

## The Moral Obligation Toward Adopt Halal Practices

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### Abstract

*The halal industry presents significant growth potential, extending beyond mere religious fulfilment for Muslims to encompass a broader lifestyle choice for non-Muslims. In response, JAKIM has established the Malaysian Halal Certification Standard for micro-enterprises to ensure compliance with Islamic guidelines for products and services. Adhering to halal standards enhances competitiveness and facilitates entry into global markets for micro-enterprises. However, recent issues involving illegal meat cartels and halal logo adulteration have tarnished Malaysia's reputation as a global halal leader. Therefore, fostering a sense of moral obligation among micro-enterprises is imperative to encourage the adoption of halal practices. This study seeks to validate the role of moral obligation in shaping micro-enterprises' behaviour towards halal adoption. Results from the SEM-PLS analysis of 361 micro-enterprises indicate that moral obligation significantly influences the intention to adopt halal practices. Micro-enterprises, particularly food producers, must voluntarily adhere to specific guidelines set by regulatory authorities to ensure compliance with Sharia requirements and uphold standards of cleanliness and safety in product delivery. Promoting moral obligation within halal practices is indispensable for the sustainable growth and success of micro-enterprises in the halal industry.*

**Keywords:** Moral obligation, Intention, Adopt Halal Practices

### INTRODUCTION

The halal market has seen potentially to growth with a global market value of over \$2 trillion (Elias, 2016a). The idea of halal transcends boundaries and is influenced by the expanding Muslim populace and a rising inclination towards ethical and sustainable consumption. It serves not only to meet the religious obligations of Muslim patrons in adhering to Islamic law but has also emerged as a lifestyle choice for both local and international non-Muslim consumers (Azam, 2020). Halal is an exclusive term used in Islam which means permitted or lawful, While *Toyyiban* means clean and wholesome with reflecting a commitment to hygiene, safety, and food quality for both Muslim and non-Muslim consumers (Golnaz2010; Talib, Hamid & Chin, 2015b). It offers a lot of benefits for Muslim consumers in the sense of *Syariah* compliance.

Non-Muslim consumers portrays Halal as a sense of security in consumption, giving confidence in product hygiene and assuring quality that is related to the healthy, safe and high-quality assessment throughout the supply chain activities that accordance with the *Sharia* law (Ambali, 2014). It also encompasses social needs where the value of integrity for halal foods is included in the value of health, safety, religious and cultural matters (Azmi et al.2018; Ali and Suleiman, 2018). Therefore, the government has developed the Halal Malaysia Certification Standard as a guideline for food producers to meet a need in the production of halal-recognized goods and services. Food producers must ensure that the correct guidelines are followed while manufacturing food products or else will bring harm and disaster to human life and other creatures on this earth. Hence, halal practices are important to avoid any problems regarding food contamination.

### Problem Statement

The COVID-19 pandemic has significantly elevated public consciousness regarding the important of food production responsibility, the provision of safe and hygienic products. Although there is no scientific evidence supporting the transmission of the virus through food or food services, the virus can remain viable on surfaces (WHO, 2020a). The transmission of virus can happen through coughing and sneezing, or transmit through touching food with contaminated hand and utensil (Adams and Walls, 2020). Instances of irresponsible

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behaviour among food producers have been brought to light, Some the food producers have prepared the food from the non-halal animals for consumer and have shown disregard for food safety and health. Additionally, the World Health Organization (WHO) has identified the prevalence of street food stalls as a contributing factor to global foodborne illnesses (WHO, 2002). Poor food hygiene and safety practices (FSP) among Malaysian food hawkers contribute to 50% of the food-borne cases in Malaysia (MOH, 2007), with reported increases in food poisoning and contamination cases in 2013 (Abdul-Mutalib, 2015).

The perception of Malaysia as a global pioneer in halal certification and a prominent halal hub in the international market has been tarnished by reports of an illegally imported meat cartel syndicate operating in Senai, Johor Bahru, towards the end of 2020 (Official Statement Report, 2020), as well as several incidents involving the adulteration of halal logo labels. These revelations indicate that some business owners are willing to compromise on halal standards to maximize profits, engaging in activities such as involvement in meat cartel crimes, fraudulent halal product differentiation, use of expired certificates, and misuse of halal labelling and logos (Ali and Suleiman, 2018; Talib et al., 2020). They exhibit a disregard for risks, potentially endangering public interests and violating regulations. Neglecting responsibility as producers can lead to severe consequences, including environmental degradation, depletion of resources, and risks to human health.

Furthermore, from 2015 to 2018, there were over 10 reported cases of halal certification revocations due to non-compliance with JAKIM Halal Standards and failure to adhere to health and food safety practices. This issue is particularly critical considering that over 60 percent of halal food certificate holders are non-Muslim manufacturers, raising doubts about the halal status of their products (Baharuddin, 2020). Therefore, social responsibility among players in the halal industry is paramount, given that this sector encompasses the entire supply chain process, from raw material selection to the production of the final product (Muqorobin, 2016).

Therefore, business entities are required to be accountable for their production processes (Liu, 2021). Neglecting this responsibility can result in serious issues such as environmental degradation, resource depletion, and human health risks. This sense of responsibility can be viewed as a moral obligation for operators to manufacture items that do not harm consumers (Rusydziana, 2020). Food producers, in particular, must fulfil their roles to ensure that only genuine halal products are available in the market, as any deviation can pose risks to human and animal life. Non-compliance with guidelines can lead to integrity issues associated with the product, along with costs related to product recalls, legal liabilities, and damage to consumer trust, consequently tarnishing the company's reputation and affecting its performance, including sales outcomes (Khan et al., 2019). Hence, it is imperative for halal food producers to uphold their moral obligation to consumers by conducting their business fairly, sincerely, transparently, and in a consumer-friendly manner (Ramli, 2015).

### **Morality in Halal Practices**

The concept of moral obligation holds significant sway over individual behaviour, dictating adherence to ethical principles within moral boundaries. Individuals guided by strong moral convictions are compelled to abide by moral standards, irrespective of potential costs or likelihood of success (Al-Rahamneh, 2022). This intrinsic sense of responsibility motivates individuals to act in accordance with their conscience, reflecting a commitment to ethical conduct even in challenging circumstances.

Moral obligation, also termed moral responsibility, pertains to an individual's personal commitment to moral behaviour when faced with ethical dilemmas, thereby embodying a personal norm of responsibility (Kaiser, 1999). It manifests as an internal state wherein individuals feel compelled to either act or refrain from acting when confronted with moral quandaries (Haines et al., 2008). While previous studies have interchangeably used the terms "moral norm" and "moral obligation," the underlying concept remains consistent, emphasizing the internal motivation to adhere to moral convictions (Haines et al., 2008; Sabucedo et al., 2018; Ali et al., 2018). As elucidated by Haines et al. (2008), moral obligation encapsulates an individual's personal, internal state driving them to act in alignment with their moral convictions. Thus, it serves as a potent motivator for ethical behaviour, guiding individuals to uphold moral principles and fulfil their obligations even in challenging ethical scenarios (Sabucedo et al., 2018).

Extensive research has delved into the pivotal role played by moral norms and obligations in shaping human behaviour, revealing profound influences on individual actions. For instance, Razali's (2020) investigation into waste separation practices among high-rise residents in Kuala Lumpur illuminated the significance of moral obligation as a driving force. The study underscored how moral norms serve as primary motivators for Malaysian households to actively participate in waste separation initiatives, nurturing intrinsic motivation among residents. Similarly, Lu (2020) highlighted the indispensable nature of moral responsibility, ethical contemplation, and ethical conduct in nurturing societal cohesion

Moreover, studies examining moral obligations within the framework of halal practices underscore its critical impact on behaviour. Azmi F.R. et al. (2019) scrutinized factors propelling food manufacturers towards adopting Halal Standards, revealing morality as the foremost determinant of intent among respondents. Additionally, Gunawan, Permatasari, and Tilt (2020) stressed the accountability within the manufacturing process, emphasizing food operators' responsibility in ensuring product safety and integrity. This encompasses maintaining stringent hygiene standards across production, storage, and distribution channels, adhering to established norms, and implementing stringent control measures to mitigate risks, including swift product recalls in case of emergencies.

Green (2006) advocates for food production companies to prioritize profits in alignment with societal interests, emphasizing the necessity of moral obligation to ensure compliance with government guidelines. Therefore, research endeavours aimed at justifying the integration of moral obligation as a determinant of intent in halal practices are crucial for fostering adherence to ethical standards and promoting societal well-being.

**RESEARCH FRAMEWORK**

The proposed research model depicted in Figure 1.0 was developed to show the relationship between moral obligation and intention to adopt halal practices. This research framework is supported by The Theory of Planned Behaviour.

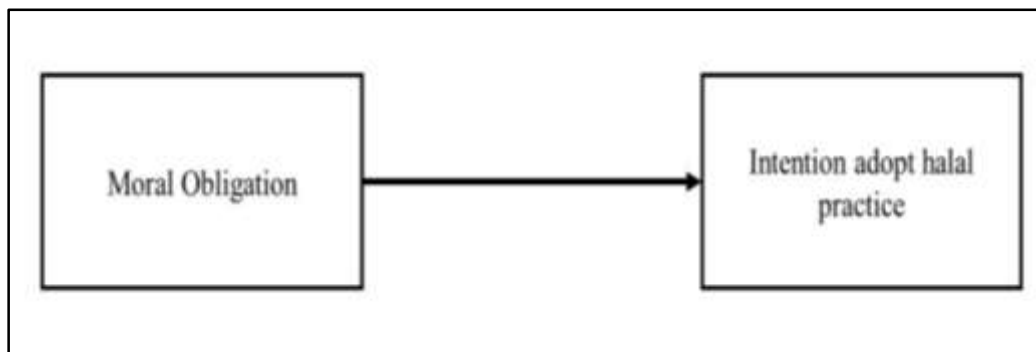


Figure 1.0: Relationship between Moral Obligation and Intention adopt halal practices

**CONCLUSION**

Based on the investigation using the SEM-PLS approach on 361 samples of micro-enterprises. By referring Table 1.1, this can be concluded that moral obligation significantly influences behavioural intention towards the adoption of halal practices.

Table 1.1: Analysis Result

	Hypothesis	Path Coefficients	T value	P value	Decision
H1	Moral obligation -> Intention adopts halal practice	0.17	3.217	0.001	Support

The important of moral obligation to influence the behavioural of can be seen by referring to the study from Al-Rahamneh (2022) where the study shows that the moral obligation variable has a significant impact on behaviour of tax compliance. The taxpayers will comply with tax regulations because they have a moral need to do so. This is in line with Young, et al. (2016), who defined moral behaviour as an intrinsic motivation provided by ethical and moral values. Therefore, Moral obligation is supposed to be among the important

forces to broaden behaviour understanding. Hence, the moral obligation should influence compliance intentions.

Muslim consumers often opt for halal products due to their recognition of it as a moral obligation (Ali, M.H. and Suleiman, N., 2018). For Muslim entrepreneurs, embracing halal practices transcends mere business decisions; it embodies a moral imperative deeply rooted in their faith. Aligning business strategies with religious principles holds paramount importance for many Muslim business owners, particularly those operating micro-enterprises. Given their limited resources and scale, micro-enterprises encounter distinct challenges in upholding halal standards. Thus, a strong sense of moral obligation becomes imperative, serving as a catalyst for adherence. The significance of moral considerations in predicting behavioral intentions within moral contexts is well-established (Gorsuch, 1983). When micro-enterprises feel morally compelled to produce halal goods or services, they are more inclined to invest in training, certification, and other measures to ensure compliance with halal standards. This fosters consumer trust and paves the way for potential market expansion.

Policymakers and stakeholders can adopt various strategies to cultivate a halal-centric culture (Ali, 2023; Sabran, 2007; Ahmad, 2020). Initiatives such as awareness campaigns, coaching and training initiatives, and collaborative endeavors can amplify the influence of moral obligation, bolstering the adoption and sustenance of halal practices. Such efforts not only fortify the halal industry but also contribute significantly to national economic advancement.

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