

Obstacles in Securing Halal Certification in Malaysia: A Study on Home-Based Business (HBB)

**Sazelin Arif^{1,*}, Nurlisa Loke Abdullah², Nurdinah Abu Bakar¹,
Zawiah Mat¹ and Nooraini Sulaiman¹**

**¹Institute of Technology Management and Entrepreneurship,
Universiti Teknikal Malaysia Melaka, Durian Tunggal, Melaka, Malaysia**

**²Centre for Languages Learning, Universiti Teknikal Malaysia Melaka,
Durian Tunggal, Melaka, Malaysia**

***Corresponding author's e-mail: sazelin@utem.edu.my**

Received: December 29, 2020 Revised: February 15, 2021 Accepted: March 15, 2021

Abstract

This paper aims to identify the obstacles faced by Home-Based Business (HBB) Food and Beverage (F&B) entrepreneurs in securing halal certification in Malaysia. An interview was conducted with 10 HBB entrepreneurs who run F&B businesses in the region of Melaka Tengah. This study adopts a non-probability sampling approach via snowball sampling. Snowball sampling was used so that research participants could recommend more suitable participants to be interviewed based on a few criteria set in the preliminary study. The majority of the respondents shared the same opinion that there are five (5) obstacles that prevent them from securing the Malaysian Halal Certification. The obstacles include lack of capital, failure to understand the halal requirement, stringent procedures, lack of support and guidance, as well as misconception about obtaining halal certification. These obstacles were derived from the transcribed data, which was coded and grouped according to themes. The themes were derived from the highlights of previous studies that were relevant to the research question. The identification of these obstacles has its purpose in making it easier for HBB entrepreneurs to obtain the Malaysian Halal Certification for the F&B category. The study also found that the Halal Certification Body can provide the best mechanism to make it more accessible to apply for halal certification as well as to provide manageable procedures to obtain halal certification, particularly for HBB entrepreneurs in order to enable them to compete aggressively in the global market.

Keywords: Halal certification, Home-based business, Obstacles, Food and beverage, Entrepreneurs

Introduction

While living with high-cost expenses and a low income during a challenging economic period, many people found it necessary to find alternative ways to boost income and to protect their livelihood. They are working multiple jobs, which saw a person working for 12 to 18 hours per day. The long hours at work reduce the quality time spent together with families, friends, and even themselves. Caring for their children, elderly parents, and vulnerable family members is almost impossible when juggling long hours at work. Therefore, making changes to their usual or routine jobs by earning an income from home, also known as Home-Based Business (HBB), is a step to rekindle family ties and to achieve work-life balance.

HBB is a business that operates from home (Scarborough & Zimmerer, 2002), and it is considered as an enterprise or a micro-business (European Union, 2019; Stanger, 1998). HBB is defined as a micro-business that runs with a limited number of employees, including family members. Being perceived to be smaller than any other business due to its lower sales and turnovers, HBB is categorized as a micro-business. However, it does not represent the conventional micro-businesses because HBB operates from home premises without the involvement of factories or shops. Having a closer proximity to the customers as compared to other types of businesses is another characteristic of an HBB, which Anwar and Daniel (2016) term as “staying close to the customer.”

Realizing the social benefit of HBB, women in particular have taken the initiative to set up business at home to earn extra cash in order to achieve a better quality of life (Gudeta & Engen, 2017). The potential of HBB in promoting local economic activities also attracts a large number of successful and established companies that started off with home-based small businesses (Mason et al., 2008). In fact, the production of food and consumption goods in Malaysia is mainly produced by HBB entrepreneurs (Merdeka Online, 2018). Despite its potential and benefits, little attention has been paid to HBB, which has always been looked at as a non-profitable and improper business with limited growth and resources (Anwar & Daniel, 2017; Mason et al., 2008). Little recognition as such (Mason et al., 2008) as well as the challenges faced by them (Abu Bakar et al., 2017; Anwar & Daniel, 2017) make it very challenging in obtaining halal certification and meeting many other certification standards. Meanwhile, Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) (2012) recognizes the importance of halal certification as an indispensable promotional strategy to commercialize their products. The constraint, consequently, prevents the potential of the business to thrive and halts Malaysia to achieve the status as the world's halal hub (Bernama, 2018; Buang & Mahmud, 2012).

Halal certification and logo labeling are essential factors to promote the products locally and to expand the business globally. The certification conveys to consumers and the marketplace they have met food safety or hygiene standards, which increases the confidence of consumers in Malaysia and worldwide. The confidence promoted through halal certification is valuable for food manufacturers because HBB in Malaysia is widely dominated by the production of food. Another challenge that makes it nearly impossible to obtain the certification is the Malaysia Halal Standard's stringent guidelines and procedures. A large number of HBB owners fail or delay to apply for halal certification because of the misconceived notion that the process involves expensive costs, stringent procedures, complex requirements, and tedious

processes (Sinar Harian, April 15, 2018). The entrepreneurs then urge the Department of Islamic Development Malaysia (JAKIM) to make the process of halal certification more approachable for them (Sinar Harian, Dec 23, 2014; Astro Awani, Sept 1, 2016). Therefore, this study is done to empirically investigate the actual obstacles faced by the HBB entrepreneurs.

On top of that, there are numerous studies on halal food certification that have been conducted, for instance by Abu Bakar et al. (2017), Othman, Shaarani, & Bahron (2016), Ab Talib, Md. Sawari, Abdul Hamid, & Ai Chin (2016), and Ab Talib, Abdul Hamid, & Ai Chin (2015). However, none of them have discussed thoroughly and in-depth on the implementation of halal certification among HBB entrepreneurs. Considering that HBB holds a definite impact on economic growth and it can be even greater with the aid and possibility of obtaining halal certification, this study is expected to voice the current challenges faced by HBB entrepreneurs in obtaining halal certification. Hence, this article intends to identify the key factors that hinder HBB entrepreneurs from applying for halal certification for their products. The study only focuses on HBB entrepreneurs who are involved in the food and beverage (F&B) business. To be more specific, this study only intends to investigate the following question:

What are the obstacles that hinder HBB entrepreneurs in obtaining halal certification for their food and beverage (F&B) products?

The discussion in this article is divided into five sections: introduction, previous research, research methodology, discussion of the findings, and conclusion presenting the outcome of the work. The findings of this research are expected to contribute to new knowledge on halal food certification studies and can be used as a future reference to practitioners and policymakers in realizing the implementation of halal certification among the HBB industry in Malaysia.

Related works

Halal food certification has been evolving from religious belief to commercialization logo. Halal certification is beyond just concerns with slaughtering rituals; it covers all aspects from food production and handling to consumption (Katuk et al., 2020). According to Henderson (2016), the halal food industry is still young and has huge potential in the national and global market. Muslims are particular on the halal certification of the products they buy since the halal certification logo on food products validates the product as produced with the highest quality and attracts many food manufacturers to participate in expressing the halal logo on the food product label (Anam, Mohamed Mokhtar, & Lebai Othman, 2018; Haque, Sarwar, Yasmin, Tarofder, & Hossain, 2015). Halal exports recorded a RM43.3 billion revenue in 2017, which was 4.6% of the total national exports of RM935.4 billion (Hasan, Sulong, & Tanakinjal, 2020).

Malaysia is basically one of the pioneers in the halal certification industry. As for now, the certification schemes in Malaysia are divided into seven (7) certification schemes: food and beverages, cosmetics, pharmaceuticals, consumer's goods, logistics, food premise, and slaughterhouse. Particularly in halal food certification, the halal certification is honored for the

applicants that meet all standards as outlined in the MS1500:2009, which emphasizes how to have a proper building, sanitation, and drainage and systematic process flow of production. In addition, the companies need to comply with the standards and requirements of halal food production in terms of the ingredients used, the handling of food, and the packaging of food (Arif & Sidek, 2015).

The halal applications among established companies are less problematic as they have enough sources of funds and manpower to fulfil all halal certification requirements. However, for Small and Medium-Sized Enterprise (SME) entrepreneurs, finance could be one of the biggest constraints (Abu Bakar et al., 2017). As there are increasing numbers of SME entrepreneurs, particularly HBB especially in food products, it is a rising topic in regard to the possibility of HBB applying for halal certification, which is believed to provide a valuable chance for better product commercialization.

HBB is usually categorized as an enterprise or a micro-business (European Union, 2019; Stanger, 1998). HBB is defined as any size of enterprise for which the managerial business activities take place within an individual's home. HBB is a good fit for those who are caring for dependent family members, such as the elderly or children, and at the same time managing to utilize their specialist abilities (Anwar & Daniel, 2017). It is also defined as an entity owned and/or operated by an individual working from his residence or other building on his land, where he may be hiring or not hiring and providing services or products from the place where he works. Meanwhile, in Malaysia, the concept of home business refers to those who work from home or work under another organization but running a business at the premise where they live (KPWKM, 2007).

Although the concept of HBB has been around in our society for years now, very few studies have conducted research on HBB food and beverage entrepreneurship in Malaysia. A comprehensive profile of HBB entrepreneurs' backgrounds across the country is also far-reaching. Up to the present, only a single study on HBB in Malaysia was conducted in Kubang Pasu, Kedah, which researched from a social perspective involving the personal, family, and business profiles of HBB entrepreneurs at random (Ramli, Mustafa, Ismail, & Ahmad Shakir, 2013). However, it did not focus exclusively on food and beverage entrepreneurs.

Scenarios in Malaysia show that most of those involved in HBB are motivated by necessity, earning additional income, practicing their skills, and working part-time (Ahmad, Jabeen & Khan, 2014; Ramli et al., 2013; Sulaiman, Mohamed Shariff, & Ahmad, 2009; KPWKM, 2007). HBB is conducted on a part-time or full-time basis and widely embraced by women (Ramli et al., 2013; Duncan, 1991). Studies have shown that most women involved in HBB are equipped with sufficient skills and well-matched with the business they undertake (Wendy & Siong, 2014; Nwanesi, Okpara & Anisiobi, 2014; Sulaiman et al., 2009; Walker, Wang & Redmond, 2008). The ability to improve their standard of living and to move out from the poverty line indicates their capabilities (Chen, Chu & Lai, 2018; Zainol, Al Mamun, Hassan, & Muniady, 2017; Utusan Borneo, April 14, 2016). Apart from gender, HBB is also largely dominated by those who did not complete secondary education or high school (Ramli et al., 2013).

The HBB food production sector in Malaysia has a high potential for commercialization, and it has been turning many HBB food sectors into million-dollar

businesses (Nasir, May 1, 2019). Contributions made by HBB entrepreneurs, especially food and beverage producers, to the socio-economic sector of the country can also be increased if halal certification is obliged and obtained (Ambali & Bakar, 2014). However, previous researches have shown that there were issues and concerns faced by SME entrepreneurs in obtaining halal certification (Abu Bakar et al., 2017). Considering that SMEs have a bigger business size than HBB and yet still face challenges in obtaining halal certification, this demonstrates the greater challenges that HBB faces in many terms. Few halal programs have been introduced to support SMEs in competing with the global market (Muhammad, Char, Yaso, & Hassan, 2010). Probably due to a lack of support and adequate guidance from the relevant agency, many HBB entrepreneurs are discouraged to apply for halal certification. The situation has worsened because the majority of micro-Muslim Bumiputera entrepreneurs assume that every product they produce is halal (Bernama, 2018). Prevalent negative views about JAKIM and the State Islamic Religious Department (JAIN) is another factor that hinders them from applying for halal certification (Arif, Abu Bakar & Sidek, 2019; Abu Bakar et al., 2017). Lack of capital, difficulty in obtaining bank loans, and heavy reliance on self-funds also make it difficult for HBB entrepreneurs to comply with the requirements of the halal certification standards (Haron, Said, Jayamaran, & Ismail, 2013; Kazimoto, 2014). Furthermore, the Malaysian Halal Certification is voluntary (Man & Harun, 2016). There have also been complaints from employers that the process of applying for halal certification was complicated, burdensome, and took too long (Md. Sawari, Ghazali, Abu Bakar Yap, & Abdul Latif, 2015; Noordin, Md Noor, & Samicho, 2014; Sinar Harian, April 28, 2014; Utusan Malaysia, Jan 13, 2012).

Despite all the good things that attract people to venture in HBB, some challenges have restrained its potential, especially in getting certified with any national or international standards. These challenges can be reduced if the exact cause can be identified. Therefore, this article discusses in detail the obstacles that contribute to the difficulties faced by HBB entrepreneurs in obtaining halal certifications for their food and beverage products.

Methodology

The main objective of this study is to identify the obstacles faced by HBB entrepreneurs in applying for halal certification for their products. To address the objectives of this study, the researchers used a qualitative research design that typically uses questions such as how, what, and why. Qualitative research involves inductive reasoning to understand specific situations including history/background and individual experiences (Trochim, 2006; Maxwell, 2012). This is in line with this study, which sought to understand the factors and problems faced by HBB entrepreneurs. Face-to-face interaction between the researchers and the respondents through qualitative research can provide more accurate findings and insights compared to other methods (Collector & Module, 2011). In addition, qualitative research was relevant to this study because it helped the researchers to explore and gain more in-depth information from the respondents pertaining to the subjects. By considering the significant information gathered from the respondents, the data was enriched and understanding was achieved.

The interview method was used to collect the data. The interview method is a social interaction between the researcher and his or her informant to obtain specific information or

answers to the questions that have been formulated in advance. Semi-structured interview questions were designed prior to the interview, and additional questions were also asked to get some clarification from the answers given by the interviewees. The construction of the interview questions were made based on the information gathered from previous researches related to challenges faced by SME and HBB entrepreneurs as well as issues in halal food applications (Kalyanakumar, 2020; Khoirul Anwar, Fahrullah & Ridlwan, 2018; Abu Bakar et al., 2017; Yusuf et al., 2016). The key information was outlined and the interview questions were designed accordingly to suit the HBB context. In addition, other resources such as the Manual Procedure of Malaysia Halal Certification (MPMHC) and the Malaysian Standards, particularly the MS1500:2009, were also used to obtain precise information on current guidelines and procedures as related to HBB entrepreneurs.

This study used nonprobability sampling techniques. Snowball sampling was used to recruit potential participants. This technique is highly effective when facing the difficult situation of identifying and reaching participants since it is conducted through chain referral samplings (Cooper & Schindler, 2000). The snowball sampling of hard-to-reach populations was used due to insufficient information to locate HBB entrepreneurs from government agencies. The directories provided by state government agencies mainly recorded the details of small, medium, and large entrepreneurs' information. Utilizing the snowball sampling through the referral process enabled the located and interviewed participants to refer other potential participants to the researchers or to recruit them for the study. Through the repetition of this process, the snowball referrals continually picked up further potential respondents until a sufficient sample size could be built to conclude the research findings. For this study, the study population consisted of entrepreneurs with the following criteria:

- 1- HBB entrepreneurs
- 2- Food or beverage business operators only
- 3- HBB food or beverage business operators around Melaka Tengah
- 4- Food or beverage products that are packaged and marketed in certain places

Thirty-three respondents were randomly approached to participate in the research. However, only 10 respondents comprising of three (3) males and seven (7) females were successfully interviewed through face-to-face interviews and telephone interviews in the duration of 8 weeks. The other 22 respondents refused to participate in the study, and one (1) respondent pulled out from the study due to insufficient details. The interviews were completed between 25 to 55 minutes and were all voice recorded. However, at the 9th respondent, the pattern of the data stopped developing and led to the point of the saturation stage. The saturation stage is the stage that indicates that the data has already reached the point of informational redundancy and additional data does not contribute new information to the study (Gentles et al., 2015). Therefore, the data collection stopped at the 10th respondent.

According to Patton (1990); Salganik and Douglas (2004), the sample size of large studies for qualitative research is >30 people, while a medium sample size is 10-30 people. Focusing on the details of how and why a particular issue, process, or situation is more vital in achieving the complexity and richness of data in qualitative research (Connaway & Powell,

2010). Meanwhile, the primary goal of using a large sample size is to make generalizations from research. Given that this study focuses on obtaining insights about the respondents' experiences, generalizing the sample size was not required. Therefore, the medium sample size collected in this study was appropriate to provide in-depth information and relevancy to the research question.

The data was then analyzed by managing and synthesizing the data, reviewing the findings, and interpreting the findings (Bogdan & Biklen, 1982). To describe the analysis of data as consisting of three concurrent activities, Miles and Huberman's (1994) three-step qualitative data analytical approach was used as follows: data reduction, data display, and conclusion drawing/verification. Interviews were transcribed verbatim and subjected to a descriptive thematic analysis from the highlights of previous studies and from their relevancy to the research question.

Results and discussions

The findings of the study are divided into several sections. Before discussing the factors contributing to the difficulties faced by the HBB entrepreneurs in obtaining halal certification, some descriptions of the respondents' profiles and their intention to obtain halal certification are presented.

1. Respondents' background

The background of the respondents is displayed in Table 1 below. A total of 10 respondents (Respondent A to Respondent J) comprising of three (3) males and seven (7) females were interviewed, and only one (1) respondent (Respondent F) operates a beverage business while the rest operate food businesses. Two (2) respondents (B and C) have been in the HBB business for more than 10 years, while the other respondents are still new to the HBB business (1-8 years). Two (2) respondents completed only primary education, while three (3) respondents possess a diploma or bachelor's degree. When asked about the ownership of halal certification, all respondents responded that they did not have halal certification for their products, but three (3) respondents (B, C, and F) have tried to apply for halal certification.

Table 1 Respondents' background

No.	Respondent/ Gender	Product	Business Period	Education	Applied for Halal Certification	Have Halal Certification
1	Respondent A Female	Food (spicy fried dried anchovies)	1 year	SPM	No	No
2	Respondent B Female	Food (cakes)	15 years	Primary Education	Yes	No

No.	Respondent/ Gender	Product	Business Period	Education	Applied for Halal Certification	Have Halal Certification
3	Respondent C Female	Food (crispy peanut fritters)	15 years	Primary Education	Yes	No
4	Respondent D Female	Food (frozen cakes/ pastry)	4 years	SPM	No	No
5	Respondent E Female	Food (bread)	2 years	SPM	No	No
6	Respondent F Male	Beverage (Misai Kucing herbal tea)	8 years	SPM	Yes	No
7	Respondent G Female	Food (Bomboloni)	4 years	Diploma	No	No
8	Respondent H Male	Food (fried Tempeh)	3 years	SPM	No	No
9	Respondent I Male	Food (Putu Mayam)	7 years	Diploma	No	No
10	Respondent J Female	Food (cakes)	6 years	Bachelor's Degree	No	No

2. The aims of operating HBB business and the need for halal certification

The respondents were asked to reflect on the purpose of engaging in the HBB business and the necessity for halal certification for their products. Respondents were channelled to respond to these questions in sequence in which the questions were presented with the assumption that if the purpose of running a business is to generate a main income, the probability of respondents applying for halal certification is greater. This is because the halal certification provides the advantage of capturing a bigger market and simultaneously generating more income for the entrepreneur (Yusuf et al., 2016; Ahmad et al., 2013). The manner of responding can affect the subsequent question that differs in the degrees to which the question content determines the response. The findings are presented according to similar or identical patterns of responses as below (Table 2).

Table 2 The aims of operating HBB business and the need for halal certification

No.	Aims of Operating HBB Business and the Need for Halal Certification	Respondents
1	Respondents run the business on the intent to increase household income. They understand the role of halal certification and are ready to apply for halal certification.	B C F
2	Respondents run the business due to passions and profits. Some respondents are equipped with skills. They understand the role of halal certification but are not ready to apply for halal certification because of some challenges.	A D E H I
3	Respondents run the business on a profit motive and have no intention to obtain halal certification.	G J

3. Obstacles in obtaining the Malaysian Halal Certification

This study in particular seeks to determine the types of obstacles faced by HBB entrepreneurs in earning halal certification. The respondents' responses were transcribed, and the response patterns were coded and grouped according to themes drawn from the highlights of previous studies and the features of the studied phenomena. Of all the answers, most respondents either acknowledged the need for or no need for halal certification, on average stating that certain obstacles led to the difficulties in obtaining halal certification. It meant that most of the respondents faced some obstacles in obtaining halal certifications regardless of whether they have the intention to apply for halal certification or not. The responses can be grouped as in Figure 1.

**Figure 1** Obstacles in securing halal certification

Based on the interviews conducted, five (5) obstacles contribute to the difficulty among HBB entrepreneurs in obtaining halal certification for their products. The five (5) obstacles include: (1) lack of capital, (2) failure to understand the halal requirement, (3) stringent procedures, (4) lack of support and guidance, and (5) misconception about obtaining the halal certification.

3.1 Lack of capital

The most frequently stated reason for using their own money to start up the business is due to the absence of financial assistance from any financial institution or government agencies. The responses are reflected in Table 3 below.

Table 3 Lack of capital

No.	Obstacle 1: Lack of Capital	Respondent	Need for Halal Certification
1	<i>“The money I earned from the business only enough to buy snacks for my kids. I couldn’t save any money from the business yet because the market is small.” “Of course, I need more capital if I want to grow the business. I need to get the license, register the business, raw materials, and more. Everything needs money. For now, I only capable to do the business on a small scale.”</i>	A	Yes, but not ready to apply
2	<i>“I got limited capital because I do not get any financial assistance from any other sources.”</i>	D	Yes, but not ready to apply
3	<i>“Considering the current halal certification requirements right now, I think I need at least RM 100,000 to set up separated production area and equipment. I don’t have that money.”</i>	H	Yes, but not ready to apply

Table 3 above points out that three (3) respondents understood and acknowledged the need for halal certification but were not ready to apply due to a lack of capital. Respondent H has received huge demand for his product from the market, making it a good opportunity to obtain halal certification and to commercialize his product to a wider market, but he has problems in securing the huge amount of capital needed. Paying for the high cost of a prescribed halal certification is a financial commitment that not all of them are willing to make as well. According to the MS1500:2009 Halal Food Standard (Department of Standards Malaysia, 2009) and the JAKIM manual procedure (JAKIM, 2014), entrepreneurs who wish to apply for halal certification should comply with the regulatory requirements and guidelines. Among these, entrepreneurs need to set up workshops or premises to process food or beverages according to their specifications. Consequently, this presents a huge financial

hurdle to HBB entrepreneurs who are mostly micro-sized entrepreneurs with small markets. Having to invest a large sum of money for halal certification also contributes to their dismissal of securing the certification. Therefore, the lack of capital is one of the huge contributors which makes it challenging for HBB entrepreneurs to comply with the requirements of halal certification standards because many entrepreneurs have to self-finance, and it is tough for small business owners to secure funding through a bank (Man & Harun, 2016; Yusuf et al., 2016; Kazimoto, 2014; Hassan & Hamdan, 2013).

3.2 Failure to understand the halal requirements

Halal certification in Malaysia has one of the most reliable and systematic procedures. It contains a comprehensive guideline on how and what a business should comply with to gain halal certification for its products. One of the main requirements is that the product must be produced in a separate building and cannot be produced from home. However, some applicants did not understand this requirement as stated in their responses in Table 4 below.

Table 4 Failure to understand the halal requirements

No.	Obstacle 2: Failure to Understand the Halal Requirements	Respondent	Need for Halal Certification
1	<i>"The problem in obtaining the halal certificate was stuck because the separate building for the production before has been connected with the main house. We don't know the halal requirement needs a separate building from the house. So, we decided to stop applying."</i>	C	Yes, and ready to apply
2	<i>"I don't know whether or not my business complies with halal certification requirements. But I think I may have a problem with the production activities. Because I do everything at home."</i>	E	Yes, but not ready to apply
3	<i>"I thought the halal certification can be obtained just by completing the online application form. I don't know there are many procedures after that."</i>	H	Yes, but not ready to apply

Some respondents claimed that they were not aware of the halal certification requirements. The responses in Table 4 above reflect the misapprehensions brought about by the assumptions made by the entrepreneurs. One (1) respondent gave the reason of just knowing that it was necessary to apply via the online application form but was not sure about the procedures. The possible reason for this was because they have never consulted with any relevant regulatory bodies. It has also been identified that another reason that the halal application was tough was because entrepreneurs were not getting the consultation to assist them in applying for the certification, in being aware of the importance of the Malaysian Halal Certification, and in understanding the halal certification procedures and requirements (Soraji,

Awang & Mohd Yusoff, 2017; Ahmad, Fazullah, Borham, Hashim, & Abd. Razak, 2011; Bernama, 2018).

3.3 Stringent procedures

In Malaysia, most of the HBB entrepreneurs produce F&B products from their home. Because HBB is operated at home, all F&B products from the HBB sectors automatically fail to receive halal certification. Since the respondents are all operating from their homes, the majority of them unanimously agreed that it was almost impossible for them to follow the stringent procedures for halal certification, especially in having a separate building or premise as the production area. The main factor that hinders them from having a separate building or premise for production is the limited financial resources as mentioned earlier in this section (Table 5).

Table 5 Stringent procedures

No.	Obstacle 3: Stringent Procedures	Respondent	Need for Halal Certification
1	<i>“If I have more money, I also want to operate this business outside the house. Maybe rent a shop or build a new one. But, since I cannot afford to do that, how come I can get to apply for the halal certification?”</i>	A	Yes, but not ready to apply
2	<i>“I understand with all halal requirements, but I cannot comply with all that unless they (certifier) can compromise.”</i>	C	Yes, and ready to apply
3	<i>“Long time ago I tried to apply the halal certificate when the business is booming. But I was failed to fulfil the requirement because of the premise as we do everything at home.”</i>	F	Yes, and ready to apply
4	<i>“The procedures are quite stringent for us. We need to build a separate working space outside from house and must be equipped with specific water tap and drainage system.”</i>	H	Yes, but not ready to apply
5	<i>“I hope the halal certifier could develop an assisting program for HBB entrepreneur in getting the halal certificate.”</i>	I	Yes, but not ready to apply

Principally, all applicants must comply with the halal procedures and requirements set out in the JAKIM halal standards and manuals. Therefore, some of the respondents in Table 4 and 5 above acknowledged the importance of halal but refused to apply due to the stringent procedures. Some respondents attempted to apply but failed to fulfill the requirements. The stringent procedures such as having to prepare a separate building or premise

for manufacturing purposes from their home area put them off from applying for the halal certification. They found that the process of applying for halal certification was too troublesome. Complicated, burdensome, and taking too long were some of the similar complaints found in previous research conducted in other studies (Md Sawari, et al., 2015; Noordin et al., 2014; Harian, 2014; Utusan Malaysia, 2012). Because of this factor, the majority of the respondents are hoping that the halal certifier can make ways for them to be able to comply or give them necessary assistance in fulfilling the halal requirements.

3.4 Lack of support and guidance

Support and guidance are very important in helping the entrepreneurs to understand the process of obtaining halal certification. If this is not implemented, it contributes to the difficulties that will eventually dampen the spirit of HBB entrepreneurs in applying for halal certification. From the findings, it was proven that a lack of support and guidance was one of the challenges faced by HBB entrepreneurs.

Table 6 Lack of support and guidance

No.	Obstacle 4: Lack of Support and Guidance	Respondent	Need for Halal Certification
1	<i>"I wanted to apply but I do not know how. At that time, there is one supportive body offering the help to apply for the halal certificate for us, but it only halfway through."</i>	C	Yes, and ready to apply
2	<i>"After my application is failed, I decided just to run the business as it is. I do not know how to solve the matters."</i>	F	Yes, and ready to apply
3	<i>"I want to apply but I do not know how. I heard there are trainings available, but I never had the opportunity to attend."</i>	D	Yes, but not ready to apply

One of the reasons most entrepreneurs do not know have halal certification is due to a lack of guidance and advisory services from the related body (Muhammad et al., 2019; Bernama, 2018). Evidently, this is highlighted by the respondents as shown in Table 6. They need advice and guidance to apply for halal certification as the requirements of halal certification are complex. The respondents claimed that they have the intention to apply for halal certification, but they failed to comply since they were not well informed about the process of certification and lacked the guidelines to facilitate the process of applying for the halal certification.

3.5 Misconception about obtaining halal certification

The term 'halal' is frequently misunderstood by many micro Bumiputera entrepreneurs who assumed their products are halal (Bernama, 2018). Bumiputera products do not automatically qualify as halal products; therefore, halal accreditation or certification can be used to establish confidence in consumers. The certification helps to certify that raw ingredients are not cross-contaminated or finished products are stored in a way that maintains halal integrity. The lack of such knowledge hinders the halal application (Soraji et al., 2017; Ab Rahman et al., 2011; Ahmad et al., 2011) (Table 7).

Table 7 Misconception about obtaining halal certification

No.	Obstacle 5: Misconception about Obtaining Halal Certification	Respondent	Need for Halal Certification
1	<i>"JAKIM needs to come to the house and check on everything, I need to do many improvements to get the halal certificate, including the need to transfer all production activity into separate building."</i>	B	Yes, and ready to apply
2	<i>"My friend told me she got the halal certificate after attending 2-weeks training at Kuala Lumpur."</i>	D	Yes, but not ready to apply
3	<i>"We only use two ingredients for the product. I guess the halal certificate can be easily obtained, but it is not."</i>	I	Yes, but not ready to apply
4	<i>"My product is halal as I use all halal ingredients. My customers never ask about my halal certificate. So, I don't need to apply halal."</i>	G	No
5	<i>"I only capable to do the business on a small scale. For now, I have no intention to apply halal. What is most important, I know my product is halal because I use only halal ingredients."</i>	J	No

The respondents' reactions in Table 7 above indicate the misunderstanding of halal certification due to the lack of inadequate information. Without accurate information and guidance, the respondents tend to make many assumptions. This situation discourages many entrepreneurs in applying for the halal certification or forces them to postpone the application. The reluctance to get halal accreditation is made worse by the respondents' attitude towards the importance of halal certification as they confidently claim that they are using halal ingredients and applying clean manufacturing processes. The consumers assume that all food in the Islamic community are instinctively halal even though they are not labeled halal. Clear guidance and accurate information provided by relevant agencies and authorities can improve their understanding as well as raise the awareness of the role of halal certification.

Conclusions

This paper discusses the obstacles that hinder HBB entrepreneurs in obtaining halal certification for their food and beverage (F&B) products. The findings indicate that there are five (5) obstacles contributing to the difficulty of HBB entrepreneurs in obtaining halal certification for their products. The obstacles include lack of capital, failure to understand the halal requirement, stringent procedures, lack of support and guidance, as well as misconception about the halal certification process. The government and all other government subsidiary companies have to be far more ready to provide assistance, guidance and support, and attention to the HBB sector in order to commercialize their products. The HBB sector is expanding over time. Without proper planning and measures to address their challenges and problem, especially in halal certification, these issues will only restrain the potential domestic economic growth of the country.

This findings can help the HBB entrepreneurs in getting halal certification with the construction of affordable and guided options. On top of that, it can be used as a future reference to the practitioners and policymakers in realizing the implementation of halal certification among the HBB industry in Malaysia so that halal can break through and compete in the fierce global market. By outlining these obstacles, it is hoped that future research will be conducted to identify solutions for the obstacles that have been raised in this article so that the HBB entrepreneurs in Malaysia will have solid guidance on how to apply for halal certification.

Acknowledgment

The authors would like to thank the Universiti Teknikal Malaysia Melaka (UTeM), the Institute of Technology Management and Entrepreneurship (IPTK), and the Centre for Technopreneurship Development (CTED) for funding the research under the research grant PJP/2019/PBPI(2D)/S01689 and also for their support in obtaining materials for this study.

References

- Ab Rahman, I., Saleh, R., Ab Rahman, S., & Mat Hashim, D. (2011). *Factors contributing to non-compliance of the Halal standard among restaurant operators in Malaysia* (pp. 88-92). In Proceedings of the 2nd Interational Conference on Business, Economics and Tourism Management.
- Ab Talib, M. S., Abdul Hamid, A. B., & Ai Chin, T. (2015). Motivations and limitations in implementing Halal food certification: a Pareto analysis. *British Food Journal*, 117(11), 2664-2705.
- Ab Talib, M. S., Md. Sawari, S. S., Abdul Hamid, A. B., & Ai Chin, T. (2016). Emerging Halal food market : An Institutional theory of Halal certificate implementation. *Management Research Review British Food Journal*, 39(9), 987-997.
- Abu Bakar, A., Jafri Saad, R., & Basarud-din, S. K. (2017). Assessing challenges of implementation halal food certificate among Bumiputera Small and Medium Enterprises. *Journal of Humanities, Language, Culture and Business*, 1(2), 34-39.
- Ahmad, H., Fazullah, A., Borham, A. J., Hashim, H., & Abd. Razak, M. (2011). Halal studies in universities : A way forward to manage halal business. *International Journal of Arts and Sciences*, 4(9), 247-254.
-

- Ahmad, N. A., Tunku Abaidah, T. N., & Abu Yahya, M. H. (2013). *A study on Halal food awareness among Muslim customers in Klang Valley* (pp. 1073-1087). In Proceedings of the 4th International Conference on Business and Economic Research.
- Ahmad, S. Z., Jabeen, F., & Khan, M. (2014). Entrepreneurs choice in business venture: Motivations for choosing home-stay accommodation businesses in Peninsular Malaysia *International Journal of Hospitality Management*, 36, 31-40.
- Ambali, A. R. & Bakar, A. N. (2014). People's awareness on Halal foods and products: Potential issues for policy-makers. *Procedia-Social and Behavioral Sciences*, 121, 3-25.
- Anam, J., Mohamed Mokhtar, S. S., & Lebai Othman, I. (2018). Conceptualizing the relation between halal logo, perceived product quality and the role of consumer knowledge. *Journal of Islamic Marketing*, 9(4), 727-746.
- Anwar, M. N., & Daniel, E. M. (2016). Entrepreneurial marketing in online businesses: The case of ethnic minority entrepreneurs in the UK. *Qualitative Market Research*, 19(3), 310-338.
- Anwar, M. N., & Daniel, E. M. (2017). The role of entrepreneur-venture fit in online home-based entrepreneurship: A systematic literature review. *Journal of Enterprising Culture* 24(04), 1-51.
- Arif, S., & Sidek, S. (2015). Application of halalan tayyiban in the standard reference for determining Malaysian halal food. *Asian Social Science*, 11(17), 116-129.
- Arif, S., Abu Bakar, N., & Sidek, S. (2019). Impediment factors to successful usage of online Halal certification. *Humanities & Social Sciences Reviews*, 7(2), 135-145.
- Astro Awani. (2016). Jakim perlu permudah kelulusan sijil Halal untuk pengusaha Islam-Ismail Sabri. Retrieved from <https://www.astroawani.com/berita-malaysia/jakim-perlu-permudah-kelulusan-sijil-halal-untuk-pengusaha-islam-ismail-sabri-115645>
- Bernama. (2018). Malay entrepreneurs lack awareness on importance of Halal certification. Retrieved from http://www.bernama.com/bernama/state_news/news.php?id=1243311&cat=nt
- Bogdan, R. C., & Biklen, S. K. (1982). *Qualitative research for education: an introduction to theory and methods*. Boston: Allyn and Bacon.
- Buang, A. H., & Mahmud, Z. (2012). Isu dan cabaran badan pensijilan Halal di Malaysia. *Jurnal Syaria*, 20(3), 272-288.
- Chen, K. J., Chu, A. C., & Lai, C. C. (2018). Home production and small open economy business cycles. *Journal of Economic Dynamics and Control*, 95, 110-135.
- Collector, D., & Module, F. G. (2011). *Qualitative research methods a data collectors field guide* (pp. 1-12). Qualitative Research Methods Overview.
- Connaway, L. S., & Powell, R. R. (2010). *Basic research methods for librarians*. (5th eds.). Santa Barbara, CA: Libraries Unlimited.
- Cooper, D. R., & Schindler, P. S. (2000). *Business research method*. (7th eds.). New York: McGraw Hill.
- Department of Standards Malaysia. (2009). *MS 1500: 2009 Halal food-production, preparing, handling & storage-general guidelines*. (2nd eds.). Retrieved from <http://www.jsm.gov.my/ms-1500-2009-halal-food#.YCeZMY8zbDc>
-

- Duncan, B. (1991). *A profile of female home-based sewing entrepreneurs who participated in the Mississippi cooperative extension service sewing as a business program*. (Doctoral dissertation). Mississippi State University.
- European Union. (2019). *Eur-Lex: access to European Union Law. Micro-, small- and medium-sized enterprises: definition and scope*. Retrieved from <http://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=URISERV%3An26026>
- Gentles, S. J., Charles, C., Ploeg, J., & McKibbin, K. A. (2015). Sampling in qualitative research: Insights from an overview of the methods literature. *The Qualitative Report*, 20, 1772-1789.
- Gudeta, K. H., & Engen, M. L. (2017). Work-life boundary management styles of women entrepreneurs in Ethiopia - "choice " or imposition? *Journal of Small Business and Enterprise development*, 25(3), 368-886.
- Haque, A., Sarwar, A., Yasmin, F., Tarofder, A. K., & Hossain, M. A. (2015). Non-muslim consumers' perception toward purchasing halal food products in malaysia. *Journal of Islamic Marketing*, 6(1), 133-147.
- Haron, H., Said, S., Jayamaran, K., & Ismail, I. (2013). Factors Influencing small medium enterprises (SMES) in obtaining loan. *International Journal of Business and Social Science*, 4(15), 182-195.
- Hasan, H., Sulong, R. S., & Tanakinjal, G. H. (2020). Halal certification among SMEs in Kota Kinabalu , Sabah. *Journal of Consumer Business*, 05(01), 16-28.
- Hassan, S. H., & Hamdan, H. (2013). Experience of non-muslim consumers on halal as third party certification mark in Malaysia. *Asian Social Science*, 9(15), 263-271.
- Henderson, J. C. (2016). Halal food, certification and halal tourism: Insights from Malaysia and Singapore. *Tourism Management Perspectives*, 19, 160-164.
- JAKIM. (2014). *Manual procedure for Malaysia Halal certification*. (3rd eds.). Retrieved from <http://www.halal.gov.my/v4/images/pdf/MPPHM2014BI.pdf>
- Kalyanakumar, J. (2020). Issues and challenges of home based women entrepreneurs in Salem, Tamilnadu. *International Journal of Scientific & Technology Research*, 9(2), 2-5.
- Katuk, N., Ku-mahamud, K. R., Kayat, K., Abdul Hamid, M. N., Zakaria, N. H., & Purbasari, A. (2020). Halal certification for tourism marketing : the attributes and attitudes of food operators in Indonesia. *Journal of Islamic Marketing*, 9(4), 727-746.
- Kazimoto, P. (2014). Assessment of challenges facing small and medium enterprises towards international marketing standards: A case study of Arusha Region Tanzania. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 4(2), 303-311.
- Khoirul Anwar, M., Fahrullah, A., & Ridlwan, A. A. (2018). The problems of halal certification for food industry in Indonesia. *International Journal of Civil Engineering and Technology*, 9(8), 1625-1632.
- KPWKM, Ministry of Women, Family and Community Development. (2007). *Buku Panduan Pejabat@Rumah*. Kuala Lumpur: Kementerian Pembangunan Wanita, Keluarga dan Masyarakat.
-

-
- MAMPU, Malaysian Administrative Modernisation and Management Planning Unit. (2012). *Inisiatif dan Impak Pelaksanaan Fokus Group Pengurusan Pensijilan Halal*. Putrajaya: Jabatan Perdana Menteri.
- Mason, C., Carter, S., & Tagg, S. (2011). Invisible businesses : The characteristics of home-based businesses in the United Kingdom. *Regional Studies*, 45(5), 625-639.
- Maxwell, J. A. (2012). The importance of qualitative research for causal explanation in education, *Qualitative Inquiry*, 18(8) 655-661.
- Merdeka Online. (2018). *PKS Menjana Ekonomi Negara*. Retrieved from <http://merdeka-online.com/home/pks-menjana-ekonomi-negara>
- Md. Sawari, S. S., Ghazali, M. A., Abu Bakar Yap, S. M., & Abdul Latif, A. (2015). E-Halal as method and apparatus for halal product detection in Malaysia. *Mediterranean Journal of Social Sciences*, 6(5), 638-642.
- Miles, M.B. & Huberman, A.M. (1994). *Qualitative data analysis: An Expanded sourcebook*. (2nd eds.). London: Sage.
- Muhammad, M. A., Abu Bakar, E., & Ahmad, S. (2019). The challenges faced by Halal certification authorities in managing the halal certification process in Malaysia. *Food Research*, 4(1), 170-178.
- Muhammad, M. Z., Char, A. K., Yasoa', M. R., & Hassan, Z. (2010). Small and medium enterprises (SMEs) competing in the global business environment : A case of Malaysia. *International Business Research*, 3(1), 66-75.
- Nasir, A. (2019). *Penjual Nasi Lemak Raih RM400,000 Sebulan Dengan Modal RM3,000*. Retrieved from <https://www.freemalysiatoday.com/category/bahasa/2019/05/01/penjual-nasi-lemak-raih-rm400000-sebulan-dengan-modal-rm3000>
- Noordin, N., Md Noor, N. L., & Samicho, Z. (2014). Strategic approach to halal certification system: An ecosystem perspective. *Procedia-Social and Behavioral Sciences*, 121, 79-95.
- Nwanesi, P. K., Okpara, I. U., & Anisiobi, A. L. (2014). Women entrepreneurship in Malaysia: An investigation of the factors that motivated micro and small business owners in Kuching-Sarawak to start-up their own businesses. *IOSR Journal of Humanities and Social Science*, 19(4), 67-73.
- Othman, B., Shaarani, S. M., & Bahron, A. (2016). The potential of ASEAN in halal certification implementation: A review. *Pertanika Journal of Social Sciences and Humanities*, 24(1), 1-24.
- Patton, M. (1990). *Qualitative evaluation and research methods*. California: Sage Publications.
- Ramli, A., Mustafa, M., Ismail, M. A., & Ahmad Shakir, K. (2013). *Perniagaan berpusat di rumah : kajian profil peribadi, keluarga dan perniagaan di kalangan usahawan di Daerah Kubang Pasu, Kedah* (pp. 531-541). In Proceedings of the Conference on Business Management Research.
- Man, S., & Harun, M. S. (2016). *Pensijilan halal dalam kalangan usahawan perusahaan kecil dan sederhana (PKS) di Semenanjung Malaysia: Isu dan permasalahan*. In Abdullah, L. H., Ramli, R., & Mohd Razif, N. F. (Eds.), *Maqasid Al-Shari`ah: Aplikasi Dalam Aspek Muamalat dan Kehartaan* (pp. 199-214). Kuala Lumpur: JFU APIUM.
-

- Salganik, M. J., & Douglas D. H. (2004). Sampling and estimation in hidden populations using respondent-driven sampling. *Journal Sociological Methodology*, 34(1), 193-239.
- Scarborough, N. M., & Zimmerer, T. W. (2002). *Effective Small Business Management*. (7th eds.). New Jersey: Prentice Hall.
- Sinar Harian. (2018). *Susah ke nak dapat sijil halal?*
- Sinar Harian. (2014). *Jakim perlu mudahkan permohonan pengusaha PKS*.
- Sinar Harian. (2014). *Sukarkah mendapat sijil halal*.
- Soraji, A. J., Awang, M. D., & Mohd Yusoff, A. N. (2017). Malaysia Halal trust: Between reality and challenges. *International E-Journal of Advances in Social Sciences*, 3(7), 197-204.
- Stanger, A. M. J. (1998). *Home-based business marginality: A review of home-based business performance and its determinants*. In Proceedings of the International Council for Small Business Conference. Singapore.
- Sulaiman, R., Mohamed Shariff, S. S., & Ahmad, M. S. (2009). The e-business potential for home-based businesses in Malaysia: A qualitative study. *International Journal of Cyber Society and Education*, 2(1), 21-36.
- Trochim, W. M. K. (2006). *The qualitative debate*. Research methods knowledge base. Retrieved from <http://www.socialresearchmethods.net/kb/qualmeth.php>
- Utusan Borneo. (2016). *Wanita Usahakan Product HBB Berupaya Tingkat Taraf Hidup*.
- Utusan Malaysia. (2012). *APD 2011 Untuk Masalah Umat*.
- Walker, E. A., Wang, C., & Redmond, J. (2008). Women and work-life balance: Is home-based business ownership the solution? *Journal of Equal Opportunities International*, 27(3), 258-275.
- Wendy, M. Y. T., & Siong, C. C. (2014). Towards strengthening the development of women entrepreneurship in Malaysia. *Gender in Management: An International Journal*, 29(7), 432-453.
- Yusuf, A. H., Abdul Shukor, S., & Ahmad Bustamam U. S. (2016). Halal certification vs business growth of food in Malaysia. *Journal of Economics, Business and Management*, 4(3), 247-251.
- Zainol, N. R., Al Mamun, A., Hassan, H., & Muniady, R. (2017). Examining the effectiveness of micro- enterprise development programs in Malaysia. *Journal of International Studies*, 10(2), 292-308.