

Performance Measurement for Halal Food Certification: A Research Agenda

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Abstract—This paper review current research on performance measurement within the context halal food certification. The aim of this paper is to develop a research agenda for performance measurement for halal food certification. This is achieved by reviewing of research and relevant literature on three interdisciplinary fields involving *fiqh*, sociology and supply chain management. The paper shows that there are a number of key debates in the general literature on performance measurement on halal food certification. Then, it is still in early stages and need to be tested empirically. Limitation of this study in term of the source of data for literature review is based on secondary rather than primary sources. Obviously, this paper proposed a research agenda from the empirical findings and theory building to academics, practitioners and government.

Index Terms—Performance measurement, halal food, certification, research agenda

I. INTRODUCTION

Distribution of Halal food products needs the supervision from upstream to downstream in order to ensure the quality of product meets to all customers' need and they are satisfied with service given. As the result, consumers of Halal food are more aware and concern about the integrity of Halal certification and also curious about all the activities involved along the halal food supply chain whether the products that they purchased were truly Halal all the way (Zulfakar et al., 2014). Thus, people have beliefs to consume the halal food through paying careful on labeling halal at market or other places. Labeling Halal is the result of certification process which gives guarantee to products especially its ingredients and productions issued by the Islamic authorized council (Talib et al., 2010).

A study on halal food has been officially certified and also involved in social science investigations to assist people's

life quality improvements. In addition, research on halal food required integrate other fields to emerge better outcomes and provide the significant impacts. The first field that may be taken into consideration is *Islamic Law* as so called *fiqh*. This approach found that many food was sold for the consumption only without investigating its composition and caring for health impacts. Moreover, Abdul et al. (2009) found that good products should be hygiene and met the standard of food production. This concept has emerged a new model of Halal food. Halal food is demanded by Muslim throughout the world when consuming any selected food. Muslim who consume any Non-Halal food both its ingredients and ways of productions will be impactful to them behaviour. Islam is also directing to consume the halal food in which non-Halal food affects to mental and psychical health (Sawari et al., 2015). Thus, Islamic study concluded that selecting and consuming the halal food has been explicitly stated and declared to every Muslim.

The second filed is people's behaviors in selecting the Halal food in the views of sociological sciences. This approach studies how people behave together with adherent social lives dealing with the contributions of internalized systems affect to them (Bilal Majid et al., 2015). Then, the last area is supply chain management. As a business process, halal food products have to consider for the collaborative work amongst supply chain actors in producing Halal food to ensure the product getting labelling halal (Akbarizan et al., 2016). obviously, this phenomenon is interesting for researcher to investigate halal food supply chain, its distribution and how the product is approved for Halal food certification

This study is expected to contribute in evaluating the Halal food certification given by any authorized council. Several countries already have institutions that issued the halal certification in accordance with the provisions of the enactment. Some halal certification bodies are known to the public include the Islamic Foods and Nutrition Council of America (IFANCA), the Islamic Services of America (ISA), and Halal Food Council International (HFCI); Australian Federation of Islamic Councils (AFIC); Federation of the Islamic Association of New Zealand (FIANZ); Islamic Development Department of Malaysia (Jakim), Islamic Religious Council of Singapore (MUIS), Council of Ulama Indonesia (MUI), the Central Islamic Committee of Thailand (CICT); and Halal Food Council International (HFCI) in China (Abd latif et al., 2014).

This paper proposes a research agenda that draws from three interdisciplinary fields involving *fiqh*, sociology and supply chain management. To obtain the result in measuring

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halal food certification, a review of research is presented to introduce the main ideas, relevant literature, and methods in each of the three fields. From this study, it is expected obtain benefit from a combined perspective are identified for development of an interdisciplinary research agenda.

II. HALAL FOOD CERTIFICATION

There are many products on the market providing benefit for society as an alternative to consuming products for every day. Nevertheless, it makes buyer become not aware of the quality of products, especially products that serve as source of food for consuming. Furthermore, OECD (2013) reported that there was increasing market competition in food chain industry. It caused producers pay less attention for quality of goods that have been manufactured and marketed. Thus, the consumers are becoming less concerned about the quality of goods because they only focused on product which have the low prices. Nowadays, most of business have intention to put the labeling Halal on their products to ensure the product provide the best quality (Abdul Majid et al., 2015). Consequently, the businesses required to check their products to the Independent Certification Authority in order to these products can be claimed as Halal products. There is no guarantee that all of the food on the market is Halal labeling. Thus, consumers should be carefully and able to choose which food is categorized the Halal food. To conduct this issue, this paper conduct three scholars knowledge to develop of an interdisciplinary research involving *fiqh*, sociology and supply chain management.

A. *Fiqh*

The concept of Halal food is the food that is clean and unforbidden by religion (Zulfakar et al., 2014). While, good food is the food that is eaten justified by medical science but not all good food is good quality. This is stated in the Qur'an (Al Maidah, 88) which means "*eat the Halal food that has been given to you and pray for the God*". Al Quran concluded that the food is consumed by buyer not only be good by the standards of hygiene but also good according to both the substance and how to obtain it. This is the basic concept of Halal Food.

Islam as a religion recommends to its adherents to eat the Halal food because the food was not Halal can interfere with spiritual health. Therefore, the Islam manage various aspects of human life which it conducted in the study of *fiqh* that helping society in selecting food and beverage obtained from businesses that are approved by God (Jamaludin et al., 2012).

B. *Sociology*

Al Quran (Al-Baqarah,168) stated that "*O mankind, eat of the Halal food of what is the best on earth, and do not follow the steps of devil because they are outright enemy to you*". Obviously, study of Halal food also emphasized to the behavior of the community in the selection of food and beverage which is based on scientific sociology. This knowledge conducted about life and behavior related how a system can affect people and conversely how the people involved in affecting the system (Ambali and Bakar, 2014).

Moreover, Soesilowati (2010) found that the social level of Muslims effects on halal consumption behavior. As the result, the participant with higher education, middle class incomes, housewives, and younger age groups tend to be relatively more concerned to consume halal food. Thus, this perspective not only is influenced by the attitudes, but also by perceived behavioral control.

C. *Supply Chain Management*

Concept of Halal food is influenced by several actors that collaborate in business process involving supplier, manufacturing, distributor and customer. They are integrated in supply chain management (SCM). Halal SCM are expected to optimize the ability of the entities to efficiently and effectively develop and maintain the relationship between supply chain actors (Tiemann et al., 2012). The relationship between entities in strategy supply chain is necessary to measure because a system cannot be controlled unless it is measured using appropriate methods (Lestari et al., 2014).

Hudnurkar et al. (2014) developed a literature review on supply chain management (SCM) based on issues and challenges. Especially for partnership issues, the relationship between supply chain actors is categorized into SCM practices. This approach plays an important role in achieving a company's goal because the coordination and integration of activities with other supply chain actors results in greater benefits for companies (Theeranuphattana and Tang., 2007). Concept of halal food requires to conduct supply chain management in order to evaluate strategies and effectively collaborate with actors in business process.

D. *Halal Labelling*

Halal food certification on product serve to ensure the product that their consuming provide the good quality assurance. To get permit in Halal food certification in term of labeling halal on the packaging of product, it must follow certain regulations from independent Certification Authority based Islamic laws. Moreover, the detail process on approval Halal food certification or labeling halal was done with taking sample on food (Dubé et al. 2016). Then, it also considers other equipment that are used to produce the food. Indeed, the Halal food certification in business processes can mutually reinforce existing networks to gain market.

III. PERFORMANCE MEASUREMENT

Most researchers found that stakeholders evaluated and improved their business processes by performance measurement system (PMS) (Gopal and Thakkar, 2012; Bolstorff and Rosenbaum, 2011). Moreover, many researchers found barriers when measuring performance system, which were seen as inadequate (Stefanović and Stefanović, 2011; Kurien and Qureshi, 2011). Agami et al. (2012) reviewed and classified approaches to measuring performance system. They revealed that different performance measurement system were used for different systems to find a suitable approach based on the business process perspective.

There are several methods for measuring performance system. This paper reviewed performance measurements using several case studies such as the Balanced Scorecard (BSC), Supply Chain Operations Reference (SCOR) and Total Quality Management (TQM). These methods have the different function and variables. A review of the methods concluded that the Balance Scorecard focused on performance measurements that were based on the vision and mission of the organization (Jie and Parton, 2009). Supply Chain Operations Reference was used to investigate the relationship between suppliers, manufactures, and customers (Taghizadeh and Hafezi, 2012). Then, Total Quality Management conducts measured performance by assessing if the organization met its targets and improved customer satisfaction (Sahoo, 2013). Indeed, these methods can support problem solving for measuring performance depending on the scope of the problem.

IV. OPPORTUNITIES FOR FUTURE INVESTIGATION

There have been a wide range of Halal food labeling aiming to ensure the food quality and consumers' needs by Halal certification on its package. Therefore, Halal food certification is the result of product testifying process in terms of its ingredients to final products. This process involve a plenty of efforts made to produce any Halal food. A scientific work to study this issue is necessary to appeal a role Halal food certification which is started from the framework of three interdisciplinary fields involving *fiqh*, sociology and supply chain management. It is clearly noted that this study would be directed to find out how to measure the Halal food certification. Figure 1 describes the framework of three interdisciplinary fields involving *fiqh*, sociology and supply chain management which it will be used to measure Halal food certification.

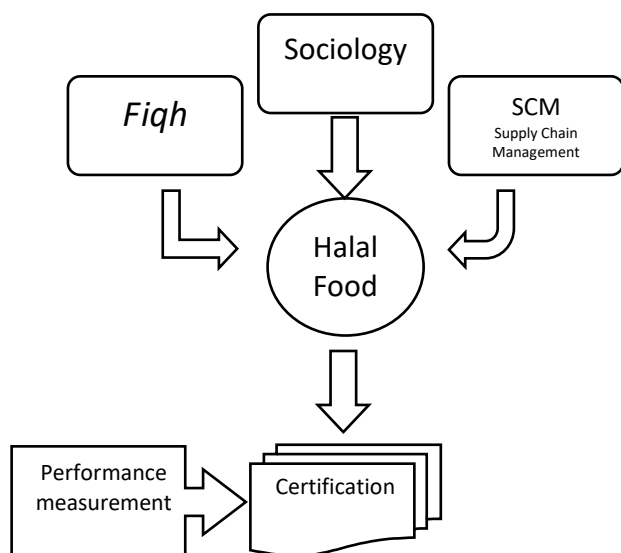


Fig 1. Framework to measure Halal food certification

Moreover, this study aims to measure the Halal food certification to give consumers' guarantee for certified halal food. Thus, there are several opportunities for future investigation involving

1. To determine the appropriate method for performance measurement on Halal food certification
2. To identify the indicators influencing customers' satisfaction on halal food
3. To measure the performance of halal certification bodies
4. To measure a brand performance on halal labelling

V. THE IMPLICATION OF PERFORMANCE MEASUREMENT FOR HALAL FOOD CERTIFICATION

In this study, the measurement performance system will subject to the Halal food certification. Kohli and Jensen (2010) revealed that measuring the performance system in a business process is necessary for effective collaboration. Thus, the performance measurement system needs to be directed towards Halal food certification. Thus, this research is expected to give significant contributions for Halal food perspective. Then, it will be contributing to some areas, as follows:

1. Academics
A study on Halal food might integrate the three disciplines to result any comprehensive study.
2. Practitioners
The application of Halal food concept could not only be implemented in Muslim countries but also adopted in by countries where Muslim community are dwelt.
3. Government
There are authorized council whose duties are related to Halal food. These council are fully responsible for the food quality. Therefore, this research tries to contribute any consideration when authorized council is taking public polices in approving the Halal food certification.

VI. CONCLUSION

This paper has presented number of the review of research and relevant literature on performance measurement halal food certification. Many investigations and Opportunities for future studies related in this case. Thus, result of this paper provided the framework of three interdisciplinary fields involving *fiqh*, sociology and supply chain management which it will be become a research agenda.

Moreover, this paper also provided several expected outcomes to to emerge the findings as follows:

1. Model of the evaluation of brand performance on halal food.
2. Model of measure the performance of halal certification bodies.
3. Marketing strategies for Halal food referring to supply chain management.

There is strong preliminary evidence that performance measurement can bring major benefits for halal food certification. In addition, As with any multidisciplinary perspectives, there needs to be development of shared understandings of performance measuring and halal food certification within and across the fields of *fiqh*, sociology and supply chain management. It is the hope of the authors

that the reviews above provide a useful first step in defining the general approaches, capabilities and research agendas of these three fields.

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