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# Building Competitive Advantage Through Halal Assurance System and Employee Performance

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### ABSTRACT

By general destination from research this u for test and find out by real about influence implementation of HAS on employee performance and excellence Compete in Industrial Fast food in Central Java .Study this useful approach quantitative with the number of samples is 101 respondents. With purposive sampling technique, analyzed use descriptive and inferential with analysis technique with using Structural Equation Modeling (SEM) which is operated through the AMOS program. The results of this study are existence influence real that SJH will could explain happening enhancement performance employees. Show existence influence real that performance employee will could explain happening enhancement superiority compete. Show no existence influence real that SIH will could explain happening enhancement superiority compete. Sshow that in the industry food fast Halal certified fast food. Implementation of HAS in the production process capable create employees who produce high performance and performance employee proven take effect positive significant to superiority compete. That is, performance employee will also cause happening superiority compete.

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## Introduction

In Indonesia, government regulations regarding Halal policies have been enacted by the Indonesian government with the enactment of Law No. 33 of 2011 concerning

Halal Product Guarantees. This regulation was issued in order to face market competition in the global world. By implementing production process feasibility standards so that they have a competitive advantage through the Halal Assurance System (SJH), issued by the Indonesian Ulema Council (MUI), this system

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is an implementation of TQM to contribute to organizational competitiveness. Product processing, if it does not pay attention to halal procedures and by using engineering technology, can produce doubtful products. The Halal Assurance System (SJH) can be categorized as implementing TQM. This action integrates relationship patterns and unifies concepts following Islamic legal provisions related to halal and haram issues, business behaviour and business behaviour, and all management aspects.

Products of the type of food ingredients, fast food from food that is produced, cannot be separated from advances in science and technology. So it is necessary to look at the process of clarity and things that need clarification from fast food production because the product has gone through a process that mixes ingredients from different sources and processes. Moreover, Allah has commanded humans to eat what is lawful and tavvib as in Surat al-Oarah 168: "O people, eat what is lawful and good from what is on earth, and do not follow the steps of the devil, because actually the devil is a real enemy for you." The prospects for the food business are very high, and the competition is fierce. Where this culinary trend can be accessed online or offline, where the food served is easily accessible and combined with places designed in such a way as to follow trends to attract customers, it makes Indonesia a promising culinary market for both domestic and foreign businesses. Here are some fast-food restaurant brands in Indonesia

### Table 1

Brand	2014	2015	2016	2017	2018
KFC	53,9	61,4	45,1	35,4	54
MC Donals	24,	15,5	23,6	20,8	19,9
Hoka Hoka Bento	5,7	2,3	5,5	-	-
A & W	2,4	2,7	3,5	4,5	6,2
CFC	-	-	2,8	4,1	2,5
Other	13,3	18,1	19,5	35,2	17,4
Total	100	100	100	100	100

## MUI Halal Fast Food Company Data TH. 2014 – 2018 (in %)

Source: www.topbrand-award.com, 2021.

Based on table 1.1, the competitiveness of halal fast food companies in Indonesia is described as very tight and fluctuating. It has been indicated by the unstable competitiveness every year. Thus, the establishment of fast food restaurants at this time can impact the increasing level of competition between these companies in terms of serving a variety of menus, pricing, location and others. Therefore, consumers are more selective in making purchasing decisions. Likewise, information from BPS 2020 stated that around 93% of the population in Central Java is Muslim, with the majority being women. It shows that the halal fast food market's potential is outstanding since most are Muslims. LPPOM MUI Regulation with SK No: SK 13/Dir/LPPOM.MUI/III/13 requires that a business that has made efforts to obtain a halal certificate must implement the Halal Assurance System (SJH) to ensure that the products produced are contaminated with halal and non-Naji. The introduction of the Halal Provision System (SJH) is a form of the company's commitment to producing halal products.

The results of previous research related to the Halal Assurance System (SIH), which is an implementation of TQM, among others, examined the effect of TOM on employee performance. Some results found a positive and significant relationship between TQM practice and performance variables. As the research findings of Vera Sylvia S, Therese, Wardani et al. l, Tinekee et al. l, and Al Shobaki et al. l, Zehir found the results of his research about a positive relationship between TQM practice variables and performance. as found by Hendricks and Singhal, Berguist and Ramsing, suggesting that TQM has both a strong relationship and influence on employee performance.

However, the study by Mohrman et al. concluded that the relationship between TQM adoption and financial performance is insignificant. Susanto found that TQM did not affect employee performance variables. Sri Mulyani also stated that TQM with organizational commitment does not affect management. Laili's research findings suggest that TQM has a minimal effect on employee performance, only 10%. Likewise, Enny's research shows that TQM does not strongly influence employee performance.

Based on the differences in the findings of previous research and phenomena in the field,

it is necessary to conduct research on HAS which is the implementation of TQM in the fast food industry in Central Java based on TOM by using indicators. halal-based statements regarding halal policies that are used as company guidelines (halal policy), halal guidelines (halal guidelines) which are used as company guidelines, halal organizational systems used, product critical control points, and systems used in internal halal audits. With the aim that this research is used to test and find out in real terms about the influence of HAS, which is the implementation of TQM on employee performance and competitive advantage in the Fast food industry in Central Java

## **Literature Review**

## Competitive Advantage

According to Kotler and Gary Armstrong, the definition of competitive advantage is the advantage of a company over competitors by offering lower costs or providing more excellent benefits through higher prices. Using this theory, considering which aspects will offer a low value but will pay off immense should be possible. For example, a low registration fee is offered, but the program implemented is still good, even the same as an expensive program. Noe et al., Competitive advantage is a company's ability to create products or services that are more valuable to customers than competitors. Michael E Porter, in his book "Competitive Strategy", there are five strengths of the company's strategy in running a business so that it becomes a determinant of competition and market attractiveness. Among others contained in Figure 2.1 as follows:

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### Figure 1



Source: M. Porter, 1979.

Porter argued that a country gains a competitive advantage (CA) if its companies (located in that country) are competitive. A country's competitiveness depends on the industry's ability to innovate and improve its capabilities. The acquiring company (CA) was under pressure and trouble. The company benefits from domestic competition, aggressive domestic suppliers and strong local demand. Differences in national values, cultures, economic structures, institutions and histories contribute to competitive success.

### Total Quality Management (TQM)

Total Quality Management (TQM) is a customer-oriented approach that introduces and continues managing an organization's processes, products and services. The total quality management process (TQM) also starts with the customer and ends with the customer. Insight (TQM) Total quality management can be interpreted by three words, namely: total (total), quality (quality, title or goods or services), and management (action. art. as they collect. organize. direction). These Three Words have the definition of TOM: "Customer Satisfaction Oriented Management System (Customer Satisfaction) with activities that are tried (for the first time). through continuous improvement (continuous improvement) and motivation workers. From the definition Total Quality Management is (TOM). interpreted as follows: First, Integration of all company functions into a holistic philosophy, built based on the concepts of quality, teamwork, productivity, understanding, and customer satisfaction. Second, Total Quality Management is one of the systems born out of revolution. Total Quality Management (TQM) is a people-centred management system that continuously improves customer satisfaction while reducing costs. Third, TQM is an approach to business that maximizes an competitiveness organization's through continuous improvement of its products. services, people, processes, and environment.

M. N. Natution stated that the total benefits of total quality management can be grouped into improved competitive position and increased exports, which are free from damage. The positive sides of the company implementing total quality management are: First, Total Quality Management develops the concept of quality based on an integrated approach. Quality from the consumer's point of view is defined as compliance. Second, continuous changes and improvements occur thanks to the implementation of Total Quality Management. Companies must constantly learn and change in order to improve or improve their skills. Third, having preventive

actions means starting from product development and processes to the final product to produce good products without the existence of defective products (zero defects) so that companies can reduce costs (reduce costs), avoid waste and produce products efficiently and effectively, and as a result, can increase company profits.

The TQM concept supports employers in achieving excellence in the workplace through skills development and employee empowerment. Van Devender demonstrates comprehensive quality management related to human resources in his article entitled Total Quality Human Resources Management -TQHRM. This study describes this emerging concept as the AACC concept: (Alignment, Authority, Capability, Commitment)

### Halal Assurance System (SJH)

The Halal Assurance System (Hats) are materials. processes, products, human resources, and methods to produce goods with Halal status, ensuring consistency and sustainability. Halal companies receiving certificates are required to implement the Halal Assurance System (SJH) 23000. In the industrial world, ISO 9001 and OHSAS 18001 are also implemented for health and safety management standards, checking whether the products obtained are not contaminated with uncleanness.

The halal assurance system has a document containing a summary which includes, among other things: First, top management must develop and disseminate halal policies. Second, the materials used in the product may not come from prohibited/unclean materials. Third, Senior management must establish a Halal management team, which includes all departments involved in critical activities. Fourth, the company must have training procedures. Fifth, no names may be used in product names that refer to something prohibited or a cult that is not following Islamic law. Sixth, the place of production must ensure no cross-contamination with materials contaminated with uncleanness. Seventh, the company must have written procedures for critical activities in the production chain. Eighth, Company Hours must have a written procedure for traceability. The company must have written procedures for handling products not meeting the criteria. Tenth, the company must have a written internal audit procedure for the implementation of HAS (Halal Assurance System). Eleventh, Top management/their representatives should conduct management reviews at least annually.

The (UUJPH) Halal Product Guarantee Law, which consists of 68 articles, states that products that enter, circulate, and trade in the territory of Indonesia must be halal certified. Thus the Al-Quran has explained the guidelines regarding halal as in Al Baqarah 168: "O people, eat what is lawful and reasonable from what is on earth, and do not follow the devil's steps, for indeed, the devil is a natural enemy for you." In QS Al Ma'idah verse 88, it is stated: "And eat lawful and good food from what Allah has provided for you, and fear Allah in whom you believe."

In the HAS 23000 guidebook, eleven (11) criteria must be met by institutions that will carry out halal certification at LPPOM MUI. The following are 11 criteria for the Halal Assurance System (SJH) referring to HAS 23000 (Halal Assurance System), namely: (1). Halal Policy; (2). Halal Management Team; (3). Training and Education; (4). Material; (5). Product; (6). Production Facilities, this

criterion is divided into three: the first is specifically for the processing industry, the second for restaurants/catering, and the third for Slaughterhouses (RPH); (7). Written procedures for critical activities; (8). Traceability; (9). Handling of products that do not meet the criteria; (10). Internal Audit; (11). Management review.

## Halal Industry

Industry, according to Sukirno, is a company that carries out business activities related to the secondary sector, in other words, a collection of companies that produce the same goods for the same market. Within these industries, economic activities process raw materials, raw materials, semi-finished goods, or goods to be processed into goods with broader uses (Mubarok & Imam, 2020; Muheramtohadi & Fataron, 2022; Pujiatuti et al.. 2022: Riofita & Iabal. 2022: al.. Trihudivatmanto et 2022). Halal. according to some opinions, comes from the root word (alhaal), which means according to what is permissible according to the Shari'a, another opinion as written by Al Jurjani, the word halal comes from the word (alhaal), which has an open meaning, which means that all are not subject to sanctions for their use or operation., which is excluded from the conditions that must be met. So it can be concluded that what is meant by halal is permissible according to Sharia, is used by or tried for because the bond that prevents it has been broken or is a dangerous element accompanied by attention to how to get it, not the prohibited effect of muamalah.

## Halal Fast Food

Halal fast food constitutes food that is served quickly and is ready to eat, only requires a little preparation, is affordable, and is usually served by the owner so that consumers buy it at various fast food restaurant chains, either through the counter or drive-thru. These fastfood restaurant chains include McDonald's. Burger King, KFC, etc. When a fast food company was introduced to the market for the first time, the company channeled many marketing funds to target teenagers and young children who come from families with low economic status. Therefore, they can access cheap food. In addition, this fast food company's target market is consumers from large families who need more time to prepare food. They serve fast and cheap food, even unhealthy, due to rancid fats, cholesterol, sodium, refined sugar, and millions of calories.

## **Employee** Performance

Employee productivity includes product quality and quantity, attendance at work, usefulness. and timeliness of results. According to Young's research, individual indicates performance that individual performance cannot be tested. Likewise, he claims that the bonus is directly usable by the organization. Moreover, rewards are based on performance individual or employee performance. Performance or productivity is a description of the level of achievement of the process of implementing grammatical activities or policies in implementing the goals, objectives, vision, and mission of the the organization as outlined through organization's strategic planning. According to the Oxford Dictionary, performance is a process of action or way of operating or performing organizational functions.

Performance can be interpreted as the results achieved by employees in their work according to certain criteria applied to certain jobs and assessed by certain individuals Ronnins suggests that performance is a function of the interaction between ability and ability (A) Motivation (M) and opportunity (O) ), i.e., performance = f(AxMxO). It means that performance is a function of ability, motivation, and opportunity. In contrast, Scriber Bantam argued based on the English dictionary explained. Performance comes from the word "multi-subject work," i.e.: 1). Fulfill, define, fulfill (fulfill or carry out execution). 2). Fulfill or fulfill obligations or vows (fulfillment of promises). 3). Fulfill or fulfill obligations (complete or understand the king). 3). Do what people or the machine expect what is expected of a person machine).

Productivity is measured using research instruments, which are included in overall performance indicators, and then translated into basic behavioral ratings, including (1) amount of work, (2) quality of work, (3) job knowledge, and (4) Activity planning.

Several factors influence a person's performance, and the following are the factors that affect performance according to some experts: A person's performance is influenced by many factors which can be classified into 3 (three) groups, namely the individual compensation of the person concerned, organizational support, and management support.

First, individual competence is the ability and skills to do work. Each person's compensation is affected by several factors, which can be grouped into 6 (six) groups, namely: (1) Ability skills, (2) Expertise, and work (3) Requirements that describe employee performance, (4) Responsibilities that describe performance, (5) Background, (6) Work ethic.

Second, organizational support factors in the terms and conditions of each person's work

also depend on corporate support in organizing and providing work facilities and infrastructure. а comfortable work environment, and working conditions and conditions. The organization referred to here is to clarify each work unit and each person regarding these objectives. While the provision of work facilities and tools directly affects everyone's performance, modern equipment and technology are now not only intended to improve performance. Indeed, it is also seen as providing ease and comfort at work.

Third, the Company's Management Support Factor is important for knowing employee performance to develop existing human resources by involving employees in specific pieces of training. Environmental factors also affect employee performance, including the physical conditions of the workplace and materials, time to work supervision and training, organizational design, and organizational climate.

## Halal Assurance System (SJH) in the Context of Creating Competitive Advantage

HAS, as the implementation of TQM, constitutes a modern management concept that seeks to adequately respond to any changes caused by external or internal organizational forces. The reason for the need for TQM is very simple: the best way to compete in the global competition is to produce better quality. Thus, TQM is a management science theory that guides managers of organizations and their employees implement continuous to quality improvement programs, one of which focuses on customer satisfaction.

As an approach, TQM aims to continually shift organizational goals from short-term

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"adequacy" goals to long-term "quality improvement" goals. Institutions constantly innovating, deliberately improving, changing, and practicing TQM will experience a continuous improvement cycle. This passion will create a conscious effort to analyze what is being done and plan improvements. To create a culture of constant improvement, a manager must trust his staff and delegate decisions at the right level. It aims to give staff a responsibility to deliver quality in their environment. A team needs the freedom to work within a clear framework and known organizational goals.

Because of these characteristics, TQM is believed to be an approach taken in running a business that tries to maximize organizational competitiveness through continuous improvement of products, services, people, processes, and the environment to achieve the competitive capability to be able to compete with competitors and survive in a competitive environment.

Referring to the theory put forward by Tjiptono, Fandy and Anastasia, Diana, and LPPOMUI SIH, the implementation of TOM can be defined as an approach in running a business that tries to maximize organizational competitiveness through continuous improvement with integrated management of materials, production processes, products, human resources, and procedures to produce halal products and ensure that they are halal consistently and sustainably which can influence employee creativity and performance for the better.

In his research study, Yang showed employee performance on individual performance shows that individual performance cannot be verified. Organizations can operate direct bonuses and rewards based on individual performance/employee performance. According to the Oxford Dictionary, performance is an act of process or way of acting or performing organizational functions, which is believed to affect competitive advantage. А sustainable competitive advantage is an organization's ability to learn faster than its competitors. And stand out from its competitors.

## The Influence of TQM on Employee Performance

Therese research on American manufacturing companies, as many as 84 respondents stated support and employees could create a competitive advantage. Sukwadi (2012) said that TQM affects employee performance. Munizu Musran, in manufacturing companies in the province of Makassar, has as many as 114 TOM implementation results that influence competitive advantage and performance. Amie Nadia et al., in a car company, 102 questionnaires, a relationship exists between TQM implementation of the innovation process and employee performance. Khaiulnizam Zahari Mohd, and noorhavati Zakuan researched 10 manufacturing companies in Malavsia. sampling 294 pieces of evidence that TQM has a positive and significant relationship with employee performance.

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#### The Effect of Employee Performance on Competitive Advantage

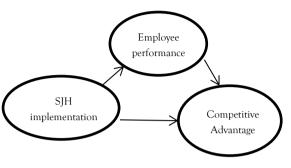
Beheshtifar has a positive and significant relationship between management quality, employee performance, and competitive advantage. Fahad Ibrahimsulaimen et al. 1 research results show that creativity impacts competitive advantage. Scott has a positive and significant relationship between management quality and employee performance. Riansyah Rifky and Deden Wahab AS, there is an important relationship between employee performance and competitive advantage.

## The Influence of TQM on Competitive advantage

Munizu Musran, in research conducted on manufacturing companies in Makassar province involving 114 respondents, also stated that implementing TQM significantly influences competitive advantage. Beheshtifar found a positive and significant relationship between management quality, employee performance, and competitive advantage. From the descriptions and theories, and results of research that previous researchers have carried out, the theoretical framework can be described as follows:

### Figure 2

Theoretical Thinking Framework



Source: 2021 research

Pictographically, the influence of the research variables tested in this study is presented in the Theoretical Framework above. In this theoretical framework, it can be explained that the implementation of SJH is an exogenous factor that is postulated to have a positive influence on changes in other variables.

theoretical framework above The also visualizes the existence of three endogenous employee variables. namelv creativity, employee performance and competitive advantage. Employee creativity is an endogenous variable whose existence is explained by the factor of implementing HAS as a TQM implementation. The next endogenous variable is employee performance. This employee performance variable is an impact variable where the changes can be explained by the SJH Implementation factors and employee creativity. The third endogenous variable is competitive advantage where this competitive advantage factor is the outcome of changes in employee creativity and employee performance.

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#### The Method, data, and analysis

This research uses a causal approach, namely a study that tries to find an explanation in the form of a causal relationship between several concepts, variables, or strategies developed in management. Therefore this study also involves a quantitative research approach. In this study, all employees, primarily those with a minimum first-line manager (supervisor) working in fast food companies, have been certified halal by the MUI in Central Java, including KFC, MC DONALD, CFC, and Pizza Hut. And the sample used is based on the opinion of Khair et al. Ferdinand found a suitable sample size for SEM is 100 to 200 samples. Hence, the number of pieces used in the survey was 101 respondents. The sampling technique used in this study was purposive sampling, using certain criteria. Among other things, the region has at least three types/brands of fast food labeled halal. Second, it has been operating for at least 1 (one) year. And distributing questionnaires to 8 regencies and cities in Central Java, where

there are at least three fast food outlets, by visiting outlets and conducting interviews, filling out open and closed questions using the Agree-Disagree Scale, which produces answers that strongly disagree to very agree solutions in the range value 1 to 10. In contrast, the analysis used is a descriptive and inferential analysis using Structural Equation Modeling (SEM), which is operated through the AMOS program.

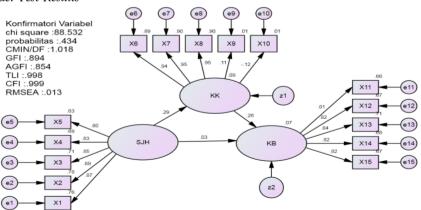
### **Result and Discussion**

## **Research Model Feasibility Testing**

After analyzing the level of unidimensionality of the dimensions or indicators forming the latent variables tested by confirmatory factor analysis, the next step is to carry out a full model Structural Equal Modeling (SEM) analysis. The data processing results for the study of the full SEM model are explained below.

#### Figure 3

Research Model Test Results



To test the empirical model developed in this study, a goodness of fit test was carried out by

evaluating the statistical and non-statistical values of the research results with the required values.

#### Table 1

Goodness	of	Fit	Test	Research	Model
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Goodness of Fit Indeks	Cut off Value	Result	Evaluation Model	
Chi-Square	<	88,532	Good	
(df = 114)	139,921			
Probability	≥ 0,05	0,434	Good	
CMIN/DF	≤ 2,00	1,018	Good	
GFI	≥ 0,90	0,894	Marginal	
AGFI	≥ 0,90	0,854	Marginal	
TLI	≥ 0,95	0,998	Good	
CFI	≥ 0,95	0,999	Good	
RMSEA	≤ 0,08	0,013	Good	

Based on the results of the model feasibility test presented in the table above, it shows that the calculated Chi-Square value can meet the

#### Table 4.18

Research Hypothesis Testing

predetermined criteria, namely the estimated Chi-Square value (88.532) < Chi-Square table (139.921). Likewise, other non-statistical values (indices) such as CMIN/DF, TLI, CFI, and RMSEA are also included in the good category because they meet the required value criteria. These results proved that the empirical model developed in this study is no different from the estimated population. In other words, the empirical model is a fit or appropriate model to explain the occurrence of competitive advantage in the people using sample data.

### Hypothesis Test

After evaluating the assumptions in the SEM, hypothesis testing will be carried out as proposed in the previous chapter. The four hypotheses proposed in this study were tested by analyzing the value of the Critical Ratio (CR) and the probability of a causality relationship.

			Std Estimate	Estimate	S.E.	C.R.	Р
Performance	<b>&lt;</b>	SJH	,293	,548	,193	2,835	,005
Employee	<b>\$</b>	Employee performance	,259	,178	,076	2,342	,019
Competitive Advantage	<b>\</b>	SJH	,028	,036	,142	,252	,801

In the series of empirical models developed and tested in this study, there are five hypotheses whose significance or significance is also tested. Hypothesis testing is done by analyzing CR values and probabilities with the following testing criteria:

a. If the CR value > 1.98 and probability < 0.05, it means that the influence between</li>

variables can be proven or cannot be accepted statistically

b. If the CR value < 1.98 and probability > 0.05, it means that the influence between variables can not be proven or cannot be accepted statistically.

#### Discussion

#### SJH Affects Employee Performance

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Testing the influence on HAS variables and employee performance produces a CR value of 2.835 > 1.98 with a significance value of 0.005<0.05. The statistical results show that there is a real influence that SJH will be able to explain the increase in employee performance. It means that if the implementation of SJH by the company is getting better, this will have an impact on employee performance which is getting better.

## Employee Performance Affects Competitive Advantage

Influence testing on employee performance and competitive advantage variables yields a CR value of 2.342 > 1.98 with a significance value of 0.019 <0.05. The statistical results indicate that there is a real influence that employee performance will explain the increase in competitive advantage. It means that the performance of employees in fast food companies needs to be improved because this will encourage growth in competitive advantage.

### SJH Affects Competitive Advantage

The influence test on the SJH variable with Competitive Advantage produces a CR value of 0.252 < 1.98 with a significance value of 0.801 > 0.05. The statistical results show no

significant effect that SJH will be able to explain an increase in competitive Advantage.

#### Table 4.19 Research Findings

	C		
	Hypotesis	Result	
H <sub>1</sub>	There is a positive and significant influence of HAS on the performance of employees in the halal-certified fast food industry in Central Java	Accepted	
H <sub>2</sub>	There is a Positive and Significant Effect of Employee Performance on Competitive Advantages of the Halal Certified Fast Food Industry in Central Java	Accepted	
H <sub>3</sub>	There is a Positive and Significant Effect of the implementation of HAS on Competitive Advantages in the Halal Certified Fast Food Industry in Central Java	Rejected	

## SJH Process in Creating Competitive Advantage

The process of building competitive advantage is visualized in the following figure 4.



Conclusion

Testing the influence of the SIH variable on of 2.835 > 1.98 wit

employee performance resulted in a CR value of 2.835 > 1.98 with a significance value of

0.005 <0.05. The statistical results show that there is a real influence that SIH will be able to explain the increase in emplovee that performance. It means if the implementation of SIH by the company is getting better, this will have an impact on employee performance which is getting better. Influence testing on employee performance and competitive advantage variables yields a CR value of 2.342 > 1.98 with a significance value of 0.019 <0.05. The statistical results indicate that there is a real influence that employee performance will explain the increase in competitive Advantage. It means that the performance of employees in fast food companies needs to be improved because this growth will encourage in competitive Advantage. The influence test on the SIH variable with Competitive Advantage produces a CR value of 0.252 <1.98 with a significance value of 0.801 > 0.05. The statistical results show no significant effect that SJH will be able to explain an increase in competitive Advantage. Analysis of HAS implementation in building competitive Advantage in the halal fast food industry in Central Java was built through HAS implementation with employee performance conducted in this study. It shows that HAS implementation has statistically proven to have a significant positive effect on employee performance. These findings indicated that in the fast food industry (Fast Food), certified Halal HAS implementation in the production process could create employees who produce high performance. Employee performance has proven to have a significant positive effect on competitive Advantage. Thus, employee performance will also lead to a competitive Advantage.

#### Recommendation

The main limitation of this study is that the respondents were limited to one area in Central Java and involved 100 participants. For this reason, the future study can elaborate on more areas and industries entire Indonesia, to observe more comprehensively and can be used as a comparison with this study. The addition of the determinant factor of repurchase intention can be considered in future research, such as customer satisfaction.

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