

A Service of

ZBW

Leibniz-Informationszentrum Wirtschaft Leibniz Information Centre for Economics

Joeliaty, Joeliaty; Faisal, Yudi Ahmad; Wendra, Wendra

Article

An Analysis of Strategy Formulation for Halal Hotel Human Resources in Indonesia

Cogent Business & Management

Provided in Cooperation with: Taylor & Francis Group

Suggested Citation: Joeliaty, Joeliaty; Faisal, Yudi Ahmad; Wendra, Wendra (2020) : An Analysis of Strategy Formulation for Halal Hotel Human Resources in Indonesia, Cogent Business & Management, ISSN 2331-1975, Taylor & Francis, Abingdon, Vol. 7, Iss. 1, pp. 1-15, https://doi.org/10.1080/23311975.2020.1842008

This Version is available at: https://hdl.handle.net/10419/244998

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.



https://creativecommons.org/licenses/by/4.0/

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



WWW.ECONSTOR.EU





Cogent Business & Management

ISSN: (Print) (Online) Journal homepage: https://www.tandfonline.com/loi/oabm20

An Analysis of Strategy Formulation for Halal Hotel Human Resources in Indonesia

Joeliaty Joeliaty, Yudi Ahmad Faisal & Wendra Wendra |

To cite this article: Joeliaty Joeliaty, Yudi Ahmad Faisal & Wendra Wendra | (2020) An Analysis of Strategy Formulation for Halal Hotel Human Resources in Indonesia, Cogent Business & Management, 7:1, 1842008, DOI: <u>10.1080/23311975.2020.1842008</u>

To link to this article: <u>https://doi.org/10.1080/23311975.2020.1842008</u>

© 2020 The Author(s). This open access article is distributed under a Creative Commons Attribution (CC-BY) 4.0 license.



Published online: 01 Nov 2020.

Submit your article to this journal 🖸

Article views: 902



💽 View related articles 🗹

🕨 View Crossmark data 🗹



Received: 16 December 2019 Accepted: 21 October 2020

*Corresponding author: Wendra Wendra, PPM School of Management, Jakarta, Indonesia E-mail: wen.ppm@gmail.com

Reviewing editor: Richard Wickramaratne, Department of Human Resource Management, University of Peradeniya, Sri Lanka

Additional information is available at the end of the article

MANAGEMENT | RESEARCH ARTICLE

An Analysis of Strategy Formulation for Halal Hotel Human Resources in Indonesia

Joeliaty Joeliaty¹, Yudi Ahmad Faisal¹ and Wendra Wendra^{2*}

Abstract: The emergence of halal hotel businesses has attracted many scholars' and practitioners' attention. However, the halal hotel concept and the required human resources are still not very clear. This study aims to examine the internal and external aspects of halal hotel human resources in Indonesia and propose a proper human resource strategy by using the strategic management standpoint. This study employed a qualitative approach via recorded personal interviews with seven halal hotel managers in Bandung, Indonesia. The data were transcribed and analysed by using content analysis. The finding concludes that the halal hotel business position is in the first quadrant of the internal and external strategy matrix, meaning that the halal hotel is needed to develop a growth or concentration strategy. Consequently, in terms of human resources strategy, the halal hotels need to implement multichannel procurement through regular programs, talent scouting, and campus hiring, conduct staff re-assessment, and increase the brand reputation of the halal hotel. The paper contributes to the emerging research on halal hotel human resources strategy.

Subjects: Strategic Management; Strategic Human Resource Management



Joeliaty Joeliaty

ABOUT THE AUTHORS

Joeliaty Joeliaty is an Associate Professor at the Faculty of Economics and Business, Universitas Padjadjaran. She teaches various subjects relating to Human Resources Management and Management Strategic for Human Resources. Her research interest, among others, includes Human Resources Management for Halal Tourism and Human Resources Management Strategies.

Yudi Ahmad Faisal is an Assistant Professor at the Faculty of Economics and Business, Universitas Padjadjaran. His research interests include Islamic Business Concepts, Islamic Boarding School Business and Economy, and Islamic Finance.

Wendra Wendra is an Assistant Professor at PPM School of Management. He occupies a competence development niche in Human Resource Management and Organizational Behavior. His research interests are Intellectual Capital, Knowledge Management, and Innovation Performance.

PUBLIC INTEREST STATEMENT

🔆 cogent

business & management

The concept of the halal hotel has emerged recently in research. It becomes an essential factor, particularly in a tourist destination following the requirement of Islamic law known as Shariah. However, this concept is still not well known; thus, it needs to be developed in specific areas including in the strategic management field. This research proposes a strategy formulation for the halal hotel's human resources. To design the strategy, this research at first evaluates strengths, weaknesses, opportunities, and threats of the halal hotel's human resources. It then determines the business position of the hotel. And finally, it proposes human resources' business strategy. The identified strategy is growth or concentration, meaning that the hotel should strengthen its human resources' position within the existing competition. A more robust human resources position can be achieved through several strategies: the procurement, development, and maintenance strategies. Thus, the hotel can attract the best talent in the hospitality business.





 ${}^{\odot}$ 2020 The Author(s). This open access article is distributed under a Creative Commons Attribution (CC-BY) 4.0 license.

Keywords: halal hotel; human resources; strategic management; strategy formulation; qualitative study

Jel: L83; M10; M12; M54

1. Introduction

The increasing demand for halal hotel human resources is derived from the emerging halal economy and tourism in Muslim majority countries (Karia & Fauzi, 2019). The halal hotel itself is a type of hotel following Islamic law or Sharia (Ahmat et al., 2015). Islamic law is a religious law derived from the religious precepts of Islam, particularly the Quran and the hadith or prophetic traditions of Muhammad (Esposito, 2014). The application of Sharia in modern times has been a subject of different interpretations among Muslim jurists, mainly reflected in other legal schools (madhahib), which are the Hanafi, Maliki, Shafii, and Hanbali. The halal hotel has been constructed uniquely compared to its conventional hotels as shown in Table 1.

Previous studies on halal hotel human resources mostly focused on the normative point of view. Those studies discussed that halal hotels needed specific requirements for its human resources, such as woman staff should use veil (hijab), and all staff should be able to recite the Holy Qur'an

	Conventional hotels	Halal hotels
Establishment dates (approximate)	Historically well-established. The first hotel is thought to have been founded in Exeter in 1768. Afterward, hotels sprang up around the world.	Contemporary concept following Islamic beliefs. The first recorded hotel with the description Islamic was the "Al-Jouhara," which opened in Dubai in 1979.
Utilities	Standardised.	Standardized + Islamic values.
Experience	Maximisation based on standardised utilities.	Maximisation based on standardised utilities + diversity created by Islamic faith.
Symbolic	Meaning based on image of luxury, practicality, or economy.	Meaning based on Islamic faith associations.
Market	Open to all categories of the customer, depending on the hotel type and categories.	Cater to a specific niche market such as orthodox Muslims, businesses, and families.
Operations	No specific requirements.	(i) No alcoholic drinks and sells halal foods only; (ii) Majority of staff are Muslims; (iii) Female staff for single female guest floors, and male staff for single male guest floors.
Design and Interior	No Specific requirements	(i) Conservative television services; (ii) Al Quran and prayer mats available in each room; (iii) Large function rooms to cater male and female guests separately; (iv) Qiblat sign (direction to Makah); (v No red-light entertainment; and (vi) Separated health and fitness facilities for male and female guests.
Financial	No specific requirements	(i) Hotel financed through Islamic financial arrangements, no financing from interest-based conventional banks; and (ii) Hotel should follow zakat principles.

Source: Modified from Alserhan et al. (2017), and Karia and Fauzi (2019).

(Neveu, 2010). Some researchers suggested separating male and female room services for guests (Karia & Fauzi, 2019). Other studies focused on halal certification (Rosenberg & Choufany, 2009; Razalli et al., 2013; Salleh et al., 2014; Battour & Ismail, 2016). Halal certification is compulsory obtained religious legitimation from Muslim authorities in some countries such as Indonesia and Malaysia.

Based on a preliminary interview with halal hotel staff in Bandung in 2018, this study found that halal hotel was still in the struggling of how to empower its human resources, especially in technical and managerial aspects of hospitality businesses. Most of the human resources were still lack of understanding about customer services in hospitality areas, despite their excellent knowledge in Islamic law.

Based on the above phenomenon, this research aims to examine the strengths, weaknesses, opportunities, and threats of the halal hotel, mainly regarding their human resources. Then, the study will propose a proper business strategy for halal hotel human resources. This research employs the strategic management approach to achieve research objectives.

2. Halal hotels in Indonesia

In Indonesia, the pioneer of the halal hotel was Sofyan hotel. In 1992, this hotel introduced "halal hospitality-concept," meaning that the hotel serving its guest following Islamic law. The founder of Sofyan hotel was originally from Minang tribe, an ethnic in Indonesia that practicing orthodox Muslim tradition (Sofyan Hotel, 2019). The halal hotel concept introduced by Sofyan hotel is shown in Table 2.

According to the Indonesian Ulama Council (MUI), there are only four hotels that have been certified as halal hotels. However, some local hotels are claiming to be halal or Sharia-compliant. The emergence of these hotels has been derived from the rise of Islamic tourism in Indonesia.

Aspects	Sharia requirements
Products	Separated public facilities (restroom) for male and female guests Closed restroom from public view Availability of Islamic books and readings Availability of Islamic decoration (calligraphy and mosque figures) Availability of Information restricting guests who are not muhrim Availability of prayer times' information Availability of prayer mats Availability of the holy Qur'an in each room Calligraphy design interior of each room Providing halal food and drink only Providing praying facilities
Services	Availability of Islamic readings (newspaper, magazines, etc.) Praying words in each room Qibla sign in each room Playing the Holy Qur'an at a particular time Availability of specific praying room No alcohol drinks No bar, cafe, and entertainment facilities Sport facilities such as swimming pool should be closed from public view Separated spa facilities for women and men and families
Management	The existence of Sharia Advisory Boards in the managerial structure Availability of SOP (Standard Operating Procedures) in each product and service Muslim servants Financial transactions using Islamic banks

Source: Mujib, 2016.

Some Muslims in the country voice the need to vacate in environments that respect their beliefs. Their concerns include accommodation with prayer rooms and gender segregation at swimming pools and beaches. The voice has attracted hotel owners to develop hotels following the preferences of those Muslim customers.

3. Regulation of halal hotels in Indonesia

In Indonesia, the halal hotel is governed by two regulatory entities: state agency and non-state agency. The state agency is represented by the Ministry of Tourism and Creative Economy, which manages halal tourism, including the halal hotel. Meanwhile, the non-state agency is represented by the Indonesia Ulama Council (MUI), which advises the Ministry concerning Sharia aspects of halal hotel activities. The Indonesia halal hotel businesses are regulated by the Minister of Tourism and Creative Economy decision number 2, 2014, concerning the implementation of the halal hotel (Ministry of Tourism and Creative Economy, 2014). The minister's decision classified halal hotel into two types: Hotel Sharia Hilal-1, and Hotel Sharia Hilal-2. The following Table 3 compares and highlights these classifications.

Table 3 classifies the halal hotel into qualitative and quantitative requirements. The qualitative includes all conditions which are related to product and services aspects. Meanwhile, the quantitative is related to management and financial factors such as Islamic banks to finance or to facilitate transactions in the halal hotel and the appointment of Sharia advisory within the hotel.

4. The framework of analysis: strategic management and its process

This research employed the strategic management approach to analyse and propose the strategy formulation of the halal hotel, particularly regarding its human resources strategy. Strategic management provides managerial decisions and actions that determine the organisation (Wheelan & Hunger, 2012). The process starts with the environmental scanning activities, both from internal and external environments that might influence the performance of the organisation. The scanning is then followed by strategy formulation based on the strengths, weaknesses, opportunities, and threats (SWOT) Matrix. The process of analysis is depicted in Figure 1.

Then, scanning was employed at three different levels of the organisation, namely corporate, business unit, and functional level. These levels bring different scopes of strategy for an organisation. For instance, at a corporate level, the strategy should include all activities and functions in the company, which has more than one line or business unit. At a business level, for instance, the strategy is directed at managing activities and operations of a particular business unit or an activity. Meanwhile, at a functional level, the strategy is specifically designed for a function of management, i.e., human resources (Wheelan & Hunger, 2012; Amirullah, 2015).

The analysis is then continued to the selection of the strategy. According to David (2011), the strategy can be chosen through several matrixes such as SWOT, SPACE, BCG, GE, IE, and Grand Strategy matrix. This research employed IE Matrix to measure the size of strengths and weaknesses (internal environment) as well as the size of opportunities and threats (external environment). The measurement of internal and external strategic factor is performed by the process, which is previously suggested by David (2011):

- Determine the internal and external strategic factors of the company. The weight proportion for all factors should not exceed 1.0 or 100%.
- Calculate the most dominant factors. Thus, each factor is rated from 1.0 to 4 (1 = main weakness, 2 = small weakness, 3 = small strength, and 4 = main strength).
- Multiply each factor weight by each rating to obtain a weighted score.
- Add up the weight score of all factors to obtain the total weight score.

Table 3. Typ	ves of halal hot	Table 3. Types of halal hotel in Indonesia		
Aspects	Ele ments	Sub-elements	Hilal-1	Hilal-2
Products	Public Toilet	Separation between one urinal to another to protect views	>	~
		Availability of equipment for cleaning urinal with water	~	~
	Lobby	Availability of Islamic readings and or having moral messages such as Islamic magazines, tabloids, books, and Islamic motivation	×	>
		Availability Islamic ornaments such as calligraphy and or Ka'ba pictures	×	~
	Front Office	Availability written information of not accepting unmarried couple	×	>
	Bedroom	Availability of math for prayer (sajadah)	On request	>
		Availability of Al-Qur'an	>	>
		No access for pornography, porno-action, and immoral behaviours	>	>
		Islamic ornaments such as calligraphy and Ka'ba pictures	>	>
		Availability of no smoking sign in the room	×	~
		Availability prayer book	×	~
		Availability sarong and cloak covering a woman's head and body worn at prayer (mukena)	×	~
		Availability of Islamic advice papers	×	~
		Food and beverages in the mini-bar should have a halal logo	×	~
	Guest Toilet	Availability facilities in the guest bathroom for ablution in urinal and closet	\wedge	$^{\wedge}$
		Availability facilities for ablution in the guest bathroom	~	~
		Availability closed guest bathroom	>	~
	Kitchen	Kitchen/pantry is only provided for halal food and beverage	>	~
	Staff Room	Availability facilities for ablution in staff closet	>	~
		Separation between one urinal to another to protect views	$^{\wedge}$	$^{\wedge}$
		Availability facilities for ablution in staff bathroom	>	~
		Availability dress change room	>	~
		Availability of prayer room	×	~
		Availability of prayer materials	×	~
	Worship Room	A clean and tidy condition of prayer room	~	>
	-		-	(Continued)

Table 3. (Continued)	intinued)			
Aspects	Ele ments	Sub-elements	Hilal-1	Hilal-2
		Availability of separation for male and female prayer area	^	^
		A clean prayer material	>	>
		A good air circulation such as fan	>	>
		Bright lighting is available in the worship area	>	>
		There is a sound system to make the call to prayer that can be heard throughout the hotel area	>	>
		A separate place of ablution for male and female	>	>
		A clean and well-maintained conditions for ablution area	>	>
		Clean water installation is available for ablution	>	>
	Interior/ Ornament	Available ablution water drainage in good condition	×	>
		Ornaments (sculptures and paintings) do not lead to polytheism and pornography	×	>
		Islamic ornaments/decorations such as calligraphy, pictures and or paintings of the Ka'ba or mosque	×	>
	Swimming Pool	Indoor swimming pool avoiding public view	~	>
	Spa	There is a separate therapy room for male and female	>	\mathbf{i}
		There is a therapeutic material with an official halal logo	>	>
Services	Front Office	Make a selection of guests who come in pairs	>	>
		Provides information on the mosque closest to the hotel	>	>
		Provides timetable information on prayer times	>	>
		Provide information about Islamic activities (if any)	^	\wedge
	Housekeeping	Provides halal restaurant/restaurant information	>	>
		Provision of clean and well-maintained prayer equipment	>	>
		Provision of prayer times	^	\wedge
		Provision of the Al-Qur'an	×	\wedge
Management	Organization	Having an organization structure that accommodates the Sharia Supervisory Board	×	\wedge
		Havina Sharia Hotel Standard Operatina Procedures (SOP)	X	$^{\wedge}$

Table 3. (Continued)	ntinued)			
Aspects	Ele ments	Sub-elements	Hilal-1	Hilal-2
		Having a written statement stating that the overall hotel business is managed based on Sharia principles	Х	$^{\prime}$
	Business	Owing and implementing a halal guarantee system	>	>
	Management			
	Human	All employees wearing polite uniforms	>	>
	Resources			
		For Muslim women staff wearing uniforms according to the Muslim women dress	×	>

Source: Ministry of Tourism and Creative Economy, 2014.

Г

Figure 1. Basic elements of the strategic management process.

Source: Modified from Wheelan & Hunger, 2012.

1	2	→ 3	4
Environmental Scanning	Strategy Formulation	Strategy Implementation	Evaluation and Control
Internal Organisation (Strenghts and Weaknesses) ↓ External Environment (Opportunities and Threats)	Vision ↓ Mission ↓ Strategies ↓ Policies	Programs ↓ Budgets ↓ Procedures	Performance (actual results)

The total weight score of internal and external strategic factors is included in the IE strategy matrix to determine corporate strategy. The matrix can identify nine cells of company strategies, which can be grouped into three main strategies.

The first, grow, and build cells I, II, and IV. The strategy used is an intensive strategy. In this strategy, the only action that can be done is market penetration. In other words, the organisation needs to find out a more significant market share for existing products and services through more vigorous marketing efforts. Another way the organisations conduct market development to introduce existing products or services to new geographical areas. The organisations can also use integrative strategies (backward and horizontal integrations). Backward integration means seeking ownership or control over a distributor or retailer. At the same time, horizontal integration means seeking ownership or control over competitors.

The second is keeping and maintaining cells III, V, and VII. Action that can be taken in this strategy is to penetrate the market and product development. The third is harvest or divestment. This strategy is for cells VI, VIII, and IX. The action that can be taken in this harvest or divestment strategy is to sell a part of the entire company (David, 2011).

5. Methodology

5.1. Designs

This research employed a descriptive analysis. This method enables the researchers to search and disclose relevant information in the presentation data, which were shorter and simpler, which will be used for explanation and interpretation (Simamora, 2004). The internal analysis of the halal hotel human resources was depicted in the international factor evaluation (IFE) matrix, and the external analysis of those resources was represented in the external factor evaluation (EFE) matrix. These IFE and EFE were then combined to create a SWOT matrix. The research was conducted on human resources in the halal hotel in Bandung, Indonesia.

5.2. Population and samples

The population of this research was halal hotel human resources in Bandung, Indonesia. There were seven halal hotel managers involved as respondents of this research. The respondents were determined by purposive sampling, targeting those who know and involved in the procurement, maintenance, and development of human resources in halal hotels. Ultimately, the respondents were the ones who were easy to be found and interviewed in the period of the research.

5.3. Data collection and analysis

The data collection method employed was a direct interview with the managers of the halal hotel. The interview technique consists of three stages:

- a. asking the identification of critical variables, both internally and externally, that affect company performance;
- b. giving weight (importance level) for each variable, and
- c. assessing essential variables affecting the halal hotel human resources (from 1 to 4 scores). The data analysis used SWOT matrix. Since the study merely used the interview as a data collection instrument, no validity and reliability tests are required.

All interviews were audio-recorded. All interviews were then transcribed verbatim and analysed using content analysis by using ATLAS.ti software.

6. Discussion

6.1. Internal strategic environmental analysis

Thirteen strength indicators were identified from the interviews: the productive age of human resources in the halal hotel, multitasking skills, hospitality, announcement of prayer time, stop working on prayer time, Sharia-based services (serving halal food), reading al-Qur'an ability of personnel, knowledge of Islamic law, Sharia-based working activities, conveying Salaam (Islamic greetings), women personnel using veil (hijab), and higher emotional quotient. The interview showed that the indicator of productive age of human resources had the most significant influence on the performance of human resources in the halal hotel with 0.2 weights. The indicators that have the second significant effect are loyalty and multitasking skills with 0.5 weights each. For other indicators, the weights varied from 0.025 to 0.010.

The interview revealed 10 weaknesses indicators of halal hotel human resources. Lack of Sharia knowledge and intellectual quotient has the most significant scores, meaning that these factors had been the most significant influence on the performance of the halal hotel. All the calculations of the weight, rating, and weight score are presented in Figure 2 (internal and external analysis summary) and Table 4 (internal factor analysis summary).

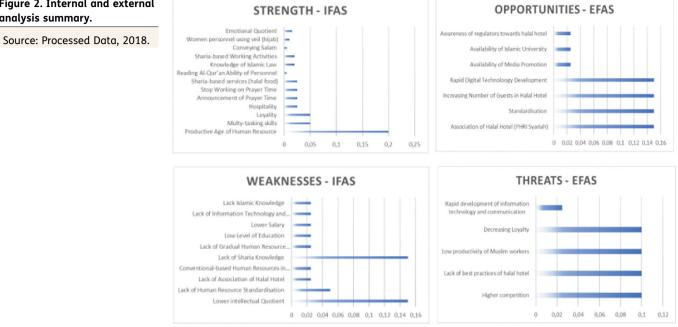
The interview also revealed seven opportunities factors. Table 5 shows that halal hotel association, standardisation of products and services, increasing number of guests, an increasing number of Muslim travelers, and rapid digital technology development recorded the most outstanding scores (0.15).

6.2. Formulation strategy of halal hotel's human resources

After the total weight score of internal and external strategic factors (Tables 4 and 5) were identified, then those factors were plotted in the IE strategy matrix. The matrix identified nine cells of company strategies (Figure 3). It showed that the current strategic position of human resources in the halal hotel in Bandung was in quadrant I.

There are three strategies for quadrant I. Each strategy represents different levels of a unit of analysis: corporate, business, and functional (human resources), as depicted in Table 6.

First, at the corporate level, the halal hotel can adopt a growth strategy through market concentration. Growth strategy means that the hotel should focus on strengthening its position within the existing competition. This finding is in line with Idris and Wahab (2015) research on the halal hotel in Malaysia, and Mansouri (2014) research on the halal hotel in Thailand that the halal hotel concept is still at the beginning stage. Thus, halal hotel needs to strengthen its position in the current business environment.



Second, at the business level, the hotel may adopt a differentiation strategy to introduce uniqueness and particularities of the hotel among other halal hotels in the region. Similarly, in Malaysia, the halal hotel also needs to develop its identity. Thus, the capacity management is the challenge, meaning that the halal hotel needs to provide rooms and facilities that support the halal hotel concept (Idris & Wahab, 2015). The design and interior of the Halal Hotel, including the total atmosphere, all need to be created following Islamic values, so that will make the hotel convenient for the Muslim traveler (Mansouri, 2014).

The next step is to implement those upper layers of strategies into a more functional basis, namely in the human resources level. At the procurement strategy, the company can implement multilevel procurement through regular programs, talent scouting, and campus hiring. This strategy can include several programs, as follows:

- a. creating job analysis which includes job specification and description to determine the needs of human resources;
- b. drafting workforce planning and forecasting;
- c. implementing work simplification; and
- d. developing a selection system that consists of several tests to filter the best applicants.

In the development strategy, the company can implement several programs:

- a. benchmark to the best halal hotel in the region;
- b. design a re-assessment program;
- c. implement re-assessment to figure out the profiles of the staff, including their performance, strengths, and weaknesses;
- d. create thorough training for the staff based on the information gained from re-assessment.

No	Strengths/weaknesses factors	Weight	Rating	Score
Strengths				
1	Productive Age of Human Resource	0.20	4	0.8
2	Multitasking skills	0.05	3	0.15
3	Loyalty	0.05	2	0.1
ŧ	Hospitality	0.025	2	0.05
	Announcement of Prayer Time	0.025	2	0.05
6	Stop Working on Prayer Time	0.025	4	0.1
7	Sharia-based services (halal food)	0.025	3	0.075
8	Ability to read Al-Qur'an	0.005	4	0.02
9	Knowledge of Islamic Law	0.020	2	0.04
10	Sharia-based Working Activities	0.020	3	0.06
11	Conveying Salaam	0.005	3	0.015
12	Women personnel using veil (hijab)	0.01	3	0.03
13	Emotional Quotient	0.015	4	0.06
Neaknesses	,			
14	Lower intellectual Quotient	0.15	4	0.6
15	Lack of Human Resource Standardisation	0.05	4	0.2
16	Lack of Association of Halal Hotel	0.025	2	0.5
17	Conventional-based Human Resources in Halal Hotel	0.025	3	0.075
18	Lack of Sharia Knowledge	0.15	4	0.6
19 Lack of Gradual Human Resource Development		0.025	4	0.1
20	Low Level of Education	0.025	3	0.075
21	Lower Salary	0.025	4	0.1
22 Lack of Information Technology and Communication Skills		0.025	3	0.075
23	Lack of Islamic Knowledge	0.025	3	0.075
Total		1.00		3.5

Source: Processed Data, 2018.

Third, in the maintenance strategy, the company can increase the brand reputation of the halal hotel to attract the best talent in the hospitality business to join in the halal hotel.

This finding support previous research in Malaysia that Halal Hotel needs to recruit human resources who know the Halal Hotel concept (Idris & Wahab, 2015). It will be more challenging to find Halal Hotel staff than conventional hotel staff due to limited resources in the market.

7. Conclusion

Based on the results, the conclusions made are as follows.

Table 5. Ex	Table 5. External factor analysis summary (EFAS)					
No	Opportunities/threats factors	Weight	Rating	Score		
Opportunitie	S					
1	Association of <i>Halal</i> Hotel (PHRI Sharia)	0.15	2	0.3		
2	Standardisation	0.15	4	0.6		
3	Increasing Number of Guests in <i>Halal</i> Hotel	0.15	3	0.45		
4	Rapid Digital Technology Development	0.15	3	0.15		
5	Availability of Media Promotion	0.025	3	0.075		
6	Availability of Islamic University	0.025	3	0.075		
7	Awareness of regulators towards the <i>halal</i> hotel	0.025	4	0.1		
Threats	· · ·					
8	Higher competition	0.1	3	0.3		
9	Lack of best practices of <i>halal</i> hotel	0.1	4	0.4		
10	Low productivity of Muslim workers	0.1	4	0.4		
11	Decreasing Loyalty	0.1	3	0.3		
12	The rapid development of information technology and communication	0.025	3	0.075		
Total		1.00		3.325		

Source: Processed Data, 2018.

First, the critical internal strategic variables that represent current strengths are productive age of human resource, multitasking skills, loyalty, hospitality, the announcement of prayer time, stop working on prayer time, Sharia-based services (halal food), ability of personnel or staff to read Al-Qur'an, knowledge of Islamic law, Sharia-based working activities, conveying Salaam, women personnel using veil (hijab), and emotional quotient. Key internal strategic variables that include current weaknesses are lower intellectual quotient, lack of human resource standardisation, lack of association of halal hotel, conventional minded of human resources in the halal hotel, lack of Sharia knowledge, lack of gradual human resource development and maintenance, low level of education, lower salary, lack of information technology and communication skills, and lack of basic understanding of Islamic knowledge.

Second, the critical external strategic variables that represent current opportunities are the existence of an association of halal hotel that leading guide the human resources development in the local halal hotel, growing effort to establish standardisation of human resources in the halal hotel, the increasing number of guests and visitors in the halal hotel, the rapid development of digital technology, availability of various media promotion for halal hotel, availability of Islamic university that may supply human resources for halal hotel, and the growing awareness of regulators towards the halal hotel. Key external strategic variables that pose current threats are increasing competition in the halal hotel, lack of best practices of the halal hotel, low productivity of local Muslim workers, decreasing loyalty due to outsourcing system in hiring the staff of the halal hotel, and rapid development of information technology and communication.

Figure 3. Strategic position of human resource of Bandung *halal* hotel.

Source: Data Processed, 2018.

				IFAS SCORE		
			Strong 3.0 – 4.0	Moderate 2.0 – 2.99	Weak 1.0 – 1.99	
		4	1	3 2		1
	High 3.0 – 4.0	3_	I. ●	П	Ш	
EFAS SCORE	Moderate 2.0 – 2.99		IV	v	VI	
	Low 1.0 – 1.99	2	VII	VIII	IX	

Table 6. Alternative strategy for	Table 6. Alternative strategy for halal hotel in Bandung			
Level of strategy	Name of strategy			
Corporate	Growth and Concentration			
Business	Differentiation			
Functional (Human Resources)	Procurement : the implementation of multichannel procurement through regular programs, talent scouting, and campus hiring Development : Staff re-assessment Maintenance : The increasing brand reputation of the halal hotel			

Source: Authors.

Third, the business position of present human resources in the halal hotel in Bandung, Indonesia, is in quadrant I. The proper strategy to be applied is the growth and concentration strategy. Based on the IE matrix that placed the human resources of the halal hotel in the first quadrant, there are three different layer strategies that the halal hotel can adopt.

- a. At the corporate level, the halal hotel can adopt a growth strategy through market concentration. This strategy means that the hotel should focus on strengthening its position within the existing competition.
- b. At the business level, the hotel may adopt a differentiation strategy to introduce uniqueness and particularities of the hotel among other halal hotels in the region.
- c. The next step is to implement those upper layers of strategies into a more functional basis, namely in human resources function. Thus, there are three main strategies. At the procurement level, the company can implement multilevel procurement through regular programs, talent scouting, and campus hiring. At the development level, the company can reassess

current or existing human resources that fit with the needs and expectations of the company. Lastly, at the maintenance level, the company can increase the brand reputation of the halal hotel to attract the best talent in the hospitality business to join the halal hotel and to maintain those who have joined the organisation.

This study might be subject to several limitations. Firstly, this study only proposes a proper functional strategy in terms of procurement, development, and maintenance of human resources. However, human resource management consists of other strategies, such as career management, performance management, reward management, and employee engagement. Future studies should enhance the scope of the functional strategy of the halal hotel human resource, which includes career management, performance management, reward management, and employee engagement. Secondly, this study is mainly conducted in Indonesia. Future studies are recommended to study halal hotel human resource strategy and challenges in other countries and regions. Therefore, there will be a more comprehensive knowledge of the human resource strategy and challenges faces by those countries. Future studies can provide comparative data on human resource strategies and challenges from one country to other countries in the same or different regions. Thirdly, this study is qualitative. Future studies need to conduct quantitative research to see the relationship between the human resource strategy taken and its impact on the halal hotel Performance.

Funding

The authors received no direct funding for this research.

Author details

Joeliaty Joeliaty¹ E-mail: Joeliaty@unpad.ac.id Yudi Ahmad Faisal¹ Wendra Wendra² E-mail: wen.ppm@gmail.com ORCID ID: http://orcid.org/0000-0003-4479-3666

- ¹ Faculty of Economics and Business, Universitas Padjadjaran, Jalan Dipati Ukur No 35, Jalan Dipati Ukur No 35, Bandung, Jawa Barat, Indonesia.
- ² PPM School of Management, Jalan Menteng Raya No 9, DKI Jakarta, Indonesia.

Citation information

Cite this article as: An Analysis of Strategy Formulation for Halal Hotel Human Resources in Indonesia, Joeliaty Joeliaty, Yudi Ahmad Faisal & Wendra Wendra, *Cogent Business & Management* (2020), 7: 1842008.

References

- Ahmat, N. H. C., Ridzuan, A. H. A., Din, N., & Razali, M. A. (2015). Syariah compliance hotel: The concept and practices. Journal of Tourism, Hospitality and Culinary Arts, 7(2), 52–66. http://ir.uitm.edu.my/id/eprint/ 20636
- Alserhan, B. A., Wood, B. P., Rutter, R., Halkias, D., Terzi, H., & Al Serhan, O. (2017). The transparency of Islamic hotels: "Nice Islam" and the "self-orientalising" of Muslims? International Journal of Tourism Research, 20(4), 475–487. https://doi.org/10.1002/jtr.2197
- Amirullah. (2015). Pengantar Managemen. Mitra Wacana Media.
- Battour, M., & Ismail, M. N. (2016). Halal tourism: Concepts, practices, and future. *Tourism Management Perspectives*, 19, 150–154. https://doi. org/10.1016/j.tmp.2015.12.008
- David, F. R. (2011). Strategic management: Manajemen strategi konsep (12 ed.). Salemba Empat.
- Esposito, J. L. (2014). *The Oxford dictionary of Islam*. Oxford University Press.
- Idris, J., & Wahab, N. A. (2015). The competitive advantages of Sharia-Compliant hotel concept in Malaysia: Swot

analysis. Proceeding of the 2nd International Conference on Management and Muamalah (2nd ICoMM).

- Karia, N., & Fauzi, F. A. (2019). Explaining the competitive advantage of Islamic hotel concepts. In C. M. Hall & G. Prayag (Eds.), The routledge handbook of halal hospitality and Islamic tourism (pp. 83-92). Routledge.
- Mansouri, S. (2014). Role of halal tourism ideology in destination competitiveness: A study on selected hotels in Bangkok, Thailand. *International Conference on Law, Education and Humanities (ICLEH'14).*
- Ministry of Tourism and Creative Economy. (2014). Minister Decision Number 2, 2014 on the Implementation of Sharia Hotel Activities (Halal Hotel). Republic of Indonesia News Number, 74. Jakarta.
- Mujib, A. (2016). Analisis Terhadap Konsep Syariah pada Industri Perhotelan di Indonesia. As-Syiraah: Jurnal Ilmu Syariah Dan Hukum, 50(2), 425-447. http://asysyirah.uin-suka.com/index.php/AS/article/view/502-06
- Neveu, N. (2010). Islamic tourism as an ideological construction: A jordan study case. Journal of Tourism and Cultural Change, 8(4), 327–337. https://doi.org/10. 1080/14766825.2010.521252
- Razalli, M. R., Yusoff, R. Z., & Roslan, M. W. M. (2013). A framework of halal certification practices for hotel industry. Asian Social Science, 9(11), 316–326. https:// doi.org/10.5539/ass.v9n11P316
- Rosenberg, P., & Choufany, H. M. (2009). Spiritual lodging the Sharia compliant hotel concept. HVS Global Hospitality Services-Dubai, (April), 1–7. https://www. hospitalitynet.org/file/152003779.pdf
- Salleh, N. M., Hamid, A. B. A., Hashim, N. H., & Omain, S. Z. (2014). The practice of shariah compliant hotel in Malaysia. International Journal of Trade, Economics, and Finance, 5(1), 26-30. https://doi.org/10.7763/ IJTEF.2014.V5.335
- Simamora, B. (2004). *Riset Pemasaran*. PT Gramedia Pustaka Utama.
- Sofyan Hotel. (2019). *Our history*. Retrieved 1 June 2019, from. https://sofyanhotel.com/our-story
- Wheelan, T. L., & Hunger, J. D. (2012). Strategic management and business policy: Towards global sustainability (Thirteenth ed.). Pearson.



© 2020 The Author(s). This open access article is distributed under a Creative Commons Attribution (CC-BY) 4.0 license.

You are free to:

Share — copy and redistribute the material in any medium or format. Adapt — remix, transform, and build upon the material for any purpose, even commercially. The licensor cannot revoke these freedoms as long as you follow the license terms. Under the following terms: Attribution — You must give appropriate credit, provide a link to the license, and indicate if changes were made. You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use. No additional restrictions You may not apply legal terms or technological measures that legally restrict others from doing anything the license permits.

Cogent Business & Management (ISSN: 2331-1975) is published by Cogent OA, part of Taylor & Francis Group. Publishing with Cogent OA ensures:

- Immediate, universal access to your article on publication
- High visibility and discoverability via the Cogent OA website as well as Taylor & Francis Online
- Download and citation statistics for your article
- Rapid online publication
- Input from, and dialog with, expert editors and editorial boards
- Retention of full copyright of your article
- Guaranteed legacy preservation of your article
- Discounts and waivers for authors in developing regions

Submit your manuscript to a Cogent OA journal at www.CogentOA.com