

CHALLENGES FACED BY NON-MUSLIM TRANSPORTER IN ADOPTING HALAL LOGISTICS CERTIFICATE

Hairul Rizad Md Sapry¹, Nur Syaza Sahira Mohd Takiudin², Abd Rahman Ahmad³

^{1,2}Industrial Logistic, Universiti Kuala Lumpur - Malaysian Institute of Industrial Technology (UniKL MITEC)

³Faculty of Information Technology and Management, Universiti Tun Hussein Onn (UTHM)

E-mail: hairulrizad@unikl.ed.my, nsyazasahira@gmail.com, arahman@uthm.edu.my

Received: 25.03.2020

Revised: 23.04.2020

Accepted: 01.06.2020

Abstract

The objective of this study is to unveil the issues encountered in the implementation of Halal Logistics from the perspective of the Non-Muslim transporter's company. As Halal is relevant to both Muslims and Non-Muslims, Halal products have been recognized and known worldwide in particular for health, safety, and hygiene. However, the introduction of two Halal concepts in Malaysia has created confusion among Non-Muslim transporter companies that are evident in low participation in Halal Logistics certification. With that, the purpose of this study is to identify the barriers that Non-Muslim transporters company face in adopting Halal logistics certificate and maintaining the integrity of Halal status throughout the supply chain process. This study is exploratory in nature and data are collected through a series of in-depth interviews. The results of this study identified the various issues involved in the implementation of Halal Logistics, such as investment costs, government support, and enforcement as critical success factors in encouraging non-Muslim transporters to participate in the adoption of the Halal Logistics Certificate. The barriers and influences factors identified in this study will be used as a reference for potential future research.

Index Terms-- Supply Chain Management, Logistic Management, Halal Logistics, Non-Muslim Transporter

© 2020 by Advance Scientific Research. This is an open-access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>)
DOI: <http://dx.doi.org/10.31838/jcr.07.08.29>

INTRODUCTION

Malaysia is one of the countries with the highest Muslim population with 61% of the 30 million population is Muslim (Mundi Index, 2019). Therefore, the halalness concept which is part of the Syara' is vital for everyday Muslim use and becomes the guidance within a plural society. Also, the concept of halal is not only acceptable by Muslim society but also to the Non-Muslim which creates a huge opportunity in the halal product market. The increasing demand in Halal products encourages the demand for other Halal services, specifically in the transportation sector which is the main interest of this research.

RESEARCH BACKGROUND

The introduction of Halal certification in Malaysia is to support the development of the Halal industry and protect the right of a consumer, in particular Muslim consumers. Meanwhile, the introduction of Halal Logistics certificate is to complement the Halal certification and enhance the integrity and compliance of Halal status according to the Halal Toyiyiban concept.

This to make sure that the Halal compliance status of the products continues to remain unspoiled throughout the entire supply chain process (Bahrudin, Illyas & Desa 2011). It means that Halal product integrity must be preserved by all means to prevent any cross-contamination leading to product turning to the non-Halal product.

Halal logistics is described as the management of a halal network to extend halal integrity from source to consumption point (Zulfakar et al., 2012; Tieman et al., 2012; Tieman, 2013).

In late 2000, Muslims consumers in Malaysia begins to understand that the Halal concept is not only limited to the manufacturing process but also includes the process of packaging, handling, delivering and storing. This awareness created a demand in particular from the Muslim consumer for fully Halal compliance that led to the introduction of Halal Logistics certification.

Generally, the halal certification issued by the Department of Islamic Development Malaysia (JAKIM) is widely recognized by the manufacturer due to strict monitoring by JAKIM and the high awareness from the Muslim consumer on the Halal legislation. However, the compliance of 'Halal' during the transportation activities is somehow still lacking, despite potential risks of cross-contamination between Halal and non-Halal products during transportation operations that could lead to the issue of integrity to Halal compliance. This situation makes the Halal compliance process an uphill task to Muslim consumers due to majority of the transporter companies are from Non-Muslim.

OVERVIEW OF LOGISTICS

The Council of Supply Chain Management Professionals (1991) defined logistics as element of the supply chain process that plans, implements and controls the efficient, effective forward and reverses flow and storage of goods, services, and related information between the point of origin and the point of consumption to meet customer requirements. In practice, the logistics goal is to assure that consumers can consume the products at the right time, at the right quantity, right description and in good condition. Therefore, the management of logistics is covering the chain activities such as warehousing and storage, transportation, inventory and material management, product scheduling, customer service, and so on.

A. Halal Logistics Concept

The Halal Development Corporation (HDC), an institution under the Ministry of International Trade has described Halal logistics as a basic guide to segregate the halal cargos from the non-halal cargos. The purpose is to prevent cross-contamination to the halal cargo and to ensure the logistics system is aligned with the Syara' requirement, thus preserving halal integrity throughout the supply chain process.

As suggested by Tieman et al. (2012, 2013), warehouses, transportations, and terminal operations are crucial areas for Halal logistics. As such, lot of logistics service providers (LSPs)

had invested in the Halal specialized facilities and offering value-added services such as Samak (ritual cleansing), dedicated transportation, temperature-controlled warehouses, complete segregation during distribution and storage, and halal-only tools and equipment (Jaafar et al., 2011; Kamaruddin et al., 2012a; Tieman et al., 2012; Tieman, 2013).

Despite slow progress in adoption, Halal logistics has been seen by LSPs as a promising profitable business (Smith, 2007; Omar & Jaafar, 2011; Kamaruddin et al., 2012a), but it requires government intervention to address the poor understanding, and perception of additional costs as impediments (Talib et al., 2013). Smith (2007) explained that Halal industry growth much depends on Halal logistics success and it is a key to the manufacturer and distribution of Halal products and services.

B. Halal Transportation

(Tieman, 2014) states that transport and distribution are the core of logistics and its most visible manifestations. In Halal practice, Halal and non-Halal goods are not allowed to be mixed in the load carrier (such as trolley or pallet) or on a container / common transport vehicle (such as bulk shipments) during the transportation of the Halal products. To sustain the product's halalness throughout the operation, it must be handled with the proper process by the assigned person. In the current transportation practice, the majority of the transporter are aware of the requirement segregates the halal product and protect it from the contamination of non-halal products. However, there is still a lack of understanding of a proper procedure to clean the facility or equipment that have been used to transport or store non-halal product to be used for the next transportation or storage for halal products (Tieman, 2014).

THE ADOPTION OF HALAL LOGISTICS CERTIFICATE IN MALAYSIA

In 2010 the Malaysian Department of Standards presented the MS 2400:2010: "Halalan Toyiyiban Assurance Pipeline Standard," which covers transport, retail, and warehousing. This standard, JAKIM certified, is used in Malaysia to certify logistics operations. This standard certainly states that the standard's adoption complies with the recipient or importing country's Shariah requirements and Shariah practices. It's a standard of process, but it's also about the organization. The core of the standard is the control points of Halalan Toyiyiban in business processes and the appropriate control measures are identified.

However, there are no guidelines as to where these control points are and what level of performance is required. The Shariah ritual cleaning method is the only procedure specified in detail. Related to the MS 1900, a Halalan Toyiyiban team with Halalan Toyiyiban's leader is set up to secure compliance and audit the Halalan Toyiyiban Risk Management Plan (Malaysia Standards Department, 2010a, 2010b, 2010c). The main disadvantage of this standard is that apart from the Shariah ritual cleaning, halal control points and processes are not specified and hence level of halal integrity may differ between MS 2400 certified companies thus influencing the integrity of the whole supply chain (Vorst, 2006).

A. The Challenges in Adopting Halal Logistics Certificate Ambiguous Halal Guidelines

The Department of Standards Malaysia (DSM) has developed guidelines for manufacturing, preparing, handling and storing halal products. But, these guidelines are vague as a single guideline may have different meanings. Talib et al. (2015) identified that ambiguous guideline is a reason for the prolonged process of certification and higher logistics costs. Many LSP agrees that Jakim, HDC, and LSPs need to work together to develop a clear halal guideline and encourage best practices to assure the integrity of halal product and cost-effectiveness.

Absence of International Halal Certification

There are more than 400 halal certification bodies worldwide (see halal focus: 'OIC to establish one global halal standard' on May 2, 2014), but these authorities have various criteria. JAKIM recognizes only some certifications. This scenario reduces the capacity of LSPs to operate with them as JAKIM only recognizes those registered with them. They think that it is hard to practice halal logistics without internationally standardized halal certification as the cargo originates from different countries, and halal LSPs cannot confine their market to only those that are recognized by JAKIM. Hence, the lack of an international halal certification creates limitations even when trading with companies that are certified by other halal certification authorities. Moreover, Talib et al. (2015) state that without an international halal certification standard, halal integrity, as the main objective of halal logistics, is at risk. Wilson (2012) advises that the scholars set the parameters and standards that would be developed from this World Halal Forum that can be implemented globally and revise the different views. Logistics companies around the world are certified by different halal logistics certifications. Halal logistics criteria in Malaysia are quite strict. For instance, halal warehouses cannot store non-halal goods and dedicated handling equipment for halal goods should first, it incurred some costs in allocating specialized halal infrastructure, and this requirement cannot be afforded by small halal LSPs. This limitation is recognized by Talib et al. (2015) too. Secondly, since there is a low demand for halal-logistics, the halal LSPs cannot use its facility's maximum capacity under this condition. This factor leads to the halal LSPs to have a financial burden. Third, in other countries, the guidelines of halal logistics standards are more affordable, impeding the international competitiveness of Malaysian halal LSPs.

Lack of Collaboration among LSPs, HDC, and JAKIM

Halal certification in Malaysia is strictly under the authority of JAKIM. There is a lack of cooperation among Jakim and HDC and LSPs, resulting in other barriers like ambiguous halal guidelines, cost-effective standards, and lack of demand. Furthermore, in the future, close cooperation between LSPs, HDC, and JAKIM may eliminate minor and problematic decisions. For instance, JAKIM currently issuing certification for halal warehouse, probably the next step is to issue halal-truck certifications. Halal logistics experts think this halal logo carries unnecessary duties for halal LSPs. However, practitioners agree that DSM decision-makers should decide to reconstruct halal standards similar to those in other countries to tackle these issues. Hong Kong and China prefer to make a deal regarding their businesses with Singapore instead of Malaysia and it's all because of the strict criteria that Malaysia applied. Because of that, Malaysia has experienced some potential lost business. The miscommunication among JAKIM, HDC, and LSPs is also highlighted by Talib et al. (2015) as one of the issues faced by halal logistics.

Standards That Are Not Cost-effective

The current Malaysian standards are not considered cost-effective by the logistics sector. As an instance, a non-halal product cannot be kept in the same warehouse as the same as halal products, which can minimize the optimization of a utility regarding that the market for halal services is not essential to have an economically viable need to sort the warehouse of halal products from non-halal products. The LSPs claim that the standards are set by religious bodies that do not comprehend the flow of logistics activities. To establish reasonable and applicable standards, a collaboration between JAKIM and LSPs is essential. They believe the procedure to monitor the halal integrity of products with halal certification is of utmost importance. This suggests that activities like how LSP cleans the truck and how the product is handled throughout the processes are the procedures that need to be discussed with the highest consideration. Training must be provided in this area as well. This finding is correlated as mentioned by Talib et al. (2015) who claim that the

bodies of certification and inspection for Halal's certificate have inadequate knowledge and understanding of the combined business of halal and logistics. Halal authorities in Malaysia need to understand the main purpose of all LSP is to maximize profit and tighten unnecessary regulation in order not to cause concern for the logistics sector and degrade the attractiveness of the logistics sector in altering Halal Logistics operation.

Halal-logistics Is Not Mandatory

It is not necessary to use halal-logistics services to issue halal certifications to halal-food manufacturers. Halal food may end up losing its halal integrity throughout storage and transport. Hence, to meet other obligations for halal consideration, halal assurance must be continued by using halal-logistics services. Therefore, DSM should establish halal standards by considering the entire chain. This method demands a holistic and integrated model. According to Sohail et al. (2006), most of the LSPs are small and medium-sized enterprises (SMEs) in Malaysia and not every LSPs willingly to offer total logistics services. There is less demand for halal logistics, which does not justify the dedication of a halal product facility. So, halal practices are not implemented by LSPs, both halal & non-halal products continue to be carried together or kept in the same warehouse.

Confusion

JAKIM's personnel's enforcement in monitoring the use of the certified halal logo has created dubiousness among the public (Shafie S, 2008). Hesitation among Muslim users about the originality of the halal certification process has been a problem since implementation due to the coordination and monitoring of the licensing process. Furthermore, it will take some time to be certified for Halal or Halal Logistics Certification because no other parties are authorized for certification except JAKIM.

Other than that, another obstacle found in the literature is the role of the producer in implementing the halal requirement and understanding the manufacturing process includes the supply chain that will be fundamental to the Muslim producers. The guidelines for implementing halal logistics strategy that includes food ingredient, monitor and verifies production, distribution, and product development. Implementation of halal should be halal compliance not only for the human food industry but also for animal feeds.

The lack of standardization of Halal food leads to excessive confusion and issues among customers and Halal retailers. It is a complex, time-consuming and expensive process to apply new Halal certifications. This issue, therefore, leads to the availability of more service providers and the manufacturing of products running their business illegally and accruing false Halal certification.

B. Factors that Influences the Adoption of Halal Logistics Certificate among Transporter Company

The increased Muslim consumers ' awareness of their religious obligations has increased the demand for Halal products. As the Muslim community began to be more alert about dietary laws and religious concerns, they start paying attention to the kinds of products and services they use and consume (Salleh & Ramli, 2011). Muslim consumers are also well aware of the usage of Halal products for their daily and afterlife activities. Luckily, some logistics companies know that they must also represent their responsibilities in preserving the Halal integrity of Halal products, so they try to satisfy the demand in this sector by being licensed as Halal transport service providers by JAKIM or other authorized bodies. This will help eliminate any uncertainties among Muslim consumers about the use of on-the-market Halal products when using their services.

The increased Muslim consumers ' awareness of their religious obligations has increased the demand for Halal products. As the

Muslim community began to be more alert about dietary laws and religious concerns, they start paying attention to the kinds of products and services they use and consume (Salleh & Ramli, 2011). Muslim consumers are also well aware of the usage of Halal products for their daily and afterlife activities. Luckily, some logistics companies know that they must also represent their responsibilities in preserving the Halal integrity of Halal products, so they try to satisfy the demand in this sector by being licensed as Halal transport service providers by JAKIM or other authorized bodies. This will help eliminate any uncertainties among Muslim consumers about the use of on-the-market Halal products when using their services.

Although Halal's concept starts to be taken into consideration when using the products (Daud et al., 2012), there is still low awareness among Halal manufacturers about the adoption of Halal's transport. The Halal transport adoption among certified Halal manufacturers in Malaysia is still quite lower than today's total number of Halal manufacturers, according to Halal transporter. The lack of interest among Malaysian Halal manufacturers to adopt Halal transport is still confusing. Since Muslim consumers still lack supply chain information and cannot be assured that cross-contamination does not occur while moving and storing Halal products (Bonne and Verbake, 2008), it is critical to explore the boundaries that prevent non-Muslim transporters from adopting Halal Logistics Certificate.

RESEARCH DESIGN

This study was done based on the data collected from a qualitative method using in-depth interviews with the selected Non-Muslim Transporter. A set of questionnaire was prepared based on the previous study as a guide for the interview session. To comply with the research ethic and to gain quality responses, the researcher has selected the decision-maker of the company that deemed as a suitable respondent that has sound knowledge in the business operation and capable to make a business decision for their company. Four Non-Muslim transporters were selected and interviewed based on the saturation model principle to extract the research theme. All these companies are operating in Johor. The data were analyzed using NVIVO to extract the theme and identify converging areas of interest.

RESULTS OR FINDING

The purpose of this research is to study the challenges faced by non-Muslim transporter to adopt Halal Logistics Certificate in their operation. The transporter company that had been selected are from the Non-Muslim companies that help the researcher to approach the topic more effectively. The result from the in-depth interview is summarized and discussed in the following sub-heading:

A. The Awareness of Halal Logistics Requirement Among the Non-Muslim Transporter

From the interviews session, it is concluded that Halal logistics is not being practiced among the Non-Muslim transporter as the following quotes.

"As for now, I do not think it is necessary to have the certificate as there is a lack of demand and business opportunities".(Xin Hwa Trading & Transport Sdn Bhd)

"We do not have direct implementation... but we follow the requirement by the client case by case...."(Syarikat Wijaya (Masai) Sdn. Bhd)

"From my point of view, it is not necessary..... It depends on the manufacturers, who are their customers. If their customer does not require the halal logistics, why should we do it?,(Mewah Exim Sdn).

"For me, halal logistics is only one of value-added service....In transportation activity, it is unnecessary to be certified as Halal. Our function only to move the cargos from point A to point B." (Asia Trans Supply Chain Sdn. Bhd)

The finding supported the previous study on the factor contribute to a low participation rate of Non-Muslim transporter in adopting Halal Logistics certificate, mainly due to no enforcement (Sohail et al. (2006), confusion (Shafie S, 2008), and ambiguous halal guidelines (Talib et al., 2015)

Further, every transporter companies are allowed to interpret the Halal logistics concept individually indicate a lack of communication, control and enforcement from the government to ensure the Halal compliance for Muslim consumer that essential to comply as part of the Syara' law.

"In this country, 'halal' is everything. Not only for the Muslim consumer but also for those who care about the hygiene and safety of the product, especially food products."(Xin Hwa Trading & Transport Sdn Bhd)

"We do not have a direct implementation. But we follow the requirement by the client company. They applied the Kosher certificate. Here I am giving you one of the examples. From this, you can see that the designated tanker only for palm oil. You cannot carry non-Halal things. This tanker will only carry halal products like palm oil. We cannot simply just go load anything or any liquid. That is why as a transporter we need to fulfill the requirement. So that we can maintain the cleanliness of the tanker. So when the tanker arrives at the client company, they will do certain procedures of the Kosher."(Syarikat Wijaya (Masai) Sdn. Bhd)

"..actually I am not familiar with the halal logistics processes."(Mewah Exim Sdn).

"As I mentioned, it is very subjective depends on what your understanding of the concept. For me, halal logistics is just an additional service offer by providers. The focuses are more on food and drink products, what are we consumed. This includes raw materials for food productions like an animal or packed food. To execute halal logistics, it depends on the priority of the business." (Asia Trans Supply Chain Sdn. Bhd)

Muslims customer tends to be alert on what their consumed (Bonne et al., 2006; Bonne & Verbeke, 2008), and the necessity for Halal-logistics certificate undoubtedly is crucial to complement the Halal certification practice (Tieman, 2014). Hence, Halal compliance should not limit to the production process only but extended to the physical segregation in packaging, storage, and transportation from any non-halal food or anything decreed by the Shariah as najis (ritual uncleanness). It is, however, did not reflect on the current implementation of the Halal compliance, of which most of the companies in this study are either not aware on the concept of halal or not recognize the requirement of halal due to lack of pressure from the consumer, in particular the Muslim community itself. This indicates a huge implication to the integrity of the Halal product in this country due to the majority of the transporter company that providing the services in the transportation sector is owned by the Non-Muslim entity.

B. Challenges Faced by Non-Muslim Transporter to Adopt Halal Logistics Certificate in Their Operation.

All four non-Muslim transporters face different challenges in adopting Halal Logistics Certificate in their operation. The first challenge faced by non-Muslim transporter to adopt Halal Logistics Certificate in their operation is cost. According to the previous study, the existing Malaysian standards are not considered cost-effective by the logistics sector. The standards

are set by religious bodies that do not comprehend the flow of logistics activities. There also no collaboration between the authorities and logistics service providers which is necessary to establish realistic and applicable standards.

"Many factors make me feel that it is unnecessary to apply the certificate at this time. First, because of its lengthy processes...not relevant to our practice". (Xin Hwa Trading & Transport Sdn Bhd)

" There is non-direct involvement between us and these authorities. Everyone has their ideas and suggestions on how to develop or promote this halal logistics. However, there is no effort to collaborate. The government needs to organize a proper meeting for this party. So they can educate the transporter on the standard and requirement and we also can make them understand how the logistics worked and operated. From there only we can come out with the ideas or suggestions on how to make these halal logistics succeed."(Syarikat Wijaya (Masai) Sdn. Bhd)

They do not go down to the ground to pull a team of people who is experienced and discuss. They only straightaway implement, they do not discuss. But I do not blame them because it is hard to satisfy everyone in the society. That is why I said, they should sit down with four if five big logistics players then you can get the different views and get the market leader to spell out their views. Maybe some of the people have a vision for 10 years later. Different people have a different points of view."(Mewah Exim Sdn).

"So here, the authorities need to give proper guidelines..... As a service provider, we need the guideline...., how it should be handled, and what procedures that we need to carry out..., let's sit and discuss."(Asia Trans Supply Chain Sdn. Bhd)

The establishment of Halal logistics is not been discussed with the industry player which they claim does not comprehend the nature of logistics activities. The findings are correlated as stated by Talib et al. (2015) who claim that the bodies of certification and inspection for Halal's certificate have inadequate knowledge and understanding of the combined business of halal and logistics. Halal authorities in Malaysia need to understand the main purpose of LSPs is to maximize profit and tighten unnecessary regulation in order not to cause concern for the logistics sector and degrade the attractiveness of the logistics sector in altering Halal Logistics operation.

The second challenge faced by non-Muslim transporter to adopt Halal Logistics Certificate in their operation is no clear guideline. Talib et al. (2015) identified that ambiguous guideline is a reason for the prolonged process of certification and higher logistics costs. The understanding of the basic concept of halal logistics practices and the rationale of its execution is very important before one can commit to its practice. From the findings, all of the interviewees have a different interpretation of halal logistics. They also have limited knowledge of the entire concept of halal logistics, and how it worked. They claim that there are no clear guidelines from the religious authorities on the Halal standard. Nevertheless, the religious authorities need to consult with larger logistics service providers before developing a guideline for halal logistics. This is because a clear guideline needs to be established rationally to benefit all those involved in the chain.

The third challenge faced by non-Muslim in this study is a lack of government intervention. In the previous study, Talib et al (2015) highlighted that unsupportive collaboration, lacking halal training and ineffective promotion of halal logistics, rigid halal standards, timely and costly halal certification processes, and communication issues are the limitations in adopting halal logistics. In these findings, the researcher also found that the government plays a significant role in the adoption of halal logistics. Apart from the financial support, the government also require to interfere in the implementation, play a significant role

in the enforcement, as well as conducted active engagement with the LSPs. Government is deemed as a key player to execute the enforcement on the adoption of halal logistics among transporter company as the following statement:

"The government needs to funds and invest more for halal sector development.....because of practicing and adopting halal logistics, employees will have to undergo halal training and that will incur some expenses." (Xin Hwa Trading & Transport Sdn Bhd).

"I think it is good and mandatory since we have a greater demand for Halal products here."(Syarikat Wijaya (Masai) Sdn. Bhd)

"If government pressure and enforcement need the logistics to apply the certificate, we will apply it."(Mewah Exim Sdn).

"In my opinion, the main issue is no enforcement from the government." (Asia Trans Supply Chain Sdn. Bhd)

The fourth challenge faced by non-Muslim transporter to adopt Halal Logistics Certificate in their operation is the demand. Previously, Sohail et al. (2006) clarified that most logistics service providers (LSPs) are small and medium-sized enterprises (SMEs) in Malaysia and not every LSPs willingly to offer total logistics services. There is less demand for halal logistics due to lack of enforcement, which is not justified for the investment of the dedicated Halal product facilities. So, halal practices are not implemented by LSPs, both halal & non-halal products continue to be carried together or kept in the same warehouse. There also no requirement from their client that requires the LSPs to adopt Halal Logistics Certificate and the existing procedures of cleansing their facilities and equipment are adequate to customers.

"For me, business opportunities involving halal are very limited compared to the business opportunities offered for conventional transport. The demand for conventional transport is always available for import or export. Halal logistics also focuses more on food-based and cosmetics products. Most transporter companies are profit-oriented when it comes to business." (Xin Hwa Trading & Transport Sdn Bhd).

"There is one case one of my tankers, ... my driver accidentally hit a wild boar. The boar's carcass is all over the tanker. So, I updated the incident to the company in which we want to load the palm oil. The company said it is not a problem since the products will be load inside the tanker. For them, as long as the inside of the tanker is clean, it is okay. So you can see that there is no seriousness about the halal aspect." (Syarikat Wijaya (Masai) Sdn. Bhd).

"... When you asked me why am I not involving in halal logistics, because my clients do not require it"(Mewah Exim Sdn).

"When you have Halal license or certificate, it would limit the service you offered as you cannot simply store halal and non-halal together...unless there is a real demand for us to invest..."(Asia Trans Supply Chain Sdn. Bhd).

The last challenge faced by non-Muslim transporter to adopt Halal Logistics Certificate in their operation is time-consuming. The researcher found that the long certificate application process itself is one of the reasons why most transporters have become uninterested in investing in halal logistics. Besides that, some procedures and processes of halal logistics require a lot of manpower and steps from one phase to another which is not aligned with the logistics practice.

C. Factors encourage the adoption of Halal Logistics Among Non-Muslim Transporter

The first determinant that encourages the adoption of halal logistics among non-Muslim transporter is a value-added service.

Most non-Muslim transporter companies are profit-oriented when it comes to business. However, according to Walker and John et al. (2012), logistics players should no longer strive solely at profit but should look at another value-added that will benefit the end consumers and the organization itself.

The second determinant that encourages the adoption of halal logistics among non-Muslim transporter is financial support. After the research conducted, most non-Muslim transporters are ready to adopt the Halal Logistics Certificate in their business. This is because most of them are aware of this potential trend in the logistics industry. However, due to the cost implications of halal logistics, financial support will be needed. As state by Sohail et. al (2006), most logistics service providers are small and medium-sized enterprises (SMEs) in Malaysia and not every logistics service provider willingly offers total logistics services. Government intervention is the third determinant that encourages the adoption of halal logistics among non-Muslim transporters. The government is the key player in promoting the adoption of halal logistics should enforce all transporters to adopt halal logistics in their company. This is because the government is the most influential body in the country. Based on the findings, no pressure or enforcement by the government obligates transporters to adopt Halal Logistics Certificate. Besides, the government needs to collaborate with the logistics expertise before setting a policy or guideline to ensure the adoption practically benefits all those involved in the chain.

The last determinant that encourages the adoption of halal logistics among non-Muslim transporters is a clear guideline. The current guidelines are vague as a single guideline may have different meanings. To successfully execute Halal logistics and ensure Halal integrity across the logistics network, one-size-fits-all rules are required. Besides, religious authorities need to play their role in educating logistics players on awareness-raising and establish a guideline a clear halal guideline to encourage best practices to assure the integrity of halal product and cost-effectiveness.

The following figure shows the theoretical framework developed to illustrate the factor influencing the Non-Muslim transporter to adopt Halal Logistics Certificate in their operation.

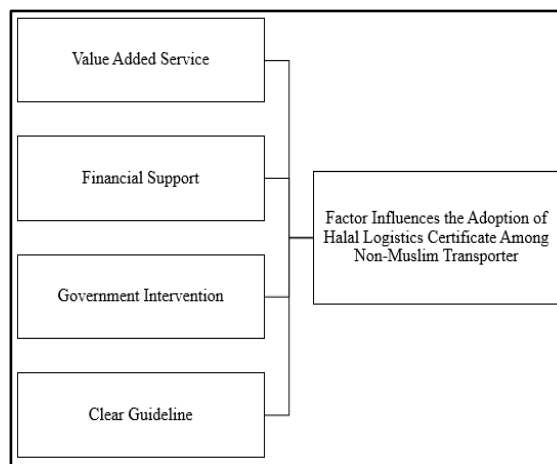


Figure 1. Factor influencing the Non-Muslim transporter to adopt Halal Logistics Certificate.

CONCLUSION

This study offers insight specifically from the perspective of Non-Muslim transporter company on the issue related to the implementation of Halal Logistics. Halal logistics is a growing interest in the Malaysian business landscape that is deemed important to the Muslim consumer. However, the

implementation would increase the LSPs' cost, which they feel will eventually burden the end consumer (Talib et al. 2015). Most Non-Muslim transporter companies are profit-oriented when it comes to business and the implementation of halal logistics will require large capital investments. Therefore, the implementation of halal logistics should provide added value to their company. Further, halal logistics also not mandatory for them to adopt. Therefore, the government needs to provide subsidies and financial support to these non-Muslim transporter company. Other than that, the lack of government intervention resulting in the ineffective promotion of halal logistics, no clear guideline, timely and costly halal certification processes, and communication issues. The absence of clear halal logistics guidelines leads to confusion on the introduction of two halal concepts. Hence, a clear guideline of halal logistics needs to be established practically and reasonably.

ACKNOWLEDGMENT

A special thanks to Nur Syaza Sahira Mohd Takiudinand Abd Rahman Ahamad for their support and valuable assistance to complete this research.

REFERENCES

- Bahrudin, S. S. M., Ilyas, M. I., & Desa, M. I. (2011, July). Tracking and tracing technology for halal product integrity over the supply chain. In Proceedings of 2011, International Conference on Electrical Engineering and Informatics, (pp. 1-7). IEEE
- Bonne, K., & Verbeke, W. (2006). Muslim consumer's motivations towards meat consumption in Belgium: qualitative exploratory insights from means-end chain analysis. *Anthropology of food*, (5).
- Bonne, K., & Verbeke, W. (2008). Muslim consumer trust in halal meat status and control in Belgium. *Meat Science*, 79(1), 113-123.
- Council of Supply Chain Management Professional, (1991), Retrieved from <https://cscmp.org>
- Mohd Daud Norzaidi, H.A. Aziz, N.H. Baharudin, S.F. Shamsudin. Identifying the determinant attributes of halal cosmetics product that influence its positioning strategy in the Malaysian market, January 2012 *Journal of Applied Sciences Research* 8(1):301-313
- Halal Development Corporation, <http://www.hdcglobal.com/>
- Index Mundi, 2019. <https://www.indexmundi.com/malaysia/>
- Jaafar, H. S., Endut, I. R., Faisal, N., & Omar, E. N. (2011). Innovation in logistics services-halal logistics.
- Jack Van der Vorst, Performance measurement in agri-food supply chain network-overview, DOI: 10.1007/1-4020-4693-6_2
- Kamaruddin, R., Iberahim, H., & Shabudin, A. (2012). Willingness to pay for halal logistics: the lifestyle choice. *Procedia-Social and Behavioral Sciences*, 50, 722-729.
- M. Sadiq Sohail, Rohit Bhatnagar, Amrik S. Sohal. A comparative study on the use of third-party logistics services by Singaporean and Malaysian firms, *International Journal of Physical Distribution & Logistics Management*, Vol. 36 No. 9, 2006
- MS 2424:2010 (P). (2010a). Terms and Definitions. Halal Pharmaceuticals - General Guidelines, MS2424:2010 (P). Malaysian Standard. ©Copyright 2010 Department of STANDARDS MALAYSIA.
- MS 2424:2010 (P). (2010b). Requirements. Halal Pharmaceuticals - General Guidelines, MS 2424:2010(P). Malaysian Standard. ©Copyright 2010 Department of STANDARDS MALAYSIA.
- MS 2424:2010 (P). (2010c). Compliance. Halal Pharmaceuticals - General Guidelines, MS 2424:2010(P). Malaysian Standard. ©Copyright 2010 Department of STANDARDS MALAYSIA
- Salleh, H. M., and Ramli, N. 2011/2012. Do we need halal certification, research, and training? Halal pages, p.102-107.
- Shahidan Shafie, Halal Certification: an international marketing issues and challenges, Faculty of Business & Accountancy, Universiti Malaya, Kuala Lumpur, Malaysia, 2008.
- Smith, C. C. (2007). Halal logistics a fast-growing market. *Bangkok Post*, Retrieved April 2, 2019
- Talib, M. S. A., Hamid, A. B. A., Zulfakar, M. H., & Chin, T. A. (2015). Barriers to Halal logistics operation: views from Malaysian logistics experts. *International Journal of Logistics Systems and Management*, 22(2), 193-209
- Tieman, M., van der Vorst, J. G., & Che Ghazali, M. (2012). Principles in halal supply chain management. *Journal of Islamic Marketing*, 3(3), 217-243.
- Tieman, M. (2013). Establishing the principles in halal logistics. *Journal of Emerging Economies and Islamic Research*, 1(1), 1-13.
- Tieman, M., & Che Ghazali, M. (2013). Principles in halal purchasing. *Journal of Islamic Marketing*, 4(3), 281-293.
- Tieman, M., & Ghazali, M. C. (2014). Halal control activities and assurance activities in halal food logistics. *Procedia-Social and Behavioral Sciences*, 121, 44-57.
- Walker, H., & Jones, N. (2012). Sustainable supply chain management across private sectors in the UK. *Supply Chain Management: An International Journal*, 17(1), 15-28
- Wilson, J. A. (2012). Charting the rise of the halal market-tales from the field and looking forward. *Journal of Islamic Marketing*, 3(3).
- Zulfakar, M. H., Jie, F., & Chan, C. (2012, June). Halal food supply chain integrity: from a literature review to a conceptual framework. In 10th ANZAM Operations, Supply Chain and Services Management Symposium, (Vol. 1, No. 61, p. 4).

AUTHORS

First & Correspondence Author – Hairul Rizad Md Sapry, Ph.D. (Management) UTM, Industrial Logistic, Universiti Kuala Lumpur - Malaysian Institute of Industrial Technology (UniKL MITEC), hairulrizad@unikl.ed.my.

Second Author – Nur Syaza Sahira Mohd Takiudin, Bachelor of Industrial Logistics (Hons.), Industrial Logistics, Universiti Kuala Lumpur - Malaysian Institute of Industrial Technology (UniKL MITEC), nsyazasahira@gmail.com.

Third Author – Abd Rahman Ahmad, Universiti Tun Hussein Onn (UTHM), Johor, Ph.D. (Strategic Planning), Victoria University of Melbourne, Australia, arahman@uthm.edu.my.