilson and Liu (2011), which found that weak internal evaluation mechanisms are often a weakness in the global halal system (Al-Ansi and Han 2019; Wilson and Jonathan Liu 2011). However, this study adds a new dimension by highlighting the unique conditions in Indonesia, where *self-declaration* allows for greater internal accountability for business actors. This raises the need for more innovative oversight, for example through digital systems or collaboration with the halal community.

Meanwhile, Tieman (2021) and Adhiwibowo et al. (2025) emphasized that supply chain transparency is a global challenge in the halal system (Adhiwibowo, Widayat, and Syafei 2025; Soon, Chandia, and Regenstein 2017; Tieman 2021). This means that traceability is crucial for halal assurance (Susanty et al. 2025). The results of this study support these findings by showing that many MSEs in Indonesia still rely on raw materials from suppliers without adequate halal certification. However, this study provides an additional contribution by emphasizing the importance of written procedures for critical activities as stipulated in the SJPH, which can be a partial solution to improving material traceability.

In terms of consumer trust, the results of this study align with Bonne and Verbeke's (2008) study, which showed that consumers tend to doubt the legitimacy of halal products if the certification system is perceived as lax (Bonne and Verbeke 2008). In the context of *self-declaration*, this study's results reaffirm the urgency of building public trust through internal audit mechanisms, transparent documentation, and management reviews. Thus, these findings enrich the literature by demonstrating how management functions can be a strategic instrument for overcoming a crisis of trust.

The theoretical implication of this research is the extension of George R. Terry's theory of management functions to the context of public policy, particularly in the field of halal

certification. Previous research has primarily applied this framework to business and industrial organizations, whereas this study situates it within the context of government regulation and halal product assurance policies. Thus, this research contributes to the management literature by demonstrating that management functions are also relevant to the analysis of policy implementation effectiveness.

Practically, this study provides recommendations for BPJPH and local governments to strengthen support for MSEs in implementing SJPH. This support can include facilitating halal training, implementing a digital system for internal audits, and offering incentives to MSEs that successfully maintain SJPH consistency. These findings are also important for business actors to view *self-declaration* not merely as an administrative requirement, but as a strategic instrument for building competitiveness in the global halal market. Thus, the results of this study make dual contributions to the development of both the theory and practice of halal governance in Indonesia.

## CONCLUSION

This study confirms that the criteria for a *self-declaration-based halal product assurance system (SJPH)* in Indonesia, as stipulated in the Decree of the Head of BPJPH Number 57/2023, can only be effective if implemented with attention to the classic management functions according to Terry planning, organizing, directing, and controlling and strengthened through management commitment, raw material control, production processes, internal audits, and continuous reporting. The study's results indicate that the challenges of implementing self-declaration stem from limited human resources, digital literacy, and MSE infrastructure. However, this study also confirms opportunities to strengthen through mentoring, stakeholder coordination, and increased market motivation.

Theoretically, this study expands the management function framework by adding a multi-actor coordination dimension in the context of Indonesian halal regulations. Practically, this study provides recommendations for MSEs, BPJPH, LP3H, and local governments to build a sustainable halal mentoring and literacy system. Therefore,

this study contributes to the development of halal management literature and offers a practical roadmap for national halal governance. Future research is recommended to use a *mixed methods approach* by expanding the context to the non-food sector to obtain a more comprehensive picture of the effectiveness of *self-declaration*.

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