A POWER DISTANCE IN REGULATING HALAL FOOD INDUSTRY?

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ABSTRACT

Issues on halal integrity in the halal food industries have raised concerns amongst the public at large especially Muslims. To safeguard the sanctity of halal integrity, there must be an effective governance mechanism well in place. Currently, there exist several agencies pertaining to halal and Jabatan Kemajuan Islam Malaysia (JAKIM) is perceived to have an ultimatum for they issued the halal certification which is highly recognized worldwide. This study illicit the views from various agencies through qualitative methodology using transcendental phenomenology which views consciousness as the center for transcending intention and explicit behaviours. Questions formulated are to capture their specific experience which has been approved by the Ethics Committee for Research Involving Human Subjects (Malay acronym, JKEUPM). A focus group discussion was carried out with the officers from these agencies. The findings revealed that there exists an unclear jurisdiction line of power amongst the agencies, a low level of accountability amongst C suites, and a high level of power distance in regulating the halal food industry.

Keywords: *Accountability, Focus Group Discussion, Halal Food Industry, Hofstede Power Distance, Governance, Phenomenological Approach*

1.0 INTRODUCTION

Malaysia is perceived by market players to be a country with excellent expertise in halal matters. However, while it is a worldwide reference point in the global halal world it is seen to lack religious legitimacy (Blackler et al., 2016, p. 194). A string of halal integrity issues namely Cadbury, Ramli Burger, Hi-5, Silver Bird, the meat cartel scandal, and recently, the concern on the compliance status of a meat slaughterhouse in Australia cast doubt on the sanctity of halal. Halal does matters, State of the Global Islamic Economy (SGIE) Report (2020/21) estimates that Muslims spent 2.2 trillion in 2019 across the food, pharmaceutical, cosmetics, fashion, travel, media, and recreational sectors. In addition, the halal industry has a bright prospect brought about by the increasing Muslim population worldwide (Pew Research Center, 2015). Although Malaysia is a Muslim-majority country, it is ranked in the Transparency International Corruption Perception Index and has been declining over the years because of the lack of trust. Many Muslim countries face moral issues and are perceived to be corrupt, as revealed by the Transparency International Corruption Perception Index (Lewis, 2005). A bibliometric analysis of halal food and compliance (Priantina & Sapian, 2021) reveals that there are three clusters namely halal, food, and supply chain appear, and that most of this study uses a quantitative approach.

Even though Malaysia is in a forefront of the halal industry worldwide, there appears to be a loophole in the governance as there are cases that raise concern amongst Muslims.

Therefore, an in-depth analysis is only plausible through qualitative research methodology. The transcendental phenomenology approach allows the research to illicit respondents' experience which will provide a deeper insight into the governance, challenges, and issue in the halal food industry. Thus, the research question is as follows.

RQ1: How well is the level of integration between agencies in governing the halal industry in relation to the diversity in their fiduciary roles and duties?

This is to achieve the research objective to determine whether there is a good integration between the agencies governing the halal industry as there are several agencies involved in discharging their fiduciary roles and duties. The findings revealed very interesting themes which are divided into three main themes namely an unclear jurisdiction line of power amongst the agencies, a low level of accountability amongst C suites, and a high level of power distance in regulating the halal food industry.

2.0 LITERATURE REVIEW

The literature review is divided into accountability and governance in halal industry.

2.1 Accountability

All Muslims are accountable for their individual and collective actions in this world. However, the latter is rather limited in worldly affairs and is strictly individual in the hereafter. Accountability is a dynamic principle in terms of human behavior (Naqvi, 1981); action and inaction of one are to be accounted for in the hereafter (Rahman, 1998). It rests on the recognition of tawhid as the law of the unity of knowledge and it is translated into formal and applied forms of inter-agential (variable) unity of knowledge (Choudhury 2016).

The application of tawhid Abusulayman (1998), Kamla et al. (2006) and Omer 2010) drives mankind to excel as it is a formation of both ethic of intent and action, thus, a true Muslim is expected to be engaged in bringing about the desired transformation (Faruqi, 1992; Mohd Zaini & Mohd Sani, 2011; Pahrol, 2008). The ethic of intention or equivalent to one conscience will be judged by the subject's conscience and Allah SWT (Faruqi, 1992: 93). Whilst, the ethic of action has a measurable effect for it has "disturbed the time-space alas the nature's cosmic equilibrium" and the effects constitute merit or demerit (Faruqi, 1992: 93-94). Islamic accountability demands its believers at all levels to be actively involved or engaged, which must be translated into action rather than just a rhetorical gesture that becomes hollow and meaningless. Islamic accountability is only achievable through the constant seeking of God's guidance and blessings, which is measurable to the value creation of which its presence should be felt by the community, Muslim and non-Muslim alike.

2.2 Governance in Halal Industry

Halim et al., (2014) classified the key aspects of governance involving the institutions and actors within government and agencies; roles and responsibilities with clearly define functions; power dependence in relationships between organizations; autonomous self-organizing systems and leading by the use of 'steer and guide' rather than command. The need for systematic governance and collaboration in the country among governmental and non-government is seen as the first step that needs to be seriously undertaken before moving to an international level. With regards to Halal Industry, Halal certification is the most vital element in the halal food industry development by many researchers. It is proof that the product observes Halal manufacturing procedures

and provides assurance to consumers that the product is safe for Muslim consumption (Nakyinsige et al., 2012).

According to Noordin et al. (2014), Halal certification is the process of certifying products or services as pronounced by the Shariah law. In assuring Muslim consumers of halal quality, a system of halal certification and verification is seen to be the key element.

To obtain the Halal certificate, food manufacturers must go through a few stages to prove materials and production processes are complying with Islamic standards. Halal food certification is an examination of food processes from preparation, slaughtering, ingredients used, cleaning, handling, processing, and storage as well as transportation and distribution. Halal certification in Malaysia issued by JAKIM has been recognized globally across many countries as it is one of the pioneering countries initiating and leading to halal products (Badruldin et al., 2012). Furthermore, Ahmad et al. (2018) state that the system for halal food control in Malaysia is framed by five important components for an effective national food control system halal food legislation; halal food management control; inspection; laboratory; and education, communication, and training. They explored Malaysia's experience in establishing the control system of the halal food industry. Under the five themes, they reviewed the way halal has been executed by the local industry from the regulation to the industry players. From their discussion, it makes sense to adopt their theme of a halal food control system as the line of defense in halal governance since substantive material has been credited so. Meanwhile, Shafii et al. (2018) reported a comparative study on the Halal governance between Malaysia and Thailand. They discussed the dimensions in the comparison which are Halal regulator, regulations, auditors, the scope of the audit, frequency of audit, validity of the certification, and the flexibility of Halal logo usage. In a notable point, the measures adopted in Thailand are considered much more comprehensive than in Malaysia since the involvement of trained Halal auditors and experts outside of CICOT and PIC to monitor the certification process. Due to that, the lack of personnel during the auditing process is not a problem, resulting in surveillance audits becoming more effective. The analysis also found that Halal governance implementation in Thailand is more efficient as compared to Malaysia due to the consistent inspection. This improves the Halal assurance and Halal integrity for the industry (Shafii et al., 2018).

3.0 METHODOLOGY

The current study employs a qualitative inquiry using a focus group discussion (FGD) approach, which focused on the phenomenon experienced by these experts in various agencies regulating the halal industry. Phenomenology originates in philosophical traditions, and the fore founder was Edmund Gustav Husserl, followed by Martin Heidegger and Maurice Jean Jacques Merleau-Ponty with each one of them taking different views (Willis, 2001).

3.1 Transcendental Phenomenology

Essentially, there are two main categories of phenomenology inquiry: transcendental (descriptive) phenomenology originated from Husserl, and hermeneutic (interpretive) phenomenology originates from Heidegger, his student and close companion who had taken a different approach at a later stage. There are proponents, and opponents of Husserl's phenomenology inquiry this methodology is present in various fields of research examples are in feminist research, psychology, nursing, school, adults, and health professions education.

Husserl's (1970) ontological assumption is that the reality is internal to the knower, what appears in their consciousness and the observer's role in understanding the

phenomena is bias-free or 'epoche' or 'bracketing'/intuitive which allows the researcher to be objective about the participants' lived experience. Phenomenologists do not use coding; however, a continuous and careful reading of the interview transcription (Miles and Huberman, 1994) to verify significant statements and proceed into meaningful statements. Neubauer et al. (2019) identify a series of reductions, namely the transcendental stage, the transcendental-phenomenological reduction, and the reduction via imaginative variation in arriving at all knowledge about the phenomenon. A case study and an in-depth interview are examples of the phenomenology inquiry. This study employs the focus group discussion (FGD) approach considering the group dynamic in which interactions are lively, producing more rich text, sharing experiences between the participants, and providing recommendations where possible (Krueger, 2002).

3.2 Focus Group Discussion

Participants in the FGD are selected based on stratified purposeful sampling, which can illustrate the subgroups and facilitates comparisons (Cresswell, 2007, p. 127). We use the pre-planned semi-structured questionnaires to manage the interview's direction, minimise time, and avoid wandering away from the study's objectives. The interviews provide the opportunity for open questions and enable the researcher to gain an in-depth insight into potential explanations (Cavana et al., 2001). Invitation to participate is carried out through personal emails and telephone calls. However, only five experts in various agencies and a university that is very well verse in halal certification and halal audit have attended the FGD. The meeting was held at one of the hotels situated in Putrajaya in February 2019. The session began with a briefing on the rules of FGD carried out by a moderator and it was recorded with the FGD participants' permission. The process involves listening to the videotape several times, and the researcher carefully transcribed it. We carefully read the FGD to verify significant statements and proceed into meaningful statements. Due to the pandemic covid 19, the project was put on hold due to several reasons. However, in October 2021, the validation process has taken place with email being sent out to participants and we also had an internal verification through an expert view in the industry.

3.3 Respondents' Profiles

There are five respondents representing three agencies namely Food Safety and Quality, Enforcement, Halal Agency under the Ministry of International Trade and Industry (MITI), and an expert on halal auditing from a local university.

Table 1 Respondents' Profiles

R1	Food Safety and Quality	2
R2	Food Safety and Quality	2
R3	Enforcement	3
R4	Halal Agency (MITI)	4
R5	A local university	(unknown)

4.0 DISCUSSION OF FINDINGS

One of the questions posted to the participants is "What are the issues and challenges in implementation of governance in Halal Food Industry?"

R3 "Pertindihan kuasa tu iya lah. Pada sebelum 2010, agensi-agensi sebagai contoh JAKIM dan jain mohon untuk dapatkan surat penurunan kuasa. Jadi bila dia mohon untuk penurunan kuasa, kuasa enforcement, untuk memasuki premis, maksudnya kita bagi kuasa untuk geledah dan sebagainya, banyak dah tu".

R4 " in addition, the level of accountability is also not warranted at the Csuite level.

R5" different forum, not direct..

R4 appear to exist …

5.0 CONCLUSIONS

The study brings about a greater insight into the governance of the halal industry. The themes derived through the transcendental phenomenology approach are an unclear jurisdiction line of power amongst the agencies, a low level of accountability amongst C suites, and a high level of power distance in regulating the halal food industry. There is a need to address these openly to improve the existing implementation of governing the halal industry, failure to do so may result in a setback in positioning Malaysia as the hub for the halal industry.

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