THE READINESS EVALUATION ON FOOD INDUSTRIES TO IMPLEMENT MANDATORY MALAYSIA HALAL CERTIFICATION SCHEME (MHCS)

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ABSTRACT

Introduction: Food industries in Malaysia have implemented Malaysia Halal Certification Scheme (MHCS) on voluntary basis for almost 50 years. This long experience should be exploited to enhance the implementation of MHCS as mandatory and involve wider categories of food industries. **Aim:** This study aimed to evaluate the readiness level of food industries in Malaysia for the implementation of mandatory MHCS. **Methods:** About 514 food companies in Malaysia from almost all categories of food premises involved in this study. All the companies were structured randomly selected and the study data were collected using a special pilot tested questionnaire. The data were then statistically analysed using computer program SPSS 25.0 of Windows. **Results:** The study showed that Malaysia food industries are at 64.0% ready (moderately high level) to implement mandatory MHCS. The level was not influenced significantly by location (state and area of the premises) factor. The type of food premises as well as gender, age, marital status, level of education, race and religion factors showed only small or very small effect on the readiness level. Only educational level, racial and religious factors have some impacts of more than ten percent. Food company owners and food handlers who received high school education show to have highest readiness level. The same goes to Malays and Muslims respondents. On the other hand, food company owners and food handlers who only got primary school education show to have the lowest readiness level. The same goes to Indian respondents as well as Christian and Hindu respondents. **Conclusion:** The finding of this study should be considered by Malaysia government in the implementation of mandatory MHCS in the future.

KEYWORDS: Halal Certification, Food Company, Mandatory Practices, Religious Factors.

INTRODUCTION

The revelation of Islamic law veritably suitable for all mankind especially when it involves food matters. Halal food is not only meant for Muslims but also favorable for non-Muslims. Halal food indicate high quality of food, safe for consumption and suitable for all people. Unfortunately, real data show that the number of Halal certified food industries in Malaysia is still low and at certain situation create confusion. JAIP (2019) for example has reported that only 59 hotels in Pahang applied halal certificates in 2020. In fact, there were about 430 hotels in Pahang in 2020 that have food preparation services in total (Hirschmann, R., 2019). This situation shows only 3.0% of hotels in Pahang have halal certificates. JAKIM (2020) through its official website also displayed only 430 hotels in Malaysia that have halal certificates. The total number of hotels with food services in Malaysia exceeded 4800 (Hirschmann, R., 2019). This means that only 8.9% of hotels in Malaysia have halal certificates. The rest (91.1%) of hotels in Malaysia did not have halal certificates. The involvement of bumiputera Muslim food entrepreneurs in MHCS is also low. JAKIM (2019) reported that 8,805 halal certificates were issued in 2019, of which 71% were issued to non-bumiputera Muslim entrepreneurs and only 29% to bumiputera Muslim entrepreneurs. The Malaysian Insight (2019) reported that their data which receive from JAKIM shows that more than 60% of halal certificate owners in Malaysia are non-Muslim entrepreneurs. This situation confirms that the involvement of Muslim bumiputera food

entrepreneurs in MHCS is still low and disproportionate compared to non-Muslim bumiputera entrepreneurs.

There are still too many Muslim bumiputera food entrepreneurs who are less interested or do not feel the need to apply halal food certificate. A study conducted by Noor Fiteri and Masnisah (2015) on food entrepreneurs in Perlis found that many Muslim food entrepreneurs do not feel the need to apply halal certificate because without halal certificate they still can continue their business as well and have their own regular users. Jamal Abdul Nassir Shaari (2019) also reported that some Muslim entrepreneurs ignore and do not care about the importance of halal certificate. This is because without halal certificate, their company's performance is still encouraging. The customers have put their trust to food companies which founded by Muslim entrepreneurs. Muslim food entrepreneurs often think that the food they produce are definitely halal as the food are prepared by Muslims workers. However, many Muslim food entrepreneurs are not realized about the halal status of the raw materials that they used, thus the status of the food that they prepare have an element of doubtful.

Although the support from non-Muslim food entrepreneurs on MHCS appears to be higher compared to Muslim food entrepreneurs, the involvement of non-Muslim entrepreneurs is more to gain business opportunities. Marliana binti Abdullah *et al*. (2015) reported that food entrepreneurs among non-Muslims still do not understand the main objective of MHCS where many of them put the main goal of obtaining halal certificate more toward getting of marketing tool. That is why there are many integrity problems in MHCS such as the existence of fake halal certificates, inconsistent food hygiene and safety conditions after obtaining the halal certificate, the halal certificates are not renewed after the expiration, the halal certificate is suspended or revoked and so on. According to Mohd Al'Ikhsan & Siti Salwa (2015) many food entrepreneurs no longer practice proper food quality standards according to the MS1500:2009 after their food products have been certified halal by JAKIM.

The mandatory implementation of MHCS may overcome the problem of low number of halal certified food industries, can remove many doubts in determining the status of food subtleties and make Malaysia one of the countries in the world that have completely halal food. However, the scheme may burden the food industry especially entrepreneurs from the B40 group, entrepreneurs who are just about to start a business or entrepreneurs who are working on micro and small businesses. The scheme may also limit their business activities. The implementation of mandatory MHCS may also be opposed by non-Muslim food entrepreneurs.

The aim of this study was to evaluate the readiness level of food industries in Malaysia covering all types of food production and services towards the proposal of implementing mandatory MHCS.

MATERIALS AND METHODS

This study was conducted quantitatively, involving company owners and employees who were structured randomly selected at food premises throughout Malaysia. The data from the respondents were collected using specific questionnaire (should include the name of the question) and analyzed using the statistical software SPSS 25.0 (Windows). Descriptive and inferential analyses were carried out on all the data in accordance with establish parameters and were presented in the form of frequency, average value and central inclination (mean, standard deviation, median and mode). The comparison of two parameters was done using chi-squared test while comparison of three or more parameters was performed using ANOVA test. The difference in the comparison data was calculated at a confidence level of 95%, which is at a probability value of $p<0.05$.

RESULTS AND DISCUSSIONS

Respondents and Demographic Factors

A total of 514 respondents were involved in this study where they were structured randomly selected according to state, location and type of food premises. Table 1 to Table 3 shows the number and percentage of the respondents according to state, location and type of food premises respectively.

Table 1 Number and Percentage of Respondents by State

State	Number of Respondents	%
Perlis	34	6.6
Kedah	37	7.2
Penang	39	7.6
Perak	41	8.0
Selangor	48	9.3
Wilayah Persekutuan Kuala Lumpur	33	6.4
Melaka	36	7.0
Negeri Sembilan	33	6.4
Johor	33	6.4
Pahang	47	9.1
Terengganu	36	7.0
Kelantan	32	6.2
Sabah	33	6.4
Sarawak	32	6.2
Total	514	100.0

Table 2 Number and Percentage of Respondents by Location of Food Premises

Location	Number of Respondents	%
City / Municipal Area	257	50.0
Sub-Urban Area	111	21.6
Traditional Village Area	115	22.4
Settlement Land (Felda Area)	31	6.0
Total	514	100.0

Table 3 Number and Percentage of Respondents by Type of Food Premises

Country	Number of Respondents	%
Hotel	56	10.9
Restaurant	102	19.8
Food Stall	109	21.2
Street Food Hawkers	71	13.8
Food Factory	106	20.6
School Canteen/Hostel Kitchen /Factory Canteen	34	6.6
Mass Catering	36	7.0
Total	514	100.0

From Table 1 to Table 3, it was found that the number of respondents is sufficient to represent the population of food company entrepreneurs and food handlers in Malaysia for this study. The distribution of the respondents was tested as normal distribution using Kolmogorov-Smirnova and Shapiro-Wilk tests.

A total of 290 (56.4%) respondents were male and 234 (45.5%) were female. Table 4 shows the age-related information of the respondents in this study.

Table 4 Age-Related Information of The Respondents

	Age (Years)
Minimum	18
Maximum	66
Range	48
Mean±SD	32.1±11.4
Median	28
Mode	23

From Table 4, it was found that the age range of the respondents was very wide, ranging from 18-66 years old with an age range difference of 48 years. The average age of the respondents is 32.1 years old with the median and mode age being 28 and 23 years old respectively. From the age information data, it was understood that the majority respondents are mature enough to provide feedback in this study.

Table 5 shows the distribution of respondents according to race, religion and category of Muslim and non-Muslim.

Table 5 Distribution of Respondents By Races and Religions

		Number of Respondents	%
Races	Malay	338	65.8
	Chinese	118	23.0
	Indian	58	11.3
Religions	Islam	338	65.8
	Buddhist	46	8.9
	Christian	70	13.6
	Hindu	60	11.7
Category of Muslim/Non-Muslim	Muslim	529	60.5
	Non-Muslim	346	39.5

From Table 5, the number of Malay respondents was 338 (65.8%) compared to Chinese (118 or 23%) and Indians (58 or 11.3%). According to religion, the number of Islamic respondents was 338 (65.8%) compared to Buddhist (46 or 8.9%), Christian (70 or 13.6%) and Hindu (60 or 11.7%). The breakdown of respondents according to the category of Muslim and non-Muslim was 60.5% and 39.5% respectively.

Table 6 shows the distribution of respondents according to marital status and level of education.

Table 6 Distribution of Respondents by Marital Status and Level of Education

		Number of Respondents	%
Marital Status	Single	170	33.1
	Married	312	60.7
	Divorce / Single Mother or Father	32	6.2
Level of Education	Primary School	65	12.6
	Secondary School	102	19.8
	Diploma	204	39.7
	Degree	143	27.8

The distribution of respondents according to all measured parameters in this study was normally distributed as tested using Kolmogorov-Smirnova test and Shapiro-Wilk test as shows in Table 7.

Table 7 Distribution of Respondents as Tested by Kolmogorov-Smirnova test and Shapiro-Wilk tests

Normal Distribution Test	Kolmogorov-Smirnova Test			Shapiro-Wilk Test		
	Statistics	df	P Value	Statistics	df	P Value
State	0.11	514	0.00	0.95	514	.00
Location	0.31	514	0.00	0.78	514	.00
Types of Food Premises	0.16	514	0.00	0.93	514	.00
Gender	0.37	514	0.00	0.63	514	.00
Race	0.40	514	0.00	0.66	514	.00
Religion	0.40	514	0.00	0.66	514	.00
Age	0.15	514	0.00	0.87	514	.00
Marital Status	0.35	514	0.00	0.73	514	.00
Education Level	0.25	514	0.00	0.86	514	.00

Note: P value <0.05 indicates the normal distribution of the respondents.

Readiness Level of Food Industries to Implement Mandatory MHCS

Table 8 shows the number (%) of respondents according to readiness level to implement mandatory MHCS.

Table 8 Number (%) of Respondents according to Readiness Level of Implementation of Mandatory MHCS

	Number of Respondents	%
Strongly disagree	9	1.8
Disagree	132	25.7
Uncertain	44	8.6
Agree	221	43.0
Strongly Agree	108	21.0
Total	514	100.0

From Table 8, 221 (43.0%) respondents agree to implement mandatory MHCS and 108 (21.0%) respondents strongly agree to implement mandatory MHCS. Cumulatively, about 329 (64.0%) respondents feel ready to implement mandatory MHCS. On the other hand, only 132 (25.7%) of respondents disagreed with implementing mandatory MHCS and 9 (1.8%) respondents strongly

disagree to implement mandatory MHCS. Cumulatively, about 185 (36.0%) respondents feel not ready to implement mandatory MHCS. From the above findings, it can be said that the level of readiness of food industries in Malaysia towards the implementation of mandatory MHCS is moderately high (64.0%).

Table 9 shows the results of the statistical analysis of the study data according to the measured variable factors: state, location and type of food premises as well as the gender, age, marital status, level of education, race and religion of the respondents.

Table 9 Results of Statistical Analysis of Study Data According to the Measured Variables Factors

Variable Factors	P Value	Eta Square Value
State	0.17[b]	0.04*
Location	0.70[b]	0.00*
Types of Food Premises	0.00[a]	0.08*
Gender	0.00[a]	0.02*
Age	0.00[a]	0.18*
Marital Status	0.00[a]	0.04*
Education Level	0.00[a]	0.30*
Race	0.00[a]	0.46**
Religion	0.00[a]	0.48**

Note: [a] means significant difference at P<0.05, [b] means no significant difference at P≥0.05, * means the effect of the variable is very small, **means the effect of the variable is small.

From Table 9, it is found that state and location factors do not provide any significant difference in the respondent's agreement to implement mandatory MHCS where their P value are more than 0.05. On the other hand, type of food premises as well as gender, age, marital status, level of education, race and religion provide significant difference in the respondent's agreement to implement mandatory MHCS where their P value are less than 0.05. However, most of the factors either give very small or small impact on the level of the agreement. The eta squared values indicate these effects. Only age, education level, race and religion factors have an impact of more than ten percent.

Table 10 shows the relationship between age factor with and the level of respondents' agreement to implement mandatory MHCS.

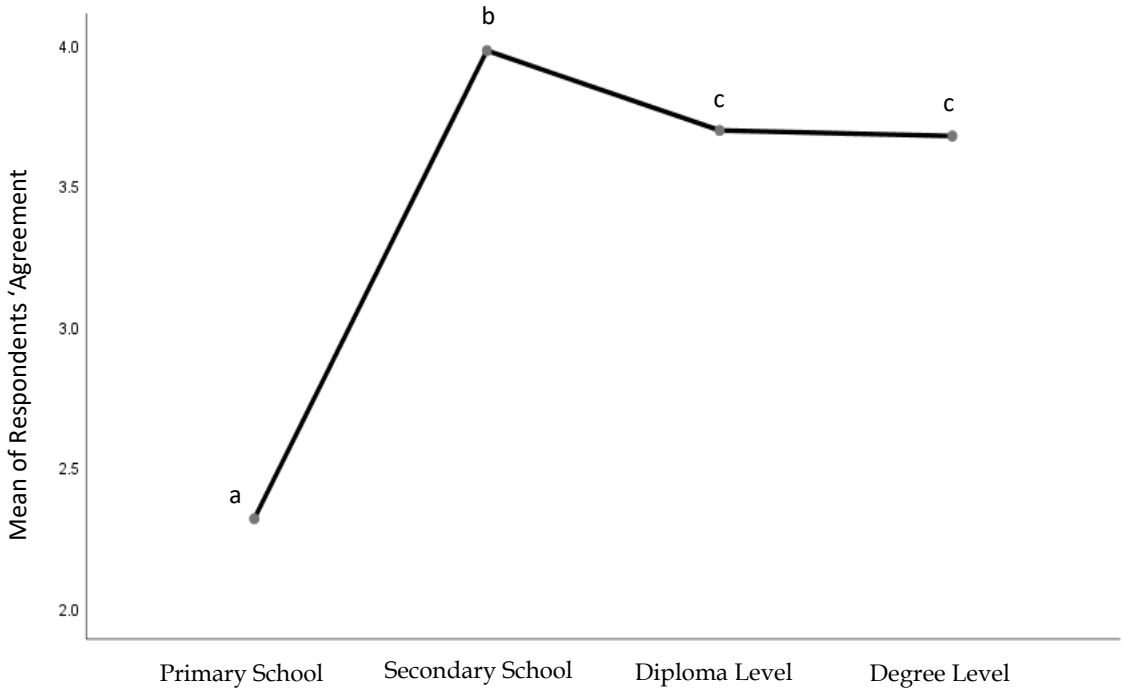
Table 10 The Relationship Between Age and Respondents' Agreement to Implement Mandatory MHCS

Relationship	P Value.	Correlation Coefficient
Age and Level of Agreement	0.78	0.01

Note: The value of P>0.05 indicates that there is no significant relationship.

From Table 10, it was found that there is no significant relationship (P>0.05) between age factor and the level of respondents' agreement to implement mandatory MHCS even though the age factor has a significant different in the respondents' agreement as shown in Table 9.

Figure 1 shows the distribution of the mean values of respondent's agreement level to implement mandatory MHCS according to the level of education.

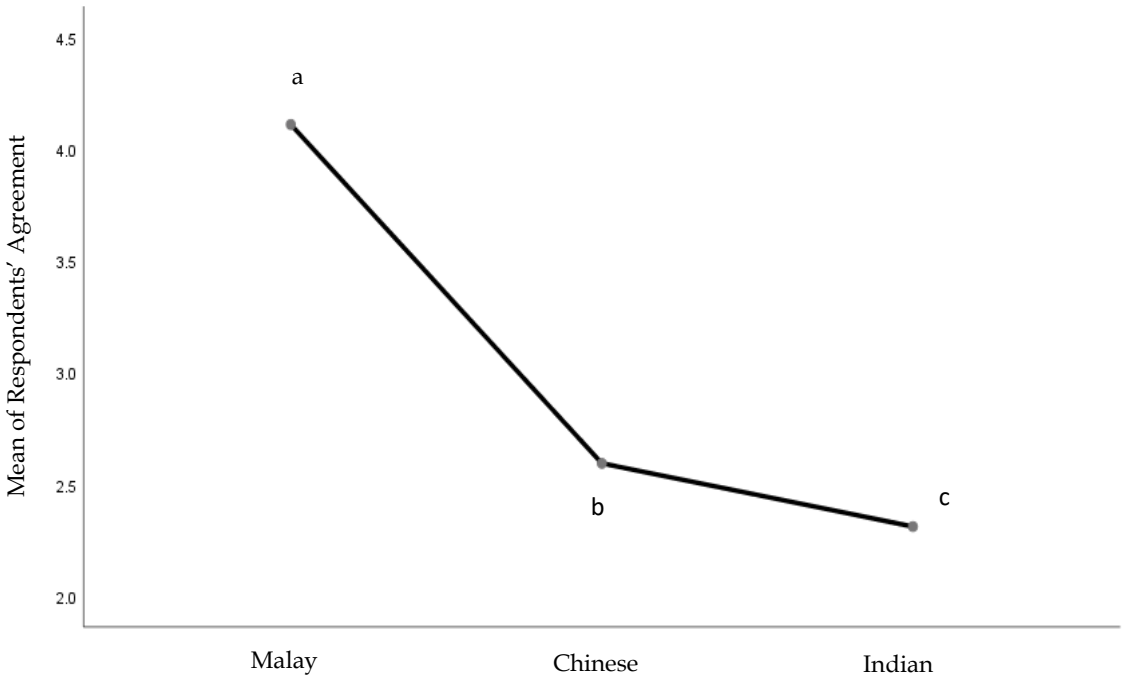


Note: The same letter indicates no significant difference value (<0.05) while different letters indicate a significant difference value (P>0.05)

Figure 1 Distribution of Mean Value of Respondents' Agreement to Implement Mandatory MHCS According to Education Level Factors

From Figure 1, respondents who only got primary school education have the lowest level of agreement with a mean value of 2.32 and the mean value varied significantly with all other respondents. Respondents who got secondary school education, diploma and degree have higher agreement than those who just got primary school education. Even though there are significant differences in the level of agreement between respondents who got secondary school education compared to those who got diploma and degree, the mean values between them are not too different.

Figure 2 shows the distribution of the mean values of the respondent's agreement to implement mandatory MHCS according to races factor.

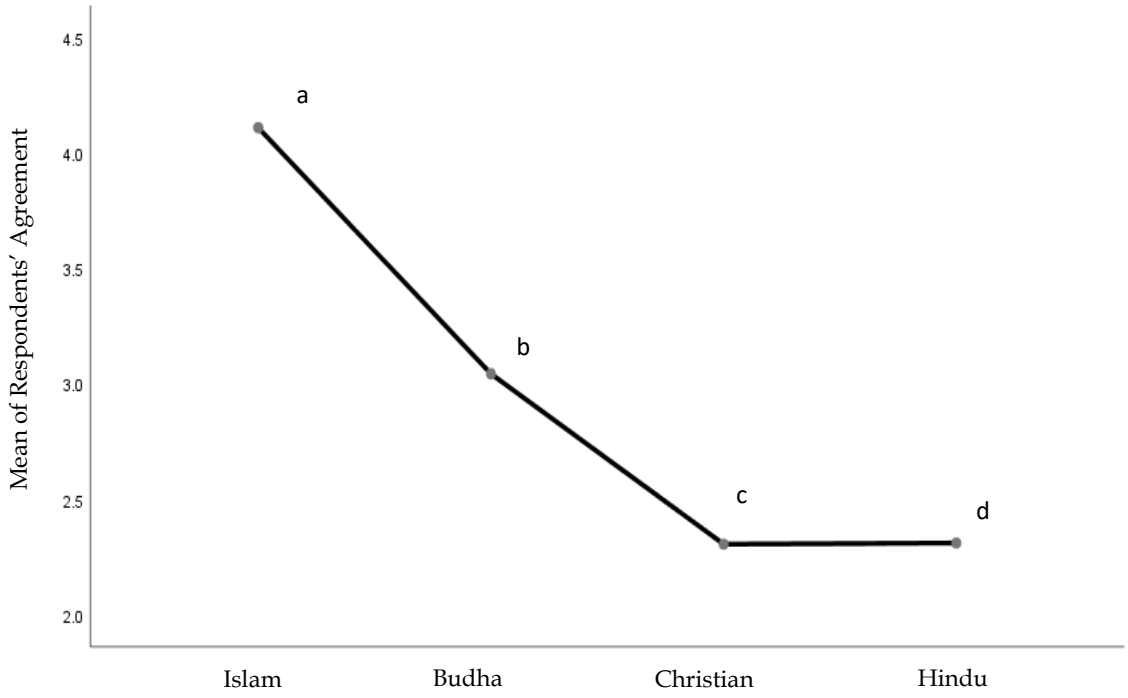


Note: The same letter indicates no significant difference value (<0.05) while different letters indicate a significant difference value (P>0.05)

Figure 2 Distribution of Mean Values of Respondents' Agreement to Implement Mandatory MHCS According to Races Factors

From Figure 2, Malay respondents show the highest level of agreement to implement mandatory MHCS with a mean value of 4.11, which is significantly different. The value is significantly different compared to the mean values of Chinese and Indian respondents. Chinese respondents have the second high level of agreement (mean value of 2.59) and Indian respondents show to have the lowest level of agreement with the mean value of 2.31.

Figure 3 shows the distribution of the mean values of the respondent's agreement to implement mandatory MHCS according to religious factors.



Note: The same letter indicates no significant difference value (<0.05) while different letters indicate a significant difference value (P>0.05)

Figure 3 Distribution of Mean Values of Respondents' Agreement to Implement Mandatory MHCS According to Religious Factors

From Figure 3 it was found that Muslim respondents show to have the highest level of agreement with the mean value of 4.11 and the value varied significantly with the mean values of other religious respondents. Buddhist respondents show to have lower level of agreement (mean value of 3.04) compare to Muslim respondents and the level is significantly different compare to the level of other religious respondents. Hindu and Christian respondents show similar level of agreement (both mean values of 2.31 respectively) and the two mean values did not significantly differ.

CONCLUSION

The study showed that Malaysian food industries are at 64.0% ready (moderately high level) to implement mandatory MHCS after nearly 50 years of implementing voluntary MHCS. The level of readiness is not influenced significantly by the location (state and area of the premises) factor. The type of food premises as well as gender, age, marital status, level of education, race and religion factors show to have only small or very small effects on the readiness level. Only educational level, racial and religious factors have some impacts of more than ten percent. Food company owners and handlers who received high school education show the highest readiness level. The same goes for Malays and Muslim respondents. On the other hand, food company owners and food handlers who only got primary school education show to have the lowest readiness level. The same goes to Indian respondents as well as Christian and Hindu respondents.

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