

# Assessing the Islamic Values in the Halal Supply Chain of the Poultry Industry

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**Abstract**— The values in our daily life are important as the values play a role in influencing our principles and behaviours, and positive values could create good behaviour and a happy living. Thus, values in Islam are essential as those act as a guide for Muslims to be the good believers and capable in forming the better societies. These values are based on the Shariah principles which can be found in the Holy Qur'an, which dominantly enacted as the main reference of foundation for Muslims in present time and the 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. The present business environment of the food supply chain, particularly the poultry industry has been chosen in this study due to the fact of highest food consumption of Malaysian in poultry and poultry based products. This study found that research which assessing the Islamic values and halal supply chain has received relatively little attention in the literature. Therefore, this study attempts to fill this void by assessing the Islamic values in the halal supply chain of the poultry industry. By using a qualitative approach, data was collected from in-depth interviews of a case study. The case study of poultry supply chain is focused on the initial stage of supply chain i.e. farm. Therefore, this study found six Islamic values which exist in the halal supply chain.

**Keywords**— Islamic values, Halal supply chain, food supply chain, poultry, sourcing

## 1. Introduction

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, the Malaysian government in supporting and

promoting the halal industry as well as introducing Malaysia as an international halal hub progressively has done a lot of effort.

## 2. The Halal Industry

With the increase of the world Muslim population, the halal products and services trade is also increasing yearly. This has led the growth of the halal consumer market internationally both in Muslim countries and non-Muslim countries. Since 2006, the importance and awareness of halal products and services have been realized by all parties such as government agencies, regulatory bodies, industry players and others; this can be seen through the first World Halal Forum 2006. Malaysia has the potential to be a regional halal hub for production, the supply of halal products, services, and guidelines. In order to develop a global halal market there is a need to identify the challenges of the halal industry, harmonize halal guidelines and form events which act as a platform to create networking in trade for various players in the halal markets [1]. In order to achieve the success of the halal industry in Malaysia, the aim to become a global hub regarding production and trade of Halal products and services has been outlined in the IMP3. The IMP3 has identified eight areas to promote for the development which includes professional services, logistics, ICT services, distributive trade, construction, education and training, healthcare services and tourism services. Accordingly, this study will be focusing on one of the subsector which is supply chain. Thus, this study is to assess the Islamic values in the halal supply chain of the poultry industry.

### 3. Islamic values

Islamic values are defined as the set of moral principles that differentiate between what is right and what is wrong [2]. Islamic values also 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, by considering as the completion of 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, during the early seventh century, God or Allah through the Prophet Muhammad (PBUM), revealed the religion of Islam, which means ‘to surrender’ or “submission to the will of God” [4], [5]. The in-depth understanding of knowledge and faith in Islamic matters and priorities are contained in the Qur’ān with the forms of Islamic values that need to be practised by all Muslim [6]. Furthermore, the aspect of religion has brought people together in a way to grasp a value and particular culture which have a significant impact in their life [7]. Table has listed the literature that studied on various dimensions of Islamic values which can be used as a guide for Muslims.

Table 1  
The Synthesis Matrix Of Islamic Values

Author (year)	Values								
	Knowledgeable	Honesty	Sincerity	Good intention	Responsible	Openness	Justice	Brotherhood	Optimistic
Sidq (1996)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Allabshi (1996)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hassan (1996)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ahmad (1996)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Al-Buray (2005)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Musa and Salleh (2005)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bahaldin (2005)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ahmad (2008)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Basir et al. (2010)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fadzil et al. (2010)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mohd Mokhtar et al. (2011)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Youssef and Al-Buray (2011)	✓	✓	✓	✓	✓	✓	✓	✓	✓

  

Author (year)	Values								
	Cooperation	Consistence	Accountable	Thankfulness	Compliance	Innovative ness	Value of time	Patience	Appropriate infrastructure
Sidq (1996)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Allabshi (1996)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hassan (1996)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ahmad (1996)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Al-Buray (2005)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Musa and Salleh (2005)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bahaldin (2005)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ahmad (2008)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Basir et al. (2010)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fadzil et al. (2010)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mohd Mokhtar et al. (2011)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Youssef and Al-Buray (2011)	✓	✓	✓	✓	✓	✓	✓	✓	✓

Source: Matrix of Islamic values (Adopted : [8])

In an Islamic framework, it is acceptable that a firm’s behaviour must be guided by Islamic values and ethics [9]. In addition, the Islamic perspective also takes the definition of organisational sustainability further by including the aspects of Islamic values in conferring legitimacy to the organisation and integrating with the socially constructed values. Therefore, all aspects in the supply chain need to be focused on in order to ensure the traceability of the halalan toyyiban supply chain implemented in the food industry. The perspectives on halal supply chain is considered new [10]. The concept of halal should also take the spiritual needs of the Muslim consumers [11] and Islamic values [12] into consideration. The conventional models of supply chain distinguish the importance of efficiency in a supply chain. However, the models are inadequate in considering other aspects such as ethics, sustainability and human values [13], which are critical for a halal supply chain [10].

### 4. Halal Supply Chain

The perspectives on halal supply chain is considered new [10]. The concept of halal should also take the spiritual needs of the Muslim consumers [11] and Islamic values [12] into consideration. The conventional models of supply chain distinguish the importance of efficiency in a supply chain. However, the models are inadequate in considering other aspects such as ethics, sustainability and human values [13], which are critical for a halal supply chain [10]. The existing food supply chain models can be adopted into the

halal supply chain model because the models have similar values, such as Islamic values that are embedded in the halal supply chain [10].

## 5. Poultry Industry

The development of the poultry industry can also be observed from the poultry consumption of a region or a country according to the human population in a particular area. In Malaysia, there are two types of producers in the poultry industry. It can be classified into commercial farms and conventional farms. The commercial farm's business is run based on contract farming with integrator whereas the conventional farms business is owned by independent entrepreneurs [14]. In the poultry supply chain, several significant activities are classified into rearing, raw material inventory, finished products inventory, retailer inventory, and the final customer. Thus, This study focuses on the existing poultry supply chain by underlying Islamic values that exist and might capable to assist the implementation of halal supply chain as to be resilience and sustainable in the future.

## 6. Methodology

The interviewees were selected by using a purposive sampling in which the interviewees must have more than five years of experience in the industry. In the qualitative study, generalization is not the main aim [15] however; the aim is to get rich data of the study. Therefore, this study chooses poultry operator who supplying halal poultry around Klang Valley, Malaysia as the case studies due to Selangor is the third largest poultry supplier in Malaysia. Currently, the company is a big company and has various types of business such as broiler, feed mill, parent stock, grandparent stock, hatchery and processing plant. This study focused on farm at Selangor with more than 16 years of operation.

## 7. Results and Discussion

The research analysis in this case study consists of a farm where its main activities are sourcing poultry to the supplier. The case study consists of a case at the poultry farm. The Islamic values that found at the farm as followings:

### a. Willingness to Help

The farm is the first point of poultry sourcing, which is the initial phase in the poultry supply chain. In assessing the halal supply chain, 'contract farming' is a well-known farm concept in Malaysia. In 'contract farming', everything is supplied by the company such as poultry coops,

feed mill, antibiotics and other materials. As stated by Manager Farm A (FA);

*'The farm is under 'contract farming', whereby the company will give the farmer a credit scheme. The scheme consists of anything needed for poultry breeding such as feed mill, antibiotic, chicks and others. Farmers are responsible to look after the chicks until they grow bigger'*

Therefore, the halal concept at the farm can be regulated by the chicken supplier or the company involved in the contract farming method. Thus, 'willingness to help' is an Islamic value which is currently applied at the sourcing point of poultry supply chain at the farm.

### b. Reduce the Burden of Farmers

The main aim of contract farming is to help the farmers to grow poultry according to the poultry suppliers' requirements. The poultry supplier supplies day-old-chick (DOC) and other facilities for the poultry breeding. As highlighted by Manager FA;

*'The company that give credit scheme to the farmer will guide on poultry handling and also supply the day-old-chick (DOC), poultry feed, medicine and others that are needed for breeding the poultry. In the credit scheme, the farmers do not have to pay to the suppliers.'*

### c. Strategies to Capture the Market

Marketing strategies are important for the company to capture the halal poultry market, as well as assessing the Islamic values of halal supply chain. Therefore, 90 per cent of the live poultry will be sold in the market, while the other 10 per cent is for making processed food such as chicken nuggets.

*'.....we will sell about 90% live poultry in the market and another 10% is for our processing plant. Usually in the processing plant, they will make frozen products such as nuggets which use various packaging and brand such as XP brand, 7x star, Perim & AyamPerim. ...these brands are still under our company but different subsidiaries.'*

This situation demonstrates the various strategies planned by the manager to widen the halal market of poultry meat. Thus, customers would gain a variety of poultry products in the markets. This

indicated that the business strategy is also important in assessing the Islamic values of halal supply chain.

#### d. Concern for Animal Welfare

Given the increasing importance of assessing the Islamic values of halal supply chain, this research seeks to establish a relationship between concern over animal welfare and the success in assessing the Islamic values of halal supply chain. In order to gain a proper view of the importance of animal welfare, some discussions were carried out to investigate the interviewees' opinion regarding the matter, as well as making appropriate suggestions based on the collected data. The interviewed FA manager asserted that:

*'The poultry coops are fully automatic. There's a water tap that is used to shower the chickens in order to ensure the chickens are cool. If the temperature outside of the coop is hot, the temperature inside of the coop will automatically turn cold. .... And it is vice versa.'*

Furthermore, discussion with the Manager FA stressed the crucial role of automated coops in ensuring the poultry live in a cool area and are less exposed to unwanted diseases. Henceforth, the number of poultry to be accommodated in a basket must not exceed ten poultry, as overcrowding will be fatal for the poultry. This shows the dire emphasis on animal welfare in maintaining the quality of the poultry, as well as assessing the halal supply chain.

#### e. Cleanliness of the Farm

In this case, it was found that the cleanliness of the poultry coops and farm is also important for animal welfare as highlighted by the FA manager.

*'In this poultry coop, we are very particular in terms of the cleanliness. Chickens need a clean place to stay healthy. Therefore, this place needs to be cleaned regularly.'*

Furthermore, the cleaning process will take more than a week so as to ensure the coops are really clean and germ-free.

*'the coop will be cleaned up within 10-14 days in order to ensure bacteria in the coop are dead and will not spread. The new cycle for poultry rearing will be on the 53 day. Thus, there will be six cycles per year for poultry rearing.'*

These results showed that cleanliness elements are another important role in assessing the Islamic values in the halal supply chain.

#### f. Source of Feed Mill

The source of poultry feed signifies the necessary nutrient supply for the poultry for growth. Hence, the poultry may grow according to the certain measurement in specific period as to ensure the market will get enough supply in particular time. This was emphasised by the FA manager;

*'.....the poultry will eat poultry husk (dedak) which is mix with corn. It is a special feed mill made by our company'*

This circumstance showed that the source of poultry feed mill could bring positive values which influence to the halal supply chain.

## 8. Conclusion

In conclusion, the six Islamic values that found at the farm consist of willingness to help, reduce the burden of farmers, strategies to capture the market, concern for animal welfare, cleanliness of the farm and source of feed mill. These Islamic values are important in the halal supply chain in order to strengthen the halal poultry supply chain in Malaysia.

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