



THE BOUNDARIES FOR INNOVATION IN THE HALAL INDUSTRY



Amir Sakić

HR and Training Center of the
Islamic Community of Bosnia and Herzegovina
amir.sakic@gmail.com



Innovation Imperative

“Consumers are demanding new products and want them more frequently; this forces companies to constantly use these characteristics. **Speed, agility, and innovation** are now part of everyday corporate life.”

Paul Temporal, “Islamic Branding and Marketing: Creating a Global Islamic Business”

Today we will explore the concept of innovation within the boundaries of the Halal industry. While innovation is a general term, **Halal innovations must align new ideas and technologies with Islamic teachings and regulations.** Understanding the various boundaries that define the Halal industry is crucial for fostering innovation that preserves the integrity and values of this growing market.



Innovation = or ≠ Halal Innovation

- 1 Is there a difference between innovation and Halal innovation?
- 2 How to differentiate Halal innovation from (non-Halal) innovation?

"Halalization" corresponds to the concept of "Halal innovation" in several key ways, reflecting how innovations within the Halal industry must align not only with the technical and regulatory aspects of Halal standards but also with the ethical, cultural, and religious principles underlying Halal practice.

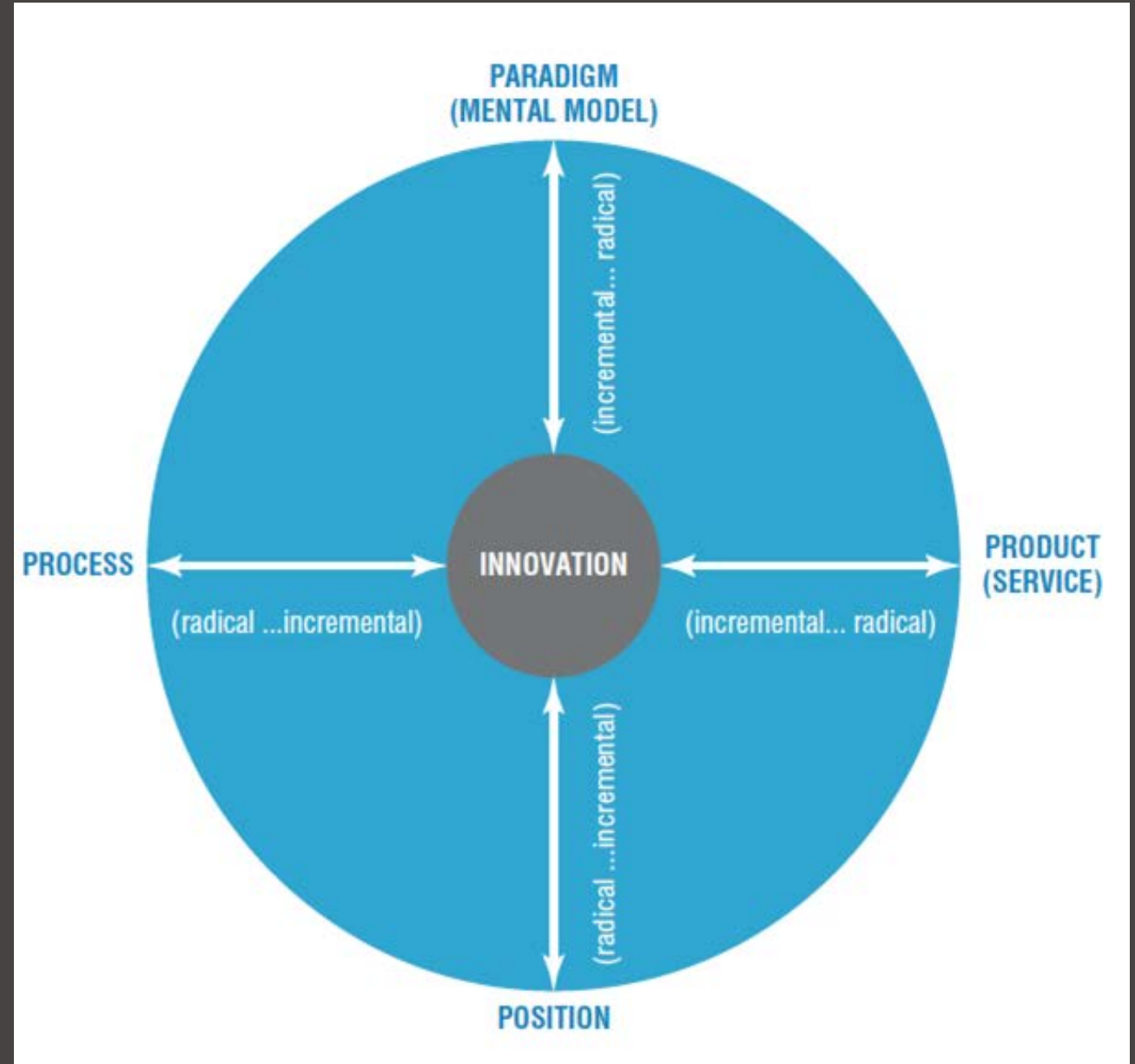


Defining Innovation

1 Change and Improvement
successful application of new or significantly improved products, services, processes, marketing methods, or business models.

2 Aspects of Innovation - 4P
Product, Process, Position, and Paradigm changes.

3 Degree of Novelty
Innovations can range from **incremental** improvements to **radical**, transformative changes.





Understanding Boundaries

Definitions

In **linguistics** - the limits between languages, dialects, or speech communities;

In **economy** - the scope covered by economic analysis: what is considered an economic territory, what is counted as economic activity, and how is it valued.”

In **psychology** - the emotional limits that an individual sets in interpersonal relationships.

All depends on the context in which it is used.

2 type Boundaries

Boundaries can be

- **physical**, geographical barriers,
- **abstract**, technological, normative, and organizational structures.

Boundaries are crucial for understanding how ideas are generated, developed, and implemented.

The concept of boundaries is used to explore innovation networks, knowledge management, and collaboration among industries.

Halal Innovations and Boundaries

Religious Boundaries

Halal innovations must align with Islamic laws and principles that regulate the permissibility of ingredients, production processes, and distribution.

Ethical Boundaries

Halal innovations must promote moral values such as welfare, honesty, and transparency in all stages of product development.

1

5

2

4

3

Legal Boundaries

Halal innovations must comply with national and international laws and standards related to Halal quality certification and labeling.

Terminological Boundaries

Besides the above-mentioned constraints, terminological boundaries play a crucial role in the development of Halal innovations.

Technological Boundaries

Constraints and challenges in applying technologies that are compatible with Halal standards, such as tracking and authentication technologies.



Terminological Boundaries

Importance of Terminology

Terminological boundaries play a crucial role in the development of Halal innovations, ensuring transparency and integrity of Halal certification.

Halal Product Naming

When a Halal alternative is used in production, it is important to form a new product name that clearly indicates Halal status.

Communicating Compliance

The new name should contain the adjective or determinant "Halal" to unambiguously communicate to consumers that the product is safe for consumption according to Islamic standards.

Promoting Authenticity

This approach helps maintain consumer trust and satisfaction while promoting the authenticity and transparency of Halal products in the global market.





Idea Paradigm

Innovation theory

„IDEA – VALUE“

the significance and role of ideas as the origin of every innovation

Halal Innovation Theory

„VALUE – IDEA – VALUE“

prioritizes values framing idea, implemented idea initiates new value





Internal and External Boundaries

Internal Boundaries

Internal boundaries arise from Halal regulations themselves, which are strict and immutable, based on Islamic law and ethical guidelines.

External Boundaries

External boundaries arise from legal and regulatory frameworks within different countries, which can present challenges for the Halal industry.

Balancing Tradition and Innovation

Understanding and managing these boundaries is crucial for preserving the integrity of Halal products and building consumer trust.



Ethical Foundations and Boundaries



Trust

Trust is the foundation of Islamic business ethics, and adherence to Halal and Haram areas of business is crucial for ensuring product quality and integrity.



Halal Certification

Halal quality certification plays a key role in ensuring that products meet strictly defined standards and promote transparency.



Ethical Boundaries

Ethical boundaries in Halal product business are based on Islamic principles and values, which must be upheld in the innovation process.



Safety

Halal innovations must prioritize the safety and wellbeing of consumers, following strict halal guidelines and regulations



Sustainability

Halal innovations should promote sustainable practices and contribute to the long-term growth and development of the halal industry



Future Trends in Halal Innovation

1

Integrating Values

Future research should focus on practical examples of successful Halal innovations that integrate ethical, religious, legal, and technological aspects.

2

Embracing Modernity

The Halal industry can continue to innovate while maintaining its core values and principles, by combining Islamic teachings with modern technological and market developments.

3

Sustainable Growth

This approach supports the sustainable development of the Halal industry, ensuring that innovations remain true to Islamic values while meeting the needs of modern Muslim consumers.





Conclusions

1 Preserving Integrity

Understanding and managing boundaries for innovations in the Halal industry is crucial for preserving the integrity of Halal products and building consumer trust.

2 Multidisciplinary Approach

Through a multidisciplinary approach and continuous research, the Halal industry can achieve a balance between tradition and innovation, ensuring its growth and expansion in the global market.

