

## EXPLORING THE ROLE OF HALAL CERTIFICATION TOWARDS FOOD COMPANIES' PERFORMANCE IN MALAYSIA

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<i>Abstrak</i>	<i>Abstract</i>
<p>Permintaan untuk pensijilan halal telah meningkat dalam kalangan industri makanan di Malaysia berikutan dari kesan positif terhadap penjualan secara keseliuruhan. Pihak berkuasa sama ada di peringkat negeri mahupun persekutuan telah mengambil langkah-langkah untuk penambahbaikan prosedur halal iaitu penggunaan aplikasi dan melaksanakan piawaian halal yang diperlukan dalam proses operasi dan kegiatan komersial. Proses pensijilan memerlukan komitmen dari sektor komersial, yang melibatkan pekerja dari sektor perkhidmatan dan juga produk. Kajian ini meneroka peranan penting pensijilan halal</p>	<p>The demand for halal certification has increased among food industries in Malaysia due to the positive impact towards sales. Authorities from the state and federal levels have taken measures to facilitate the halal industry through improvement of halal procedures in the process of application and implementing the required halal standards in the operational process and commercial activities. The process of certification requires commitments from the commercial sectors, involving workers that provide services and products. This study explored the important role of halal certification on food industries'</p>

<p><i>terhadap prestasi industri makanan di Malaysia yang mempengaruhi kepercayaan dan integriti terhadap status kebersihan makanan. Kajian ini menggunakan Teori Tindakan Beralasan bagi menjelaskan peranan pensijilan halal dalam prestasi syarikat. Beberapa industri makanan halal tempatan yang memiliki pengalaman dalam peralihan penerimaan dan penolakan proses pensijilan halal di Malaysia dipilih dalam kajian ini. Kesan pensijilan halal tidak hanya bermanfaat bagi industri makanan, dalam pencapaian sijil halal, malahan peluang positif dalam perdagangan diperhatikan, peningkatan catatan penjualan dan peningkatan produk dan perkhidmatan makanan dari aspek keselamatan, kebersihan dan nilai halal. Oleh itu, industri makanan yang halal, bersih dan selamat dapat dicapai dan dibuat secara lestari dari sudut perniagaan.</i></p> <p><b>Kata Kunci:</b> Halal • Integriti • Rantaian Bekalan • Kecekapan • Penerimaan Kawalan Tingkah Laku</p>	<p><i>performance in Malaysia affecting trust and integrity towards the food hygiene status. The study used the Theory of Reasoned Action to explain the role of halal certification in the performances of the company. The experience of selected local halal food industries in Malaysia that had undergone the process of halal certification, and transitions of acceptance and rejection faced during the application was also researched. The impact of halal certification is not only beneficial to the food industry, in the attainment of halal certificates, positive opportunities in trade were observed, in increased sales records and improved food products and services in the aspects of safety, hygiene and halal values. Consequently, a food industry that is halal, clean and safe can be attainable and made sustainable from a business point of view.</i></p> <p><b>Keywords:</b> Halal • Integrity • Supply Chain • Performances • Perceived Behavioral Control</p>
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## 1.1 INTRODUCTION

Restaurants, regardless of the ownership by Muslims or non-Muslims, will be granted halal certificates upon complying essential requirements from regulatory authorities in terms of health, safety of their foods and the hygiene surrounding of the food production. Apparently, this provide halal certified food outlets the opportunities to tap on 60% Muslim population and 40% non-Muslims around the world. The acceptance of halal value proposition by both Muslim and non-Muslim restaurants is not only based on the *Shariah* requirement, but also includes the safety, sanitation, and hygiene aspects (*Toyyiban*). *Toyyiban*, emphasizes on the goodness of the food, as an added value to halal.

A food that might fulfill the requirement for halal, must also be *Toyyiban* from the health perspective. Halal and *Toyyiban*, therefore, is defined as assurance and guarantee that both aspects of halal and *Toyyiban* are integrated into holistic and balanced requirements that fulfil the condition, and application needs (Apnizan, 2018).

As it is mentioned in the Qur'an stated thus:

*“He has forbidden you only the Maytatah (dead animals), and blood, and the flesh of swine, and that which is slaughtered as a sacrifice for others than Allah (or has been slaughtered for idols, etc., on which Allah Name has not been mentioned while slaughtering).....” (Al-Quran, 2:173).*

Shopping malls in Malaysia have many halal restaurants. The shopping malls had managed to attract 147 646 tourists from Middle Eastern countries in 2010 which indicated an increase of 17% from the previous year. Whereas the hotels, restaurants, wholesale and retail trade account for 25% of the service sector growth (Zailani, *et. al.*, 2011). The food service industries in Malaysia can be categorized into three sectors (the market structure of food service industry is represented in Figure 1).

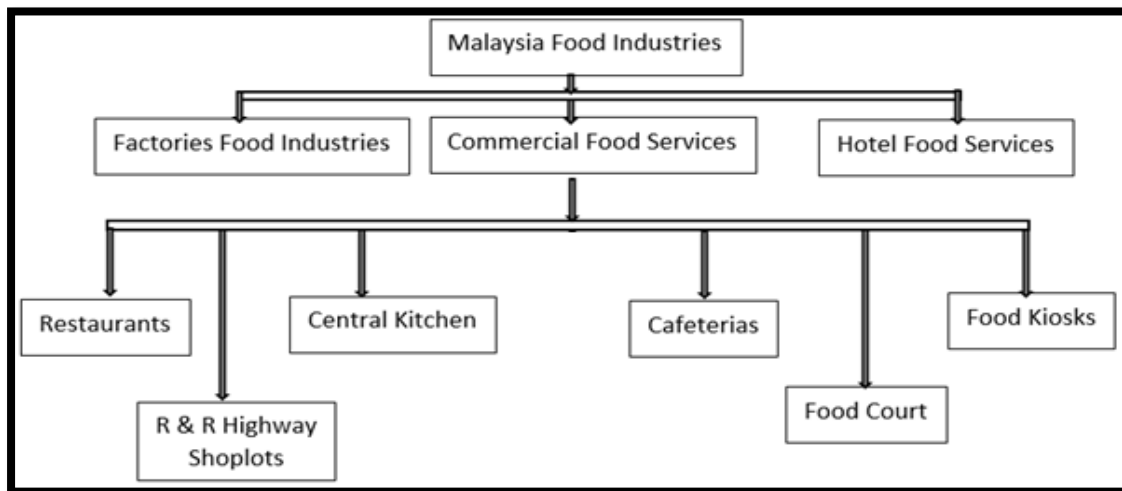


Figure 1: Market Structure of the Food Service Industry (Industry Research Department, 2015)

The first group of the food industries include bakery products premises. The second part of the food industry is the commercial food services (Industries Research Department, 2015). This can be categorized into Restaurants, Rest and Recuperation (R & R) in Malaysia, highway shop lots, central kitchen, street food, cafeterias, food courts and food kiosks. The last classification cluster is the hotel service industries. Considering the number of food outlets, most of these outlets have not been halal certified to meet up with the safety, hygiene, and health requirements.

**Table 1: Economic Contribution by Restaurants in Malaysia**

Major States	Percentage of Establishment	Number of Establishment
Selangor	16.7%	24,233
Kuala Lumpur	10.8%	15,801
Johor	10.5%	15,291

(Source: Department of Statistics Malaysia, 2011)

Previous studies revealed that the fast food sector is increasing as the demand from consumers are increasing and it also provides a quick meal solution for people who are busy and this trend is quite popular among those who live in urban areas (Table 1) (Habib *et al.*, 2011; Farhana & Islam, 2011). Due to the nature of working life, most people have ended up eating outside which has become the norms and culture in urban parts of Malaysia (Kaynak *et al.*, 2006).

It is to contend that Malaysia has become a popular tourist destination since the promotion of Visit Malaysia 2007 campaign which was launched in 2005 until 2017 (Chang, 2006). This has led to the growth of the food service industries in Malaysia. This growth is expected from increasing number of restaurants, hotels, factories, and food caterers offering a wide selection of international cuisines.

Measures to encourage these food outlets to apply halal certificates, include certain essential motivations that can induce in which the latter can give positive effect to their profits and sales. The Economic Census revealed that the food industries recorded gross

output value of RM82.8 billion in 2017 as compared to RM66.4 billion in 2015 with the annual growth rate value of 11.7 per cent. The number of persons engaged in this subsector also reported an increase of 3.7 per cent to 958,803 persons as compared to 891,616 persons in 2015. Meanwhile, the salaries & wages paid in 2017 amounted to RM12.2 billion as compared to RM9.7 billion in 2015 (Department of Statistics of Malaysia, 2019).

To seize the opportunities, industry players have placed greater efforts to gain and expand their market share in this growing niche (Yusoff, 2004). The launched Malaysian Standard, (MS 1500:2009) 2<sup>nd</sup> revision "General Guidelines on the Production, Preparation, Handling and Storage of Food" and Malaysian Standard, (MS 1500:2019) 3<sup>rd</sup> revision "General requirements" prescribe the practical guidelines for the food industry on the preparation and handling of food - for food product and food trade or business in Malaysia.

The productivity indicators in the industries amount to US\$81m in 2020. Output is expected to show an annual growth rate of 14.5%, resulting in a market volume of US\$140m by 2024. User penetration is 9.8% in 2020 and is expected to hit 15.1% by 2024 (Statista, May 2020). Malaysia has performed very successfully in recent years and the Mid-Term Review of the Eleventh Plan, announced in October 2018, postponed the target year to 2024 due to recent macroeconomic developments. To achieve the planned target would require maintaining the pace of growth and to focus on productivity gains. High-quality growth requires further efforts towards social inclusiveness and environmental protection.

As of 2020, the food-processing sector still accounts for about 10% of Malaysia's manufacturing output. Processed food contributed about RM19.4 billion and are exported to more than 200 countries, while Advances in processing technology have widened the usage of local raw materials, expanding the range of products and increasing the investment absorbing capacity in the food industry (MIDA, 2020).

## 1.2 METHODOLOGY

The significance of this study is deemed as being two-folded. Firstly, this study will serve as a reference point on the government policy and how this improvement can be implemented effectively in relation to management, and how integrity through management of properly handling the processes may lead towards consistent quality; this will enable the management to know the determinant factors that can improve the maintenance of halal compliance especially from the food industries. Secondly, at the industries level, this study will serve as the ways of maintaining the growth of food products. This study will serve the industries in terms of compliance, gaining more customers, increasing more outlets, and elevating more sales through halal certification.

The researcher was appointed as the Halal Adviser of the Hailam Kopitiam matters to work with the Operation Manager (Jeffrey Munap) of HL Hailam Food Industry Sdn Bhd. (Franchisor and Central Kitchen (CK)) of Hailam Kopitiam. All the data acquired for this study does not have confidentiality issue and the consent to use this data for this has been approved by appropriate authority. All the data is derived from the close working relationship with the Operation Manager. The methodology is qualitative. We interviewed the Operation Managers personally, the Halal Executive of the CK, and involved on sites outlet supervisors. The research design is qualitative in approach which evaluate judgmental performance.

A systematic sampling is a non-probability sampling technique that is appropriate to use in research when the members of a population are not of equal chance. The unit of analysis of population to be studied is at the firm level. The time horizon is longitudinal sectional because the impact will be tested before certification and after certification. As systematic sampling is not representative of the larger study population, it will be primarily used for exploratory purposes. Interviews are carried out as the primary data collection method. Unstructured questionnaire was established to conduct a survey.

### **1.3 LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

#### **The Theory of Reasoned Action (TRA)**

The process decision-making towards certification for food industries can be explained through the Theory of Reasoned Action (TRA). The theory is established to study human behaviours and the reason for performing some actions (Ajzen & Fishbein, 1980). TRA points out that firms' actions are influenced by their intentions. Many food industries may apply for certificate for their food premises by their intentions to gain more customers, increase the number of their outlets and increase sales which are the main goals of every food premise.

The first aspect of TRA is attitude towards the behaviour. This is the feeling of performing negative or positive actions. Upon being certified, the customers will have the feeling of trust on the certified companies and believe that their food are hygienic, nutritious, and safe. In the process the companies can maintain the standard, commitment, and trust to retain the certificate. The second aspect is of the subjective norms influenced by parameters namely the belief of the management. Muslims among the owners may want to practice their teachings by maintaining the halal standard because this aspect is based on the *sharia* perspective. The non-Muslims are likely to advocate the certificate for hygiene, healthiness, and cleanliness.

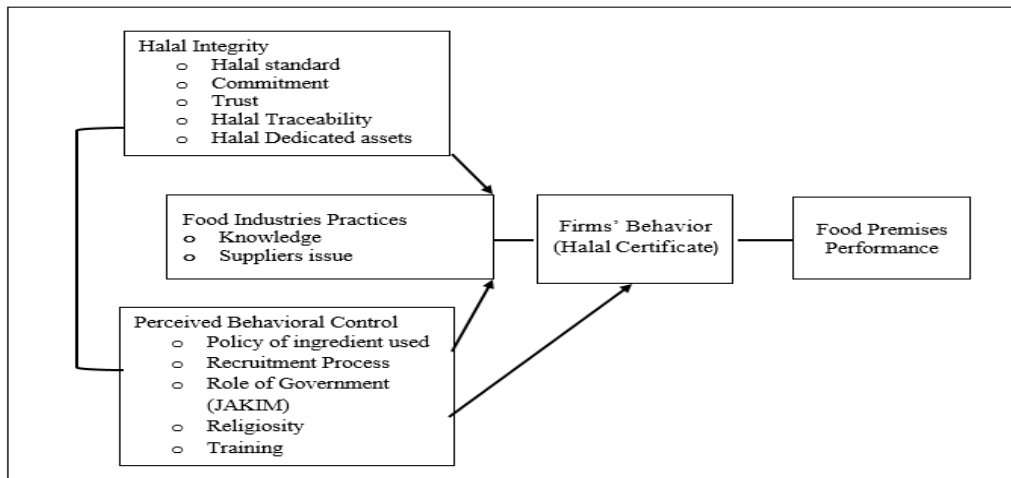
The last aspect is the stage of Perceived Behavioural Control (PBC). This is the part where JAKIM can control the firms that have been certified to maintain and improve their cleanliness, hygiene, and halal standard. It is imperative to understand that halal certification initiatives may not automatically lead to improvement of the company's performance, through halal certification documentations only. It is a misleading belief that quality and halal can sustain profits and brand trust, through just paper qualifications and certifications only. It is imperative to look for the trusted companies with good monitoring guidelines for the quality and safety of the food production.

The following verses explain the types of food to be eaten; kind of beverages to be consumed and where to eat. Precaution should be considered if consumers consume food prepared outside their homes, where the food processing is arguably measuring up to the required standard. The *Quranic* provision on the consumption of food is further expressed in the following verse:

*“And eat of the things which Allah has provided for you, lawful and good, and fear Allah in Whom you believe” (Al-Quran, 5:88).*

This control stage is essential to check the practices of certified firms from time to time as aligned with the performance; otherwise, many firms may decide not to apply for the halal certification, a second time, or continue. The food service establishments are required to implement the Halal Assurance System and meet the 4Ps (1-people- workers involved, 2-premises, 3-products, from raw materials to finished goods, and finally, 4-processes involving procedures, production and manufacturing.

Production of nutritious and safe food for eating is inevitably necessary in food service industries and this quality must be certified for the safety guarantee held by the food premises that meet the requirements.



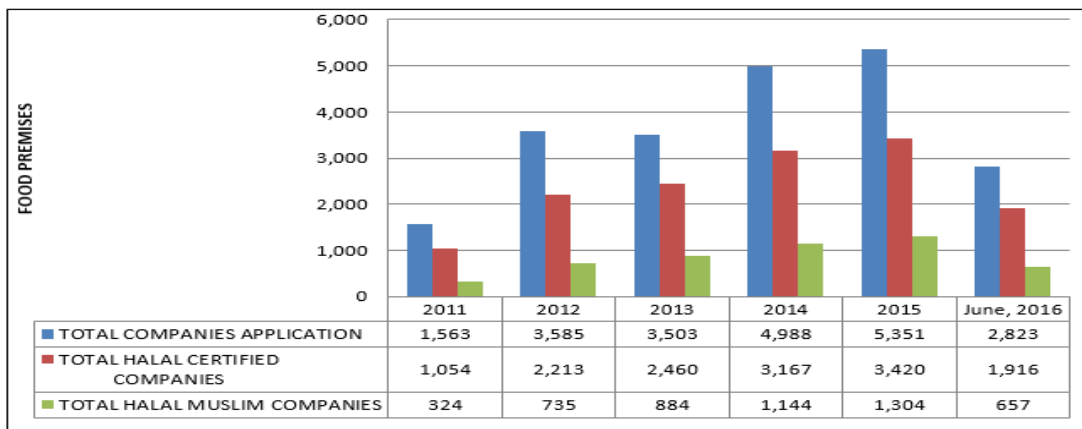
**Figure 2: Conceptual Framework of Food industries' Behaviours towards halal Certification**

Previous researchers have very much emphasized on the food supply chain yet paid less attention on halal food performance. This can be found in literature pertaining to food premises' performances in relation to the food industries. Therefore, this study (Figure 2) assessed the three determinants of theory of reasons for actions such as attitude towards the halal integrity and perceived control on factories, hotel, and other food outlets.



### 1.4 FOOD INDUSTRIES' PERFORMANCE

There is a need to look at what kind of impact halal certification had brought to the food companies' performance and established ways in maintaining and sustaining customers' trust and integrity after being certified. The number of food premises applying for halal certificate has increased in the recent times. In 2015, the food premises application increased by 29 % from 2011 to 2015 as represented in Figure 3.



**Figure 3: Halal Certification Application Statistics for the Whole of Malaysia 2011-2016 (JAKIM, 2016)**

Food industries have been trending in Malaysia nowadays. The number of accepted certified halal food premises increased by 30 % from 2011 to 2015. In addition, the total number of halal certified food premises owned by Muslims has also increased by 25% from 2011 to 2015. This increase in the number of applications is due to consistent increase

in sales and mushrooming number of premises outlets granted with halal certificates.

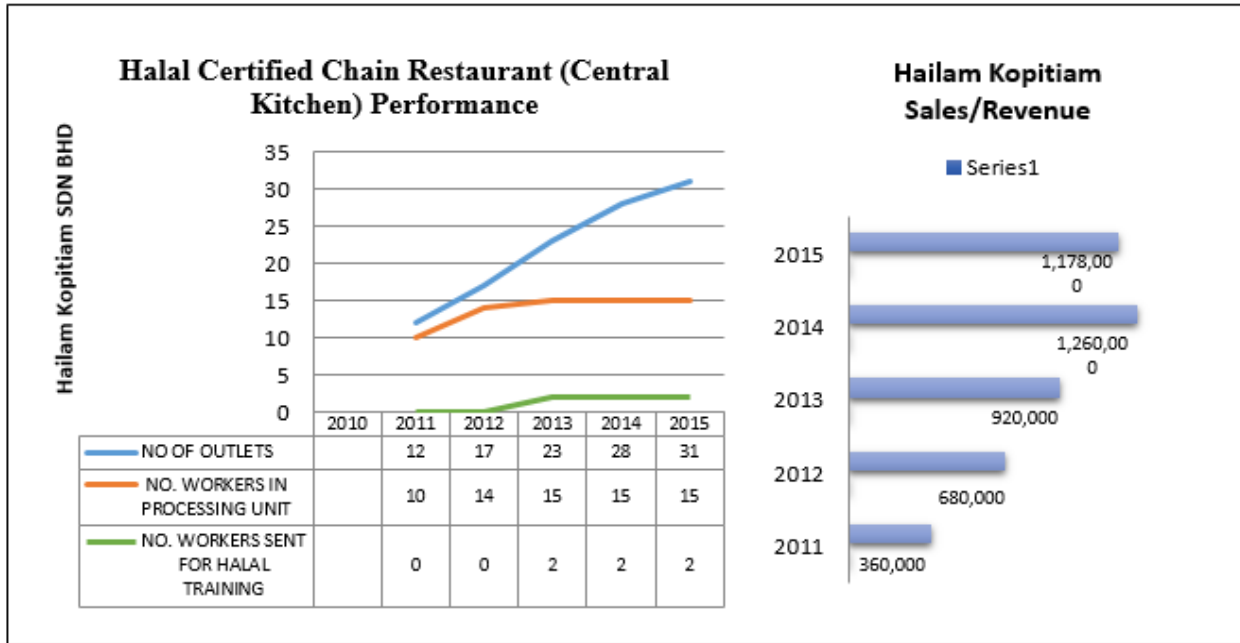


Figure 4: Hailam Kopitiam Central Kitchen's Performance (HL Hailam Food Industry Sdn.Bhd.)

The restaurant usually endows the minimum of two workers per year to training to acquire the necessary knowledge and skills for processed food. Through the training, the performance of Hailam Kopitiam has changed tremendously afterwards. The food premises recorded an increase in sales for about 52.9% from 2011 to 2012; 73.9% from 2012 to 2013 and 73% from 2013 to 2014. The food premise recorded a slight loss of 6.9% due to the implementation of Government Service Tax GST tax but the food premise has been able to overcome its losses (Figure 4).

These food premises shown below indicated that most of the certified food industries performed very well after getting the certification (Table 2).

Table 2: The List of Certified Halal Hailam Kopitiam Premises

No	Name & Address	State	Halal Registration Number	First Halal Certified Date	Expired Date
1	HL Hailam Food Industry Sdn. Bhd. 9&11, Jalan Orkid 10, Taman Orkid, Bt. 9,	Selangor	Jakim/(S)/(22.00)/49 2/2/ 1 121-02/2012	01/04/2013	15/12/2017

43200 Cheras, Selangor					
2	Kst Kopitiam No. 11, Jalan Kiara 2, Pusat Perniagaan Kiara, 72100 Bahau, Negeri Sembilan	Negeri Sembilan	Jakim/(S)/(22.00)/49 2/2/ 2 129-05/2013	01/09/2013	30/04/2018
3	L Providore Sdn Bhd No. Pt 7486, Jalan Bbn 1/1e, 71800 Putra Nilai, Negeri Sembilan	Negeri Sembilan	Jakim/(S)/(22.00)/49 2/2/ 2 155-05/2013	01/09/2013	30/04/2018
4	Hailam Kemaman Lot 3890, Jalan Mak Chili, 24000 Chukai, Kemaman, Terengganu	Terengganu	Jakim/(S)/(22.00)/49 2/2/ 2 075-05/2013	15/01/2014	15/01/2018
5	Vip Strategy Sdn Bhd No. 2, Jln Ss 15/8b, Ss15, 47500 Subang Jaya, Selangor	Selangor	Jakim/(S)/(22.00)/49 2/2/ 2 090-01/2016	01/07/2016	30/06/2018
6	Hailam Kopitiam Sdn Bhd No. 32g, Jalan Wangsa Delima 11, Delima Wangsa, Wangsa Maju, 53300 Kuala Lumpur	Kuala Lumpur	Jakim/(S)/(22.00)/49 2/2/ 2 091-05/2013	01/09/2016	31/08/2018
7	Hailam Kopitiam Sdn Bhd No.44-C&D, Jalan Pudu, 55100 Kuala Lumpur	Kuala Lumpur	Jakim/(S)/(22.00)/49 2/2/ 2 091-05/2013	16/09/2016	15/09/2018
8	Bidara Kukuh Sdn Bhd Lot 1735 & 1736, Jalan Wira 2/1, Taman Wira Jaya, 72000 Kuala Pilah, Negeri Sembilan	Negeri Sembilan	Jakim/(S)/(22.00)/49 2/2/ 2 001-04/2016	15/11/2016	15/11/2018

(Source: Malaysia Portal (2017))

## 1.5 FACTORS INFLUENCING FOOD INDUSTRIES PRACTICES AND FOOD INDUSTRIES' PERFORMANCE

### Halal Integrity

The halal integrity of ingredients used by most companies have been questioned recently. Certifying the ingredients of foods must be done meticulously as some of industries may not be complying the halal procedures after being certified. Therefore, farmers,

processors, food premise owners, food handlers, food servers and government regulators must ensure that the supply chain complies with *shariah* and needs of the customers.

On the other note, there is a big issue on the food supply chain due to movement of food from one distance to other distance and this has led to the challenges whether the halal integrity of such product is compromised or not. The responsibilities of supply chain should be adequately taken care of by the relevant authorities. Various studies have argued that food supply chain depends solely on halal integrity assurance based on the rigorous and competitive nature of our environment (Lodhi, 2009; Khan, 2009; Tieman, 2011). Jaafar *et al.* (2011) pointed out that halal integrity is trusted and maintained if the food product is with the producing firm. However, once the product departed from the factory or transferred along the food supply chain, the trusted food product will only be secured if the new handler abides by the processes and procedures.

The complexity of the whole value chain of halal procedures from farm to mouth may result in non-conformance of status either by unintentionally (accidental nature) of cross contamination; loopholes in laws (regulations/certifications) or negligence fraudulent practice and inadequate educated workers involved in the halal production lines of food or services. Therefore, the consequence borne is the loss of integrity in assurance. The intentional causes such as adulterant, contaminants and practices such as fake halal certifications may also be used by firms to gain more customers fraudulently.

Due to the rise in demand of halal food, halal procedures are still lacking in standard, procedures, thus resulting in low food industries growth (Wan Hassan, 2007). Prophet Muhammad SAW has specified the cardinal principles held where there is a standard to follow in food processing. There are dedicated procedures for handling the food process from the beginning of the production activity throughout the supply chain are to be done in a cleaned and accorded way. On the authority of Abu Ya'la Shahddad Ibn Aus, the Messenger of Allah said:

*“Verily Allah has prescribed proficiency in all things. Thus, if you kill, kill well; and if you slaughter, slaughter well. Let each one of you sharpen his blade and let him spare suffering to the animal he slaughters” (Muslim).*

## **Perceived Behavioral Control (PBC)**

Perceived Behavioral Control (PBC) is seen as one of the attributes that needs attention to monitor halal compliance from the food premises. PBC also captures the motivational factors that influence the behavior and indicates how hard people are willing to try to perform the behavior in question (Ajzen, 1991). In this study, it is hypothesized that the higher the perceived level of non-compliance towards the halal standard, the more likely the individual will not comply towards the stipulated requirements from respective authorities.

Schiffman & Kanuk (1994) revealed that attitude towards behavior influences the consumers' trust and creates tendency to support or against an action. If an industry is certified, it is this attitude that makes some firms to make more sales than others due to the trust from the consumers. This attitude has not been fully utilized by most food outlets especially the hotel restaurant. It was found that only 8% of the hotel restaurants have halal certificates indicating their compliance with halal practices. This number is relatively low due to the tourists' entries and the aspect of nutritious of the food served to them.

### *Policy on Ingredients*

The policy on ingredients is still the major issue in the food service industries. Most of the industries are not aware of what ingredients are necessary to be used in the food production process. The ingredients are used in food processing in order to ensure the safety and hygiene. A study by Zhari & Halim (2010) reported that the natural ingredients in Malaysia is worth of 8 billion Ringgit as in 2005. These ingredients consist of flavors and fragrances which are valued at 2.5 billion ringgit and this market is valued at 10 billion Ringgit as in 2010. It is mentioned that the ingredients used as raw materials must be lawful and follow halal practices mentioned in the guidelines of halal standard. The halal agents have the right to enforce what is lawful for the well-being of the community. This discussion is supported by the following verse which says:

*“They ask you (O Muhammad) what is lawful for them (as food). Say: “Lawful unto you are At-Tayyibat [all kind of (lawful-good) foods which Allah has made lawful (meat of slaughtered edible animals, milk products, fats, vegetables and fruits, etc.)]. And those beasts and birds of prey which you have trained as hounds, training and teaching them (to catch) in the manner as directed to you by Allah; so eat of what they catch for you, but pronounce the Name of Allah over it, and fear Allah. Verily, Allah is swift in reckoning” (Al-Quran, 5:4)*

### *Recruitments*

The companies must employ at least two Malaysian nationality Muslims based on JAKIM’s procedures (Soong, 2007) for companies to be certified. In the hadith, on the authority of Abu Huraira (may Allah pleased be with him), who said: The Messenger of Allah said:

*“Allah the Almighty is good and accepts only that which is good. Allah has commanded the Faithful to do that which He commanded the Messengers, then he mentioned [the case of] a man who, having journeyed far, is dishevelled and dusty and who spreads out his hands to the sky [saying]: O Lord! O Lord!-while his food is unlawful, his drink is unlawful, his clothing unlawful, and he is nourished unlawfully, so how can he be answered!” (1015, Sahih Muslim, Book 15, Hadith 83).*

### *Religiosity*

Worthington *et al.* (2003) describes religiosity as the individual’s or firm’s perception of norms, social pressure and actual belief to decide whether to perform or not to perform a particular action. Subjective norm is what people believe to be the way of doing things. Previous studies have shown that religious has been one of the determinants that can influence firm or consumers’ attitudes towards performing particular behaviours (Delener, 1994; Pettinger *et al.*, 2004). Conrad (2004) describes religiosity as the level of devoutness towards God and the willingness to follow all the ways of life set up by God and his prophets. Therefore, religiosity is seen as an attribute that can influence human decisions towards specific behaviours. Religiosity can influence food service outlet to

seek for halal certification not just to increase sales but see it as an act of worship (Weaver & Agle, 2002). The study of Rahman *et al.* (2011) revealed that religion does not contribute to the non-compliance attitudes among restaurant owners towards various halal practices. Halal compliance is another major issue that should be addressed. After halal certificate is conferred, *ad hoc* premise visit will be planned and conducted to monitor the compliance of the halal practices by the companies.

### **Food Industry Practices**

Rahman *et al.* (2011) recognized that the Food Industry Practices is having inadequate knowledge; supplier and governance issues that has majorly served as one of the contributing factors to the non-compliance behavior towards halal practices among restaurant owners. In the process of producing food, the workers must be in the cleaned and proper condition. The environment must be hygienic too. The workers must wear neat attire and require safety clothes to be used during the process of hygienic foods. Human's competencies and skills training are the keys to success factors for sustainability in the competitive market of industry. The factors include the development on the industry's know-how and good industry practices. Establishing and penetrating the halal market can be difficult and painstaking, thus, Halal Development Cooperation (HDC) offers training and consultancy services and industry databases to help individuals and organizations to enhance their industrial knowledge and skills ([www.hdcglobal.com](http://www.hdcglobal.com)).

### **Challenges and Prospects of Halal Food Industries**

There are various challenges that are faced by halal food industries that need urgent attention from various stakeholders. These areas have not been fully encountered in the previous studies as follows:

- Difficulties of getting halal ingredients by certified food industries: Most of the certified food industries make complaints on the validity of expiry date for the certificate owned by the ingredients. Therefore, most of certified food industries ended up changing ingredient without informing JAKIM. This has led to deregistering of some companies that are victim of these circumstances (Hunter, 2019).

- The issue of employment of local Muslim workers need to be addressed. Most of the local Muslim workers are not ready to work in restaurant due to the low-income offered. Food companies are only ready to employ people that will enhance their revenue. Therefore, for local Muslim workers to get employed, they must possess experience and skills that will improve the growth of the food industries. Hence, the procedures need to be examined by JAKIM (Asnida *et al.*, 2017).
- In addition, most of the food industries' management and their workers are lacking in knowledge, about the concept of halal. The term is new to them. This may have resulted towards non-compliance of some food industries after certification.

## 1.6 DISCUSSION

There is a need to explore the importance of halal certificate on food industries performance, religiousness, and compliance (Siti Aminah & Risyawati, 2018). This study holds halal certification as moderating role between halal practices and food industries performance. This study examines food industries' performance in different perspectives by using halal integrity, practices, and halal compliance as independent constructs. By looking at these variables in relation to food industries performance, the government and policy makers are found to be the motivating factors that can encourage other firms to seek halal certification for their companies. Besides, it promotes the growth of halal products without affecting the integrity, compliance, and practices of the organizations. It is recommended for JAKIM to employ and train more workers in relation to halal management to sustain the consistent growth of halal certification process (Nuratifah *et al.*, 2019). In addition, the process of certifying for each company is time-consuming. The process should be redefined through technology rather than casual checking in three months' time. Not only the morale of new food service firms but it also serves the importance of hygiene, sanitary environment and the long-term effect of growth of the economy.

In case of the number of outlets shows that in the year 2011, only (12) but in the following years, it increased to (17) in 2012, 2013 (23), 2014 (28) and 2015 (31) respectably. So when we look in another part as processing unit it is the same thing, in the year 2011 only (10)



workers themselves, but subsequent years, it increased the number of workers in the unit for example from (10 to 14 )2012. Whereas 2013 it is increased to 15 workers, but 2014 and 2015 maintain the same number of workers in the processing unit. But we can say that the performance it is high, according to analysis give in the figure 4 above. When we look at Figure 4, training programs were held in the year 2013 up to 2015 for operations manager in Hailam Food Industry.

## 1.7 CONCLUSION

Bearing the halal certification can initiate high performance for firms in food industries in Malaysia which leads to the significant development in Malaysia in terms of performance in the future. The difficulty in getting halal certified ingredients and additives should be given enough attention to maintain the integrity and compliance of halal practice. Creating “Halal One Stop Center (HOSC)” to gather information from the major producers of halal ingredients who supply different ingredients from all over the world will help the Malaysian halal food industry. As JAKIM gives recognition for certificates from certain certifying bodies (restaurants, hotels, factories), industries can purchase the products from HOSC. An encouragement for the food industries to employ more competent local Muslim workers, can be made by the government to introduce “Halal Culinary Training Centre”. This training center will gather most especially school leavers and train them for possibly two years on different styles of cooking and practices, to produce workers with good standard of experiences and good remuneration. Apart from giving adequate training to the school leavers, government or JAKIM are actually facilitating the companies to have Malaysian Muslim-skilled-workers as cooks and food handlers, and decrease dependence on foreign workers to sustain the halal status and certification. A continuous halal training should continuously be given to the management and workers to improve the compliance of the food industries but also the integrity of the halal certificate which should be in parallel. A future research should examine the quantitative, qualitative or triangulations on the role of halal certification on food industries performance and practices.

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