

# **FBM INSIGHTS** UNIVERSITI TEKNOLOGI MARA CAWANGAN KEDAH

Volume 4

2021

e-ISSN 2716-599X





# **FBM INSIGHTS**

Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kedah e-ISSN 2716-599X

The editorial board would like to express their heartfelt appreciation for the contributions made by the authors, co-authors and all who were involved in the publication of this bulletin.

- Published by : Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kedah, Malaysia.
- Published date : 30 September 2021

Copyright @ 2020 Universiti Teknologi MARA Cawangan Kedah, Malaysia.

All rights reserved. No part of this publication may be reproduced, copied, stored in any retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission from the Rector, Universiti Teknologi MARA Cawangan Kedah, Kampus Sungai Petani, 08400 Merbok, Kedah, Malaysia.

The views, opinions, and technical recommendations expressed by the contributors and authors are entirely their own and do not necessarily reflect the views of the editors, the publisher and the university.

# **TABLE OF CONTENTS**

Editorial board	iii
Rector's message	iv
From the desk of the head of faculty	V

1.	CROWDFUNDING: A NEW NORMAL IN MALAYSIA Anita Abu Hassan, Fauziah Mohamad Yunus & Mohd Syazrul Hafizi Husin	1
2	DEVELOPMENT OF THE ARCHAEOLOGY SITE: DOES DONATION- CROWDFUNDING IS THE ANSWER? Anita Abu Hassan, Mohd Syazrul Hafizi Husin & Fauziah Mohamad Yunus	3
3	IMPACT OF MICROCREDIT PROGRAMME ON PARTICIPANTS' BEHAVIOUR IN MALAYSIA: AN OVERVIEW Zuraidah Mohamed Isa, Dahlia Ibrahim & Zaiful Affendi Ahmad Zabib	6
4	A QUEST ON THE STUDENTS LEARNING PREFERENCES Nurul Hayani Abd Rahman, Shaira Ismail & Nani Ilyana Shafie	8
5	LEVERAGING ON VISITOR'S HERITAGE TOURISM MOTIVATION Khairul Azfar Adzahar, Mohd Fazil Jamaludin & Mohd Shafiz Saharan	11
6	GREEN HUMAN RESOURCE MANAGEMENT AND ORGANIZATIONAL SUSTAINABILITY Nurul Hayani Abd Rahman, Shaira Ismail & Nani Ilyana Shafie	13
7	FACTORS CONTRIBUTING TO HUMAN CAPITAL PRODUCTIVITY Hamizah Hassan	16
8	WEBSITE QUALITY: ITS IMPACT ON THE USERS Norhidayah Ali, Azni Syafena Andin Salamat & Nor Zaini Zainal Abidin	18
9	BRIEF HISTORY OF WAQF: THE OTTOMAN EMPIRE Dahlia Ibrahim & Zuraidah Mohamed Isa	21
10	HALAL FOOD SUPPLY CHAIN MANAGEMENT: ISSUES IN MALAYSIA HALAL FOOD AND BEVERAGES INDUSTRY Musdiana Mohamad Salleh & Etty Harniza Harun	24
11	SOCIAL ENTERPRISE: NEW WAY TO DO BUSINESS IN MALAYSIA Roseamilda Mansor & Nurul Hayani Abd Rahman	30
12	THE ADVANCEMENT OF HUMAN RESOURCE MANAGEMENT IN THE NEW AGE Sarah Sabir Ahmad & Azfahanee Zakaria	34
13	VOICE OR SILENCE: DOES IT REALLY MATTER? Etty Harniza Harun, Musdiana Mohamad Salleh & Nor Aslah Adzmi	37

14	<b>TAWARRUQ AS AN ALTERNATIVE TO AR RAHNU STRUCTURE</b> Mohd Shafiz Sharan, Mohd Fazil Jamaludin, Khairul Azfar Adzahar & Norwahida Wagiran	40
16	A SNAPSHOT OF HIGH-PERFORMANCE ORGANIZATION (HPO) Azfahanee Zakaria, Syed Mohammed Alhady Syed Ahmad Alhady & Sarah Sabir Ahmad	45
16	WORKING FROM HOME AND STRESS AMONG LECTURERS: A REVIEW Zainuddin Mohd Piah, Azyyati Anuar & Bawani Selvaraj	47
17	A BRIEF HISTORY OF LEAN Azyyati Anuar, Daing Maruak Sadek & Bawani Selvaraj	51
18	SUSTAINABILITY OF MICRO AND SMALL ENTERPRISES DURING COVID- 19 PANDEMIC Baderisang Mohamed & Mohd. Sukor Bin Md. Yusoff_	54
19	THE USAGE OF ONLINE PAYMENT TRANSACTION DURING COVID-19 PANDEMIC Ramli Saad, Wan Shahrul Aziah Wan Mahamad & Mursyda Mahshar	59
20	COVID-19 PANDEMIC: THE INSIGHTS ON ONLINE LEARNING Ramli Saad, Yong Azrina Ali Akbar & Mursyda Mahshar	62
21	<b>IS TIKTOK A NEW JOB BOARD?</b> Mohd Fazil Jamaludin, Mohd Shafiz Saharan & Khairul Azfar Adzahar	65
22	GENDER AS A MODERATING VARIABLES OF E-PAYMENT Khairul Azfar Adzahar, Mohd Shafiz Saharan & Mohd Fazil Jamaludin	67
23	ODL'S POSTMORTHEM, STUDENTS AS CUSTOMER OR PRODUCT? Shakirah Mohd Saad, Intan Nazrenee Ahmad & Rosliza Md Zani	69

# HALAL FOOD SUPPLY CHAIN ISSUES IN MALAYSIA HALAL FOOD AND BEVERAGES INDUSTRY

Musdiana Mohamad Salleh diana001@uitm.edu.my Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kedah

Etty Harniza Harun etty@uitm.edu.my Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kedah

# INTRODUCTION

The word halal can be defined as anything which is permissible in Islam and good for human beings (Rahman, 2007). The rule is based on Islamic law, which enables Muslims to determine if products or services are halal. Halal (permitted) and the prevention of haram (forbidden) is one of the practices of Islam. Halal also provides guidelines on how to specifically consume goods for Muslims based on Islamic values. Muslims may only eat halal, though haram is forbidden, and doubtful items must be avoided (Haleem, Khan, Khan, & Jami, 2020; Rahman, 2007; Yusuf Al-Qaradawi, 1999)

Halal supply chain is the management of halal network with the objective to extend the halal integrity from source to the point of consumer purchase (Standards Malaysia, 2019). According to Tieman (2011) maintaining a robust halal supply chain is a major challenge for all halal food producers, since the halal concept encompasses not only the sources of food ingredients, but also food processing and handling, packaging, storing, and delivering (Shah Alam & Mohamed Sayuti, 2011). Without a proper supply chain, there is no guarantee that halal products are truly halal at the point of consumption. Issues relating to halal, particularly on food consumption, have long been a source of contention. This paper attempts to address various issues in relation to halal food supply chain as well as indicate a gap in the literature and current practices.

# LITERATURE REVIEW

Research on halal supply chain is generally recent. Based on a systematic literature review on the management of halal food, the findings suggest that the halal supply chain theme has less studies (Haleem et al., 2020; Mohamed, Abdul Rahim, & Ma'aram, 2020). Majority of halal food literature focuses on marketing topics such as customer knowledge, halal product views, and consumer purchasing behaviour (Ashraf, 2019; Awan, Siddiquei, & Haider, 2015; Elseidi, 2018; Karoui & Khemakhem, 2019; W. Khan, Akhtar, Ansari, & Dhamija, 2020; Soon & Wallace, 2017). Most of the current halal food literature in Malaysian context explores on market knowledge studies to better understand the halal product from consumers' perspectives and their purchasing behaviors (Amalia, Sosianika, & Suhartanto, 2020; Azam, 2016; Marmaya, Zakaria, & Mohd Desa, 2019; Wibowo & Ahmad, 2016). Halal supply chain theme only focusses on the analysis of halal logistics (Abid Haleem et al., 2018; Zailani, Iranmanesh, Aziz, & Kanapathy, 2017) and halal principles in the supply chain (M. I. Khan, Haleem, & Khan, 2018; Tieman, 2015; Wahyuni, Vanany, & Ciptomulyono, 2019)

This paper defines Halal Food Supply Chain (HFSC) as the process of managing halal food products from point of origin to point of consumption, involving various parties ranging from suppliers to end-users. Halal food should be wholesome with, safe, nutritious, non-poisonous, non-intoxicating or non-hazardous to health (Soon, Chandia, & Regenstein, 2017; Tieman, 2020). The major purpose of HFSC is to ensure that the halal status of a particular food product is maintained throughout the full supply chain process. The process can be complicated and

extensive since halal items must be prepared to a specific standard of quality and adhere to strict criteria to maintain halal standards and integrity throughout the supply chain. The possibility of product cross-contamination can occur throughout the entire supply chain processes at various stages particularly during sourcing, processing, handling, packaging, storing, and delivering (Mohamed et al., 2020; Tieman, van der Vorst, & Ghazali, 2012)).

### FOOD AND BEVERAGES INDUSTRY

Global halal food industry has been recognized as the new engine of economic growth and is now one of the fastest growing markets globally. By 2030, the global halal market is expected to grow to USD 5.0 trillion and this industry values USD 560 billion a year with a growing rate of 20% (HDC, 2019). The increase in global halal food expenditures can be translated into increased purchasing power, implying that the halal food market is a potentially competitive field. As Muslim populations grow and spread around the world, so does the global demand for halal food products. According to the Pew Research Centre report, by 2050, the Muslim population across the world is expected to reach 2.76 billion, or 29.7% of the world's population (Pew Forum On Religion And Public Life, 2009).

At the global arena, Malaysia emerged highest in the annual Global Islamic Economy Indicator (GIEI) for year 2020/21, its eighth year in a row and among the top countries that have the best developed ecosystem for halal food and beverages industry. Malaysian halal industry also experienced a positive trend in terms of the contribution to Malaysian GDP with approximately 7.0 per cent for 2019 and 7.4 per cent in 2020. By 2025, the revenue is expected to show an annual growth rate (CAGR 2021-2025) of 11.1%, resulting in a projected market volume of USD 156 million and the average revenue per user (ARPU) is expected to amount to USD27.88 million (Dinar Standard, 2020). The number of Malaysia's halal exports also experienced a gradual increase from 2010 to 2019. The domestic market for halal products is worth USD 70 billion and it is expected to reach USD150 billion by 2030 (HDC, 2019).

Malaysian halal industries were established in 1974, when the Department of Islamic Development Malaysia (JAKIM) issued halal certificates. Over the years, the Malaysian government has provided unwavering support for the development of the halal industry through the establishment of the Halal Industry Development Corporation in 2006 and Halal Industry Master Plan (HIMP). Furthermore, 14 halal parks throughout Malaysia are also developed by the government. From 2010 to 2017, the total investment in Halal Park has reached RM13.3 billion (HDC, 2019). This underlined the government's strong desire to make Malaysia as the worldwide halal hub and the industry's leading country (Times, 2020)

# **ISSUES IN MALAYSIAN HALAL SUPPLY CHAIN**

The development of a well-trusted halal food supply chain relies on halal integrity. When integrity is regularly monitored, halal assurance can be achieved. Integrity can be defined as the process by which the verified food has complied with the description provided on the label (Ahmad & Shariff, 2016)

Halal food manufacturers are required to maintain their integrity as the primary effort to prevent consumer fraud regarding the halal quality of their products. Halal food manufacturer need to ensure that the integrity of halal products is not jeopardised as the supply chain processes progress from upstream to downstream, all the way to the point of consumption. (Tieman, 2011; Tieman et al., 2012). Halal customers are also concerned on the status of halal food as most food products come from various parts of the world like non-Muslim countries. In the supply chain activities, there are several critical areas which have the potential to contaminate with non-halal products. They wonder whether non-halal materials are mixed with the materials of halal food products (Ab Talib, Pang, & Ngah, 2020; Aliff et al., 2015; Haleem, Khan, & Khan, 2019).

Generally, the halal food supply chain issue can be divided into three (3) main categories:

#### a. Product Segregation Issues

Segregation is needed throughout the supply chain to ensure that halal products are protected throughout. Diverse stages of the supply chain, such as transportation and storage require segregation system. Halal certification by JAKIM is thus required of all major supply chain players, including producers, processors, dealers, suppliers, and retailers. It must be used in combination with the policy of physical segregation under The International Halal Logistics Standard (IHIAS 0100:2010). According to Karia (2019), some manufacturer still fail to obtain their halal logistics certification due to high initial cost and insufficient resource-capability for the implementation of halal logistics.

### b. Tracking and Traceability Issues

Traceability refers to an object's ability to follow its history, application, or location. From a halal standpoint, the supply chain integrity is predicated on its lack of contamination with haram, and traceability plays a vital role in ensuring halal integrity. RFID (Radio Frequency Identification) technology as a tracking tool can assist in improving supply chain, lowering distribution costs, and integrating the delivery system with the inventory control system. However, there are still insufficient information technology support for database and information system when applying traceability system in Malaysian scenario (Aliff et al., 2015; Haleem et al., 2019)

### c. Halal Certification Issues

Although the government has been putting a lot of efforts and initiatives in supporting Malaysian halal market, halal food manufacturers are still a little bit slow in responding to establish their halal certification. According to Halal Industry Development Corporation (HDC), in 2018, there are about 200,000 companies in Malaysia involved in halal related businesses but only 8,000 companies have halal-certification which 1,800 are MNCs and 1,300 are (SMEs). Low levels of awareness and lack of concern about the implementation of the halal label are the two major factors that justify the scenario of manufacturers are still reluctant to apply for halal certification (Adha, N.', Hamid, A., Shahwahid, F. M., Othman, N., & Saidpudin, W., 2017).) There are some cases where the JAKIM had to suspend or withdraw the halal certification approved to manufacturers due to non-compliance to halal standards. For example, in 2020, the "Malaysian Meat Cartel Scandal" tarnished the halal food industry's reputation after JAKIM had uncovered a fraudulent halal certification process. From a consumer's perspective, this dispute has created doubt and scepticism.

Based on the facts and circumstances, the main issue for Malaysian halal food manufacturers is ensuring halal food remain halal throughout the entire development and distribution process. Halal food manufacturers needed a reference in their halal-food supply chain design and framework to boost their customers' confidence and satisfaction levels.

# CONCLUSION

Today, as the world's Muslim population grows, so does the demand for halal food products. In the Malaysian context, consumers have always needed much more assurance that the halal food they consume are indeed halal. Globalized supply chains had increased the complexity of halal food integrity. The possibility of halal food becoming non-halal increases when the food travels a long distance and passes through many handling points. This can be a critical issue if the parties involved in the supply chain process do not fully understand the concept of halal and the importance of halal integrity. These will lead to dissatisfaction of halal food consumers. Malaysia's food and beverages industry faces considerable challenges. However, the extent of the halal supply chain in the Malaysian food and beverages industry, seems to be mostly unknown. In practice, do halal food manufacturers really extent the halal throughout their supply chain activities? Consequently, understanding manufacturers' capabilities to adopt halal supply chain is essential to be evaluated and it is also important to have some information regarding the adoption of halal supply chain among halal food manufacturers.

#### REFERENCES

- Ab Talib, M. S., Pang, L. L., & Ngah, A. H. (2020). The role of government in promoting Halal logistics: a systematic literature review. *Journal of Islamic Marketing*. https://doi.org/10.1108/JIMA-05-2020-0124
- Abid Haleem, D., Mohd Imran Khan, M., Shahbaz Khan, M., Abdul Hafaz Ngah, D., Haleem, A., Imran Khan, M., ... Hafaz Ngah, A. (2018). Assessing Barriers to Adopting and Implementing Halal Practices in Logistics Operations. In *IOP Conference Series: Materials Science and Engineering*. https://doi.org/10.1088/1757-899X/404/1/012012
- Adha, N.', Hamid, A., Shahwahid, F. M., Othman, N., & Saidpudin, W. (2017). *Challenges And Ways Improving Malaysia Halal Food Industry. Special Issue Sci.Int.(Lahore).*
- Ahmad, N., & Shariff, S. M. (2016). Supply Chain Management: Sertu Cleansing for Halal Logisitics Integrity. *Procedia Economics and Finance*. https://doi.org/10.1016/s2212-5671(16)30146-0
- Aliff, M., Majid, A., Hafifi, I., Abidin, Z., Adilin, H., Abd, M., & Chik, C. T. (2015). Issues of Halal Food Implementation in Malaysia. *Journal of Applied Environmental and Biological Sciences Www.Textroad.Com*.
- Amalia, F. A., Sosianika, A., & Suhartanto, D. (2020). Indonesian Millennials' Halal food purchasing: merely a habit? *British Food Journal*, 122(4), 1185–1198. https://doi.org/10.1108/BFJ-10-2019-0748
- Ashraf, M. A. (2019). Islamic marketing and consumer behavior toward halal food purchase in Bangladesh: An analysis using SEM. *Journal of Islamic Marketing*, *10*(3), 893–910. https://doi.org/10.1108/JIMA-03-2018-0051
- Awan, H. M., Siddiquei, A. N., & Haider, Z. (2015). Factors affecting Halal purchase intention evidence from Pakistan's Halal food sector. *Management Research Review*. https://doi.org/10.1108/mrr-01-2014-0022
- Azam, A. (2016). An empirical study on non-Muslim's packaged halal food manufacturers: Saudi Arabian consumers' purchase intention. *Journal of Islamic Marketing*, 7(4), 441–460. https://doi.org/10.1108/JIMA-12-2014-0084
- Dinar Standard. (2020). State of the Global Islamic Economy Report 2020/21. Dubai International Financial Centre.
- Elseidi, R. I. (2018). Determinants of halal purchasing intentions: evidences from UK. *Journal of Islamic Marketing*, *9*(1), 167–190. https://doi.org/10.1108/JIMA-02-2016-0013

- Haleem, A., Khan, M. I., & Khan, S. (2019). Halal certification, the inadequacy of its adoption, modelling and strategising the efforts. *Journal of Islamic Marketing*. https://doi.org/10.1108/JIMA-05-2017-0062
- Haleem, A., Khan, M. I., Khan, S., & Jami, A. R. (2020). Research status in Halal: a review and bibliometric analysis. *Modern Supply Chain Research and Applications*. https://doi.org/10.1108/mscra-06-2019-0014
- HDC. (2019). Halal Industry Development Corporation Halalan Toyyiban. Halal Development Corporation.
- Karia, N. (2019). Halal logistics: practices, integration and performance of logistics service providers. *Journal of Islamic Marketing*. https://doi.org/10.1108/JIMA-08-2018-0132
- Karoui, S., & Khemakhem, R. (2019). Factors affecting the Islamic purchasing behavior a qualitative study. *Journal of Islamic Marketing*, *10*(4), 1104–1127. https://doi.org/10.1108/JIMA-12-2017-0145
- Khan, M. I., Haleem, A., & Khan, S. (2018). Defining Halal Supply Chain Management. *Supply Chain Forum*. https://doi.org/10.1080/16258312.2018.1476776
- Khan, W., Akhtar, A., Ansari, S. A., & Dhamija, A. (2020). Enablers of halal food purchase among Muslim consumers in an emerging economy: an interpretive structural modeling approach. *British Food Journal*. https://doi.org/10.1108/BFJ-08-2018-0528
- Marmaya, N. H., Zakaria, Z., & Mohd Desa, M. N. (2019). Gen Y consumers' intention to purchase halal food in Malaysia: a PLS-SEM approach. *Journal of Islamic Marketing*, *10*(3), 1003–1014. https://doi.org/10.1108/JIMA-08-2018-0136
- Mohamed, Y. H., Abdul Rahim, A. R., & Ma'aram, A. (2020). The effect of halal supply chain management on halal integrity assurance for the food industry in Malaysia. *Journal of Islamic Marketing*. https://doi.org/10.1108/JIMA-12-2018-0240
- Pew Forum on Religion And Public Life. (2009). Mapping the Global Muslim Population: A Report on the Size and Distribution of the World's Muslim Population. *Pew Research Center*.
- Rahman, L. (2007). Syariah and Malaysian Halal Certification System. In J. Penyelid. Islam.
- Ramli, M. H., Rosman, A. S., Sikin, A. M., Jamaludin, M. A., & Ajmain, M. T. (2020). Halal Assurance at Farm Level in the Poultry Supply Chain. *Journal of Islamic, Social, Economics and Development (JISED)*.
- Sang-Hyeop Lee, Kai-Sean Lee, 김학선, & Kong-Check Siong. (2016). Non-Muslim Customers' Purchase Intention on Halal Food Products in Malaysia. *Culinary Science & Hospitality Research*, 22(1), 108–116. https://doi.org/10.20878/cshr.2016.22.1.012
- Shah Alam, S., & Mohamed Sayuti, N. (2011). Applying the Theory of Planned Behavior (TPB) in halal food purchasing. *International Journal of Commerce and Management*. https://doi.org/10.1108/1056921111111676
- Soon, J. M., Chandia, M., & Regenstein, J. Mac. (2017). Halal integrity in the food supply chain. *British Food Journal*. https://doi.org/10.1108/BFJ-04-2016-0150
- Soon, J. M., & Wallace, C. (2017). Application of theory of planned behaviour in purchasing intention and consumption of Halal food. *Nutrition and Food Science*, *47*(5), 635–647. https://doi.org/10.1108/NFS-03-2017-0059

- Standards Malaysia. (2019). Malaysian Standard 2400-1:201 Halal supply chain management system- Part 1: Transportation General requirements (First revision). *Malaysian Standard*.
- Tieman, M. (2011). The application of Halal in supply chain management: In-depth interviews. *Journal of Islamic Marketing*. https://doi.org/10.1108/17590831111139893
- Tieman, M. (2015). Halal clusters. *Journal of Islamic Marketing*. https://doi.org/10.1108/JIMA-05-2014-0034
- Tieman, M. (2020). The Halal Supply Chain. In Halal Business Management. https://doi.org/10.4324/9781003109853-5
- Tieman, M., van der Vorst, J. G. A. J., & Ghazali, M. C. (2012). Principles in halal supply chain management. *Journal of Islamic Marketing*. https://doi.org/10.1108/17590831211259727
- Times, N. S. (2020). 2020 Economic Stimulus Package full speech text (in English). 2020.
- Wahyuni, H., Vanany, I., & Ciptomulyono, U. (2019). Food safety and halal food in the supply chain: Review and bibliometric analysis. *Journal of Industrial Engineering and Management*. https://doi.org/10.3926/jiem.2803
- Wibowo, M. W., & Ahmad, F. S. (2016). Non-Muslim Consumers' Halal Food Product Acceptance Model. *Procedia Economics and Finance*, 37(16), 276–283. https://doi.org/10.1016/s2212-5671(16)30125-3
- Yusuf Al-Qaradawi. (1999). The Lawful and the Prohibited in Islam (Al-Halal Wal Haram Fil Islam) Yusuf Al-Qaradawi Google Books. America Trust Publication, 1994.
- Zailani, S., Iranmanesh, M., Aziz, A. A., & Kanapathy, K. (2017). Halal logistics opportunities and challenges. *Journal of Islamic Marketing*. https://doi.org/10.1108/JIMA-04-2015-0028