

Entrepreneurial Approaches to Halal Transport and Delivery Control: A Case Study of URC Snack Foods (M) Sdn. Bhd. in Pasir Gudang, Johor

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Abstract

The logistics and supply chain industry plays a pivotal role in facilitating global trade by ensuring the efficient movement of goods and services. Within this intricate network, Halal Transport has emerged as a specialized area of study and practice, driven by the increasing global demand for Halal products. "Halal," in the context of Islamic law, refers to products and practices that comply with religious and cultural standards. As more businesses seek to cater to this growing market, optimizing Halal transport processes has become essential for entrepreneurs aiming to enter or expand within the Halal industry. This study focuses on evaluating Halal certification, documentation, and supplier verification processes at URC Snack Foods (M) Sdn. Bhd. in Pasir Gudang, Johor. Data was gathered from 135 employees through a 27-question survey to assess the challenges and effectiveness of Halal transport practices within the company. The findings reveal that while there are commendable efforts to adhere to Halal standards, there is room for improvement in data collection methods, sampling procedures, and continuous personnel training. The study suggests that strengthening collaborations with Halal certification bodies and investing in advanced technology and infrastructure could enhance Halal transport practices. This research provides valuable insights for entrepreneurs in the Halal logistics sector, highlighting the importance of adherence to Halal standards and offering practical recommendations for future improvements and further research.

Keywords: Halal Transport Control Delivery; Halal Certification; Halal Documentation; Supplier Verification

1. Introduction

The global food industry has witnessed a significant surge in the demand for Halal products, driven by the growing Muslim population and adherence to dietary laws (Nor et al., 2023). As the market for Halal products expands, ensuring the integrity of these products throughout the supply chain is essential for consumer trust and businesses to thrive in this growing sector (Fernando et al., 2021). For entrepreneurs in the food industry, particularly those involved in Halal logistics, the effective management of Halal Transport Control Delivery is crucial. This research focuses on URC Snack Foods (Malaysia) Sdn. Bhd., a key player in the snack food industry in Pasir Gudang, Johor, examines how Halal Certification, Documentation, and Supplier Verification impact Halal Transport Control Delivery (Zainuddin et al., 2019). Entrepreneurs in the Halal logistics sector must ensure that their supply chains are equipped

with accurate certification, documentation, and supplier verification to uphold Halal standards and protect the integrity of their businesses (Tumiwa et al., 2023). This study aims to provide valuable insights into the logistical challenges and opportunities for Halal supply chain management entrepreneurs, offering recommendations for improving Halal transport practices and supporting business growth in this niche yet expanding market (Husin et al., 2021).

According to the (Prajogo, 2012) on logistics, companies that actively engage with their suppliers and consumers can enhance their flexibility, customer satisfaction, cost savings, and service levels, which are crucial for maintaining competitive advantages in the market for entrepreneurs in the Halal logistics sector, this type of engagement can be a key driver of business success. By fostering strong relationships with suppliers, consumers, and certification bodies, Halal logistics providers can ensure that their operations meet both regulatory standards and customer expectations. This, in turn, strengthens the company's competitive advantage through cost efficiencies and service innovation, which are vital for gaining a foothold in the rapidly growing Halal market (Ariffin et al., 2024). Furthermore, by leveraging relational resources effectively, entrepreneurs can create value-added services, such as enhanced tracking, transparency, and compliance with Halal standards, which differentiate their offerings in a competitive landscape. Thus, for entrepreneurs in the Halal food and logistics industries, this relational approach not only supports these objectives and questions but aligns with both the logistical and entrepreneurial aspects of Halal transport, aiming to uncover how entrepreneurship can drive improvements in Halal logistics practices while addressing challenges in the sector (Hanafi et al., (2023). The research objectives of the study are as below:

1.2 Objectives

- To assess the impact of Halal Certification, Documentation, and Supplier Verification on Halal Transport Control Delivery at URC Snack Foods (Malaysia) Sdn. Bhd.
- To explore the role of entrepreneurship in enhancing Halal logistics practices and improving supply chain efficiency.
- To identify the challenges and opportunities for entrepreneurs in the Halal logistics market in Malaysia.

1.3 Research Questions:

- How do Halal Certification, documentation accuracy, and supplier verification influence the effectiveness of Halal Transport Control Delivery at URC Snack Foods (Malaysia) Sdn. Bhd.?
- How can entrepreneurs in the Halal logistics sector improve operational efficiency and service innovation through better engagement with suppliers and consumers?
- What are the key challenges and opportunities that entrepreneurs face in the Halal logistics market in Malaysia, and how can they leverage these to gain a competitive advantage?

2. Literature Review

In this chapter, we will explore various entrepreneurial halal frameworks and examine how they relate to the business in the context of this study.

2.1 Halal Certification

Food packaging often displays the Halal mark, but its authenticity is questioned due to rumours

of non-Halal meat being labelled as Halal (Sham et al., 2017). Despite this, Malaysian Muslim consumers seek certified Halal marks, approved by the Department of Islamic Development Malaysia (JAKIM). Concerns about Halal certification and labelling are crucial for stakeholders (Mohd Daud et al., 2023). Halal food must not contain non-Halal components, and its certification is questionable if it includes animal-derived ingredients (JAKIM, 2014). Counterfeit Halal trademarks and misleading brand names further complicate trust (Shirin Asa, 2019). The certification and labelling process is vital for maintaining Halal integrity (Elias et al., 2019). Applicants often delay submitting required documents, and some are unaware of notifications during the application process (Suhaimi et al., 2019; Muhammad et al., 2020[12]; Gunardi et al., 2022).

2.2 Documentation

In halal logistics, thorough documentation is essential for maintaining integrity, transparency, and certification throughout the supply chain. In Muslim countries, proving halal certification is crucial for compliance with Islamic dietary laws, fostering trust and transparency (JAKIM (HAMS), 2011). Detailed traceability documentation, covering raw materials, processing, and delivery, ensures verification of halal integrity at each stage. In non-Muslim countries, halal verification documentation must meet international and local standards. The main objectives of transportation regulations in both contexts are to prevent contamination and maintain halal status. Regular inspections, audit reports, and risk management procedures ensure ongoing compliance and address transit issues. Rigorous training and clear communication throughout the supply chain support transparency and integrity (Tiemann & Ghazali, 2014).

2.3 Supplier Verification

Supply chain management integrates various activities and stakeholders to optimize the flow of goods and services (Fernando et al., 2021). This complex network fosters strong relationships between suppliers and customers (Munir, 2023), aiming for maximum consumer value and cost-effectiveness (Aitken, 1998). Communication and teamwork are vital for supply chain competencies (Fernando & Wulansari, 2020). Halal manufacturing must ensure compliance with halal production rules, requiring certificates and labeling to assure customers. However, the absence of a reliable halal emblem prompts consumers to seek further assurance. Islamic butchers are trusted due to their accountability to Allah, while supermarkets are viewed with suspicion due to potential cross-contamination and lack of supply chain transparency (van der Spiegel et al., 2012).

3. Research Methodology

This section establishes the theoretical foundations for exploring halal transport. Based on the literature review, the theoretical framework combines supply chain management, logistics, and cultural considerations to develop a comprehensive model. The chapter aims to present a clear and transparent approach that ensures the accuracy and reliability of the research findings. The introduction provides an overview of the systematic strategy guiding the research process and sets the stage for detailing the study design, data collection methods, sampling techniques, and data analysis procedures.

3.1 Conceptual Framework

A conceptual framework serves as a foundational structure for researchers, guiding the formulation, execution, and interpretation of their studies. It provides a comprehensive blueprint that delineates the key concepts, variables, and relationships pertinent to the research

inquiry, ensuring that the study remains aligned with its overarching aims and objectives. In academic research, a well-defined conceptual framework is critical as it helps to clarify the theoretical underpinnings that inform the research questions. By articulating the relationships between different constructs, researchers can systematically explore how these elements influence one another and contribute to the broader field of knowledge. This framework not only aids in the identification of relevant literature and methodologies but also supports the articulation of hypotheses that can be empirically tested.

Furthermore, a robust conceptual framework enhances the rigour of the research process by providing a coherent narrative that contextualizes the study within existing literature. It empowers researchers to critically engage with their findings, facilitating a deeper understanding of the implications of their results. Ultimately, the use of a conceptual framework ensures that research remains focused and methodologically sound, thereby contributing to the advancement of knowledge in a systematic and meaningful way. This research utilizes the framework outlined below as a guideline, serving as a structured path towards conducting rigorous academic inquiry. By adhering to this framework, we aim to ensure that our research process is both systematic and thorough, allowing for a comprehensive exploration of the subject matter. This approach not only enhances the reliability of our findings but also contributes to the advancement of knowledge in the field.

Figure 1: Theoretical Framework

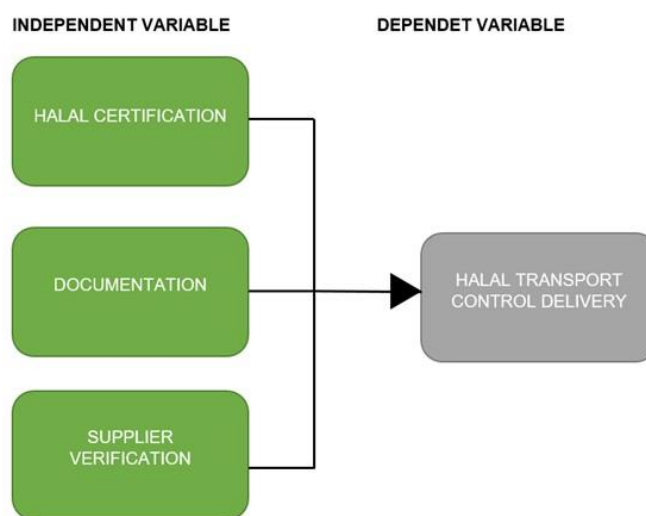


Figure 1 above presents a conceptual framework illustrating the relationship between independent variables and the dependent variable in Halal logistics. The independent variables include Halal Certification, which ensures compliance with established Halal standards; Documentation, which facilitates transparency and traceability of processes; and Supplier Verification, which validates suppliers' adherence to Halal requirements. These three variables collectively influence the dependent variable, Halal Transport Control Delivery, ensuring the integrity of Halal products during transportation. The framework highlights the critical role of certification, documentation, and verification in achieving effective and compliant Halal transport systems, essential for maintaining consumer trust and regulatory adherence.

Table 1 below presents a detailed summary of the findings from the study, organized according to relevant categories. In the following section, these data will be discussed and examined more thoroughly, highlighting their connection to the objectives of this research. This analysis seeks to offer insightful responses to the research questions posed.

Table 1: Sample Respondents at URC Snack Foods (M) Sdn. Bhd

Variable	Category	Sample Size (N=135)	Percentage (%)
Gender	Male	76	56.30%
	Female	59	43.70%
Age	18-20	43	31.90%
	21-25	38	28.10%
	24+	54	40.10%

4. Results and Discussion

The Cronbach's Alpha value for each dependent variable in the pilot test is displayed in table 4.6. The variable's range falls inside the range of. Nevertheless, a Cronbach Alpha value of greater than 0.6 is considered appropriate for a reliability test result.

4.1 Descriptive Analysis among Workers at URC Snack Foods (M) Sdn. Bhd

The study included 135 valid responses. For Halal Transport Control Delivery (HTCD), the scores ranged from 10 to 30, with a mean of 25.97 and a standard deviation of 6.921. Halal Certification (HC) scores ranged from 12 to 27, with a mean of 24.35 and a standard deviation of 5.338. Documentation (D) scores ranged from 10 to 31, with a mean of 26.85 and a standard deviation of 7.301. Supplier Verification (SV) scores ranged from 11 to 31, with a mean of 26.76 and a standard deviation of 6.846. All variables had 135 valid responses analyzed.

Table 2: Descriptive analysis of Mean and Standard Deviation

	N	Minimum	Maximum	Mean	Std. Deviation
HTCD	135	10	30	25.97	6.921
HC	135	12	27	24.35	5.338
D	135	10	31	26.85	7.301
SV	135	11	31	26.76	6.846
Valid N (listwise)	135				

The table 2 provides descriptive statistics for four variables: HTCD, HC, D, and SV, derived from a sample of 135 respondents. Each variable the minimum, maximum, mean, and standard deviation, reflecting the distribution and variability of the data. The variable HTCD recorded scores ranging from 10 to 30, with a mean of 25.97 and a standard deviation of 6.921. The mean indicates that the average score is positioned toward the higher end of the scale, suggesting a tendency for respondents to report higher values for HTCD. However, the standard deviation signifies a moderate degree of variability, implying that responses are somewhat dispersed around the mean.

For HC, the scores ranged between 12 and 27, with a mean of 24.35 and a standard deviation of 5.338. The lower range of scores compared to HTCD, coupled with a smaller standard deviation, indicates that responses for HC are more concentrated and less dispersed around the mean. This suggests a consistent pattern in responses, with fewer extreme values. The variable D exhibited a range of scores from 10 to 31, with a mean of 26.85 and a standard deviation of 7.301. The higher mean, close to the upper limit of the range, reflects a tendency for participants

to score on the higher side. The relatively large standard deviation indicates a wider variability in responses, suggesting differing perceptions or experiences among the respondents. While SV demonstrated scores ranging from 11 to 31, with a mean of 26.76 and a standard deviation of 6.846. The mean, being close to the maximum score, reveals a similar trend of higher values among the respondents. The moderate standard deviation reflects variability that is neither too narrow nor excessively broad, suggesting a balanced distribution of responses.

All four variables reflect a tendency toward higher mean values, indicating that participants generally provided positive or higher-end responses. The variability, as indicated by the standard deviations, suggests that some variables (e.g., HC) exhibit tighter clustering around the mean, while others (e.g., D) show more dispersed patterns. This analysis provides an initial insight into the data trends, which could inform further inferential statistical analysis to examine relationships and significance among these variables. The descriptive statistics highlight patterns in the dataset, suggesting the potential for more in-depth investigation into the underlying factors influencing these variables. Future research could focus on exploring correlations, group differences, or predictive models to build on these findings.

4.2 Correlation

Pearson seeks to explore the connection between end-users concerns regarding in-store motor vehicle transportation issues and their awareness of appropriate transportation practices. In this study, the strength of the relationship between the two variables is classified according to the criteria outlined in Table 3, which presents the findings of the Pearson correlation analysis.

Table 3: Correlations Table

	Correlations	HTCD	HC	D	SV
HTCD	Pearson Correlation	1	.999**	.995**	.987**
	Sig. (2-tailed)		.000	.000	.000
	N	135	135	135	135
HC	Pearson Correlation	.999**	1	.999**	.994**
	Sig. (2-tailed)	.000		.000	.000
	N	135	135	135	135
D	Pearson Correlation	.995**	.999**	1	.998**
	Sig. (2-tailed)	.000	.000		.000
	N	135	135	135	135
SV	Pearson Correlation	.987**	.994**	.998**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	135	135	135	135

The table presents the correlation coefficients among the four variables: HTCD, HC, D, and SV, calculated using Pearson's correlation method. The analysis explores the strength and direction of relationships between these variables, with N = 135 representing the sample size for all pairwise correlations. Significant results are marked with double asterisks (**), denoting a significance level of $p < 0.01$. All correlation coefficients are statistically significant at $p < 0.01$, as evidenced by the two-tailed significance values. This indicates that the observed relationships are unlikely to be due to chance. The consistently high correlations among the variables suggest a high degree of interconnectivity, potentially indicating multicollinearity.

4.3 Implications for Research

The findings suggest that the variables are highly interrelated, potentially representing different dimensions of a singular underlying construct. While this strengthens the validity of the measures as closely related components, it also raises concerns about multicollinearity if these

variables are included simultaneously in regression or structural equation modeling. Future research should consider employing factor analysis to investigate the dimensionality of these variables and validate their distinctiveness.

In summary, the correlation analysis underscores a robust relationship among the variables, warranting further exploration of their theoretical and practical implications in the study context.

5. Conclusion and Recommendation

This study has provided significant insights into the operational practices and performance metrics associated with Halal Transport Control Delivery at URC Snack Foods (M) Sdn. Bhd., located in Pasir Gudang. By thoroughly examining the integration of halal standards within the company's transportation protocols, this research contributes to the broader body of knowledge regarding halal logistics in the food industry. The analysis highlighted both the compliance mechanisms in place and the challenges that persist within the existing framework. Notably, while URC Snack Foods (M) Sdn. Bhd. has demonstrated commendable efforts in adhering to halal standards throughout its transport procedures, the findings suggest that there exists considerable potential for enhancement. Key areas identified for improvement include the adoption of more rigorous sampling techniques and an expansion of diverse data collection methodologies to ensure comprehensive evaluations of compliance.

Moreover, the importance of ongoing professional development for personnel involved in halal transport cannot be overstated. Continuous training programs will not only ensure that staff are well-versed in the latest halal requirements but also foster a culture of quality and compliance within the organization. In addition to these measures, it is recommended that the company invest in advanced technological solutions that could facilitate better tracking and verification of halal compliance. Strengthening partnerships with halal certification bodies also emerged as a crucial strategy, as these collaborations can provide additional insights into best practices and regulatory expectations. Furthermore, establishing a robust monitoring and evaluation system will be essential for continually assessing and improving halal transport procedures.

Ultimately, this study underscores the pivotal importance of maintaining halal integrity throughout the supply chain. By implementing the recommendations outlined herein, URC Snack Foods (M) Sdn. Bhd. can enhance its halal transport processes, ensure compliance with established halal standards, and uphold a high level of customer satisfaction. These efforts will not only reinforce the company's commitment to halal principles but also position it favourably in a competitive marketplace that increasingly values transparency and ethical sourcing practices.

5.1 Future Research

Future research could diversify data collection methods by employing a mixed-method approach that includes both qualitative and quantitative techniques. This could involve using interviews, focus groups, and observational studies in addition to questionnaires to gain a more comprehensive understanding of the challenges and effectiveness of halal transport practices.

Another promising avenue for future study is crucial to implement continuous training and awareness programs for all personnel involved in the transportation and delivery processes. These programs should focus on the importance of adhering to halal standards and the specific protocols required to maintain compliance.

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