Halal Supply Chain: Assessing the Islamic Values of the Poultry Industry

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Abstract — Values are important in influencing our principles and behaviours and help to create positive values in our daily life. Thus, values in Islam are vital as a guide for Muslims to be good Muslims and form better societies. These values are based on the Syariah principles which can be found in the Holy Quran which is the main reference acts as a foundation for Muslims hereafter. Occasionally, Muslims do not realise that the good things that they do in their daily activities are considered as good values from the Islamic perspective i.e. Islamic values. Thus, the current business environment of the food supply chain focusing in poultry industry has been chosen due to highest food consumption in Malaysia. This study found that research assessing the Islamic values and halal supply chain has received relatively little attention in the literature. Therefore, this study attempts to fill the gap by assessing the Islamic values in the halal supply chain of the poultry industry. This study focuses on the existing poultry supply chain and underlying Islamic values that exist which may assists the implementation of halal supply chain to be resilience and sustainable in the future. The study used qualitative approach in which deployed in-depth interview from a case study. The case study focused on the final stage of the supply chain which is retailers’ premises.

Keywords — Islamic values, halal, supply chain, poultry, halal supply chain

1. Introduction

Growth of the supply chain integration has made the logistics players to find a new area of opportunities such as the halal market. As the global halal market trade increases, it makes the market of supply chain grow tremendously.

Development of the halal industry in today’s business environment plays a significant role towards enhancing the economic growth of a country especially Malaysia.

Therefore, a lot of effort progressively has been done by the Malaysian government in supporting and promoting the halal industry as well as introducing Malaysia as an international halal hub. Accordingly, this study will be focusing on halal food through the halal supply chain.

2. The global scenario of the halal industry

With the global halal market size worth USD 635 billion, it shows that it is increasing yearly compared to 2004 when it was USD 642. Whereas in non-Muslim countries, the halal food market in Europe located about USD 67 billion. Hence, it is undeniable that the halal food market also can be catered not only for Muslim countries but also non-Muslim countries which offer a good prospect for halal food producers [1].

3. Islamic values

Islamic values are defined as ‘the set of moral principles that differentiate what is right from what is wrong’[2]. Islamic values illustrate their universality and applicability in all situations and societies. Thus, every act should be accompanied by an honourable intention (niyah) [3] in order to seek the pleasure of Allah which consider as Ibadah in Islam. This has been narrated by Bukhari and Muslim;

"Actions are according to intentions, and everyone will get what was intended. Whoever migrates with an intention for Allah and His messenger, the
migration will be for the sake of Allah and his Messenger. And whoever migrates for worldly gain or to marry a woman, then his migration will be for the sake of whatever he migrated for.”

Islamic values play a crucial role and significantly impact all areas of society. In Arabia, in the early seventh century, God or Allah through the Prophet Muhammad (PBUUM), revealed the religion of Islam, which means ‘to surrender’ or “submission to the will of God” [4]. The in-depth understanding of knowledge and faith in Islamic matters and priorities contained in the Qur’an forms Islamic values that need to be practised by Muslims [5]. It has been supported by [6] that the basic quality of work in Islam is based upon both slavery and khalifah values where the values are harmoniously integrated. Furthermore, aspect of religion is bringing people together to grasp a value and particular culture which have a significant impact [7].

In an Islamic framework, it is accepted that a firm’s behaviour must be guided by Islamic values and ethics, for that is what distinguishes it as Islamic [8]. In addition, the Islamic perspective takes the definition of organisational sustainability further to include aspects of Islamic values in conferring legitimacy to the organisation and integrating with the socially-constructed values [9].

In the Islamic framework, it is assumed that economic agents are guided by Islamic values. Thus, an Islamic producer accountable to Allah treats the resources at his command as a trust and the production of goods as a duty, and he will base his production decisions on the concept of maslahah. He can still be profit-driven but the Islamic producer’s valuation of economic costs will be modified as he is governed by the Syariah [10].

Accordingly, the Islamic values system is certain and fixed regardless of time, place and culture. If the things are considered bad, it will never be good in the future [11]. In particular, Islamic values system is the preferred set of values which come from the Syariah, it determines Iman (faith) and taqwa (piety) as the basis which direct Muslims towards the right path in a rightful manner [12].

Followings are the Islamic values which will be discussed further:

3.1 Honesty

The used of honesty by various scholars have been repetitively mentioned in quality management [13,14,15]. Moreover, being honest is required from Allah,

‘Verily! Allah commands that you should render back the trusts to those, to whom they are due’ (Surah al-Nisa, 4:58).

Based on the above verse, several authors [16,17] point out honesty as promise keeping or fulfilling contracts and agreement toward relevant stakeholders consist of customers, suppliers, organizational members, and the public. Furthermore, in the company’s ethics and values statement highlights a ‘balanced way’ in which Islamic values of honesty (Amanah), conscientiousness (Taqwa), caring justice (Birr), and personal control (Mujahadah) are accentuated to respond the requirements of the company’s stakeholders (employees, customers, suppliers, and the community) [18]. Indeed, in order to encourage participative management style self-discipline, trustfulness, honesty, resolve, loyalty, and abstinence, would inspire managers to trust their employees’ judgement and integrity [19].

3.2 Responsibility

Different types of organization in a different context will have different obligations and responsibilities, however the framework for social responsibility and accountability in Islam is develop from Islamic teachings which delineated in the Quran and Prophet Muhammad teachings [20] Moreover, the main sources of social responsibility and business ethics in Islam are mostly establish from the holy Quran and Sunnah [21].

Indeed, the Khilafah concept (Vicegerency) delineates responsibility of a person to the community and also responsibility of a person to himself of herself [22]. The repercussion originate from the Khilafah concept in which individual is regarded as a trustee for God’s resources [23]. Moreover, khalifah concept entails the individuals ultimately are accountable to God for their actions and as they come to an understanding that they have big responsibility covenant to God [24][25][26].

In Islam, everything created by Almighty Allah must be taken care by the mankind because it is also part of submission to Allah. Responsibility also covers
the environment in which the Holy Quran underlines the significant to look after the environment [27]. As in Quran

‘do not spread mischief on the earth, after it has been set in order, and invoke Him with fear and hope; Surely, Allah's Mercy is (ever) near unto the good-doers’” (The Holy Qur'an, S7:56).

3.3 Cooperation

The upmost objective of Shariah relates to the concepts of compassion and guidance, eradicate prejudice, create justice and lessen the hardship through encourage cooperation and joint support from the family and communities [28]. Islam encourages benevolence, cooperation, caring and harmony amongst people which eliminate self-centeredness and covetousness [29]. Indeed, study on values provides an insight towards equality, accountability, hard work, justice, consultation, trust, self-discipline, persistence and cooperation [30].

Moreover, [31] reveal in their study from the respondent that they interviewed, the views of Islamic values and personal values of the respondent is similar. The respondent stated that there is no difference among the importance of family, the importance of business, honesty, striving for continuous personal growth through learning (itjihad) and cooperation [32]. In addition, in Morocco the Islamic values such as cooperation, honesty, transparency, helping others, self-improvement, fraternity, trust and respect play a significant role in the management practice [33]. Cooperation is lead to coordination of teamwork [34] which is important in any business organization. It shows that teamwork include discussion, problem solving and brainstorming [35,36,37].

Quran mentioned that Allah instruct cooperation to be good among each other [38].

“‘Help one another in furthering virtue and God-consciousness, and do not help one another in furthering evil and enmity…”’ (Surah al-Maidah, 5:2).

3.4 Innovativeness

[39] defines innovation as entrepreneurs’ quality in taking proper strategy in a systematic, purposeful and organized approach in order to make changes in the business through various dimensions (product, process, technology, promotion and price, etc.) in order to satisfy customers’ need and wants as well as becoming one step forward in the market place. Whereas [40] defined innovativeness as it signifies a determination to develop new ideas and can be regard as feature of an organizational culture of a company.

Furthermore, impact of the globalization process for the past few years, innovativeness linked to entrepreneurship has received great attention in the literature [41]. Therefore, innovativeness of entrepreneur is related to change for betterment as ordered in the Quran:

“… We do not change the circumstances of people until they do not change what is within themselves (13:11).

3.5 Brotherhood

‘Brother’ and ‘brotherhood’ words are essential in the Arabic language and Islamic philosophy [42,43]. The brotherhood concept is in the Quran, in which for the past 14 centuries it has been established. This is important in many Muslims and Arab daily life as sign of friendship and understanding they address ‘akh’, ‘brother’ among each other in everyday conversation [44].

Indeed, [45] highlight that brotherhood let people realize their utmost potential to oblige God and also create world to be peaceable as stated in below verse:

And hold firmly to the rope of Allah all together and do not become divided. And remember the favor of Allah upon you – when you were enemies and He brought your hearts together and you became, by His favor, brothers. (Quran 3:103)

From above verse, Islam encourages good relationship among the Muslims. However, [46] revealed that the concept of good relationship in the quality management is not only for the members of the organization, it also encompasses to the customers, suppliers or partner or the society. Furthermore, there are various notions which reflect brotherhood as highlighted by [47] such as mutual assistance [48,49], charity involvement [50], willingness to share [51, 52, 53], and consideration towards other’s feeling [54].
3.6 Good intention

From the Islamic perspective, every actions of the Muslim are judged based on the underlying reason or intention behind it. Moreover, if the intention is inspired by a pure intention it will become good deeds irrespective of their outcome [55].

[56] have highlighted through right intention, among various activities even though simple activities such as breathing, eating and washing are also turn out to be good deeds which warrant Allah satisfaction and gratify. Allah is Omniscient, and knows our intention completely and perfectly. Good intention turn into good actions and it deliberated as actions of worship [57]. Various authors point out regularly in the literature that good intention consider as working target [58][59] Furthermore, good intention is being portrayed as a goal setting by [60] and, [61] and mission and vision of the organization [62].

4. Halal Supply Chain

The perspectives on a halal supply chain is considered new [63]. Halal should also take the spiritual needs of the Muslim consumers [63] and Islamic values [64] into consideration.

The conventional models of supply chain distinguish the importance of efficiency. However, the models are inadequate in considering other aspects such as ethics, sustainability and human values [65] which are critical for a halal supply chain [66]. The existing food supply chain models can be adopted by the halal supply chain model as the model has similar Islamic values that are embedded in the halal supply chain [67].

[68], [69], [70] [71] and [72] emphasised in their study that the aspect of halal needs a supply chain approach. Moreover, [73] highlight in his study that logistics activities are critical in ensuring the halal integrity for Muslim consumers. Conversely, the halal policy can be a foundation to develop a halal supply chain model to ensure right intentions and guide the organisation in addressing the Islamic values in the halal food supply chains [74].

Thus, there is a need for a Halal supply chain model that can describe and optimise Halal supply chains. This would help the Halal certified food industry to move towards a halal supply chain approach [75].

5. Poultry Industry

The development of poultry industry can also be observed from the poultry consumption of a region or country according to the human population in the particular areas. Accordingly, as the population increase, the market for poultry consumption will also be increased.

Based on Table 1, in Asia, the human population in Malaysia is triple the size of the population in Thailand from the year 2000 to 2010 and is estimated to be the same size in the year 2015. The poultry consumption in the year 2000 was 31.6 per kilogram per person per year and had increased to 35.6 in the year 2005. For the next two years, the number of chicken taken per kilogram per person per year has increased by 1 per cent and slightly decreased by 1 per cent from the year 2008 to 2010. In the year 2015, the population in Asia is almost half of the world population, in which the world poultry consumption is almost, double the size of Asia poultry consumption during the year 2000 to 2005. Therefore, the world poultry consumption will increase as the global population increase [76].

Table 1. Asian population and poultry meat consumption

<table>
<thead>
<tr>
<th></th>
<th>Human Population</th>
<th>Poultry Consumption</th>
<th>Chicken Consumption</th>
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<tbody>
<tr>
<td></td>
<td>(million)</td>
<td>(kg/person/year)</td>
<td>(kg/person/year)</td>
</tr>
<tr>
<td>Malaysia</td>
<td>25</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Thailand</td>
<td>52</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>Asia</td>
<td>369.8</td>
<td>416.7</td>
<td>439.1</td>
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<tr>
<td>World</td>
<td>611.5</td>
<td>680.9</td>
<td>730.2</td>
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6. Methodology

[77] and [78], Case study is selected as the relevant behaviour cannot be manipulated in examining the contemporary events. Hence, halal supply chain case study needs to identify the phenomenon with the rich description of the contemporary events. Additionally, case study is an approach that provides a practical inquiry which studies the current phenomenon within the real-life context; whereby the boundaries between phenomenon and context are not clearly evident; and used various sources as evidenced from [79]. Sources of evidence in the case study may include direct observation of the event and interviews with the persons who are involved in
the events [80]. A pseudonym has been used in order to undisclosed the respondent. Hence, this study is focused on the food industry as the case study, specifically focusing on the underlying values that exist in the halal poultry supply chain. Essentially, poultry companies which are based in Malaysia had been selected by using purposive sampling technique, in which researcher purposely choose the poultry companies in Klang valley. This is due to the fact that Klang valley is the fourth largest poultry livestock producers in Malaysia after Johor, Kedah and Perak states [81].

6.1 Background Information of Case Study

The case studies consist of a retailer such as followings:

- RT A Retailer 1: The retailers’ business is located at hypermarkets.

6.2 RTA Retailer 1

6.2.1 Preference in buying halal poultry

In ensuring halal poultry, segregated loading bays between the halal and non-halal products were implemented at the retailer site.

'Definitely.....I'll always buy poultry from this store.....What I can see is that the loading bay for halal products is segregated from the loading bay for the non-halal products.

Indeed, the personnel is also convinced with the halal poultry that is sold by buying the poultry at their workplace.

6.2.2 Awareness of the Loading Bay Location for Halal and Non-halal Poultry

Awareness of the facilities provided by the company shows that the workers are aware of the facilities for the halal products supply chain.

'Meaning the loading bay for halal poultry is just besides the non-halal loading bay. It's for wet items. I don't want to buy poultry from that supermarket, do you want to buy there?'

The above excerpt shows the personnel knows the process of halal products which come in and out of the company.

6.2.3 Realizing the Halalan toyyiban Concept

The personnel understand the concept of halalan toyyiban poultry. Therefore, training is important to ensure the halal concept is being implemented in the poultry supply chain.

'The poultry must be slaughtered and do not mix with pork.'

6.2.4 Familiarity with the poultry process

The retailer did mention that she knows the poultry process.

'Actually, I know the receiving process of poultry at this place,'

Therefore, the final framework of the Islamic values in the Halal supply chain can be seen in figure 1.

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7. Discussion and conclusion

The result indicated that the four values such as preference of buying halal poultry, awareness, realize the halalan toyyiban concept and familiar with poultry process are the values that as accordance to the Islamic values. These values may be different if the study setting is in other countries outside Malaysia. Therefore, suggestion for future research could be done in other Muslim countries such as Arab country. However, the research may find different or similar results in which it can be used to compare between the Muslim countries which have different culture and school of thoughts.

In conclusion, awareness towards halal supply chain needs to be done so that the consumers are aware of the important of halal supply chain. In addition, the existing poultry operators who involve direct or indirectly need to understand the concept halal supply chain in order to strengthen the halal supply chain.
chain to become globally. As the need for halal is not only for Muslim but also for others as halal means halalan toyyiban, which referring to the product is halal and also good for human consumption.

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