

## Analysis on Factors of Non-Compliance of Halal Standard

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**Abstract:** This research is presented in short presentation format for a research effort based on previous studies on Halal standards. In this study, researcher tried to modify previous study published by Medwell Journals. Researchers applied Multi Criteria Decision Making (MCDM) tool to filter factors of non-compliance of Halal standard among restaurant operations in Kuala Lumpur in cause and effect groups. In this study, researcher failed to prove his hypnotized conceptual model.

**Key words:** Halal standard, cause and effect group, non-compliance factors, Halal, Malaysia

### INTRODUCTION

In last issue of International Business Management Journal (Rahman *et al.*, 2012) published research which was a review on factors of non-compliance of Halal standard among restaurant operations in Kuala Lumpur. Researchers explained that eating Halal and Tayyib food is important as a matter of worship of God where general principle what is lawful and what is good should be followed. The food service sector is going to be the final link in the entire supply chain and as this industry experiences a rapid growth, the duty of ensuring Halal food in shifted to restaurant operators. Then, researchers continued their review to explain that plenty of operators of Kuala Lumpur restaurants do not comply with Halal standards. Their research was to identify factors of non-compliances of standards of Halal food. They introduce 7 factors; lack of knowledge on Halal concept, cost of implementation, changes in management, supplies issues, consumer driven, governance issue, monitoring and enforcement; formally known as factor 1-7 sequentially.

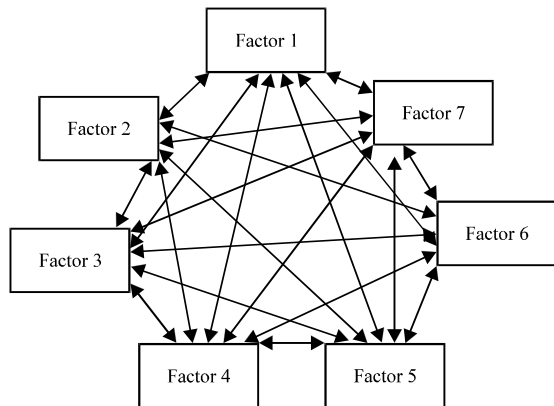


Fig. 1: Hypnotized model

Here in this study, the researchers would develop reviewed research effort (Rahman *et al.*, 2012), utilizing Multi Criteria Decision Making (MCDM) methods. The main objective of this study is to research on factors of non-compliance of Halal standard; specifically, researchers try to apply MCDM method to study the interrelationship between non-compliance factors to find which factor could be cause and which factor is effect. Researchers would refer to their 2012 and 2013 articles which is an introduction to DEMATEL (Decision Trial and Evaluation Laboratory); a method of MCDM methods. DEMATEL is widely used to study interrelationship among variables. The hypnotized model for this study is shown in Fig. 1 (Falatoonitoosi *et al.*, 2012, 2013a, b) which is developed based on DEMATEL application.

### MATERIALS AND METHODS

Inviting experts from Kuala Lumpur universities, specialized in Halal standard management for a set of interviews, resulted following matrix in Table 1, is based on gathered data. Table 1 raw data is the first step of DEMATEL analysis which presents a sets of the pair-wise comparisons in terms of effects and direction among factors 1-7. Following 5 scales are employed in the raw data matrix (Table 1) to measure the interrelationship between 7 mentioned factors based on experts' opinion:

Table 1: Raw data

Factors	1	2	3	4	5	6	7
1	0	0	0	1	0	0	4
2	0	0	0	1	1	0	4
3	2	0	0	1	0	0	1
4	0	4	0	0	1	0	0
5	1	2	4	1	0	2	3
6	4	2	1	1	0	0	4
7	3	2	2	4	0	0	0

- 0 = No influence
- 1 = Low influence
- 2 = Medium influence
- 3 = High influence
- 4 = Very high influence

**RESULTS AND DISCUSSION**

Referring to DEMATEL analysis steps (Falatoonitoosi *et al.*, 2014, 2013a; Sorooshian and Salimi, 2012), researchers calculate the gathered data. Total relationship matrix from DEMATEL analysis is presented in Table 2.

Generally, analysed factor will be to the cause group if D-R is positive and when the D-R is negative, the factor represents the effect group. Result shows that no factors are in cause group and no in effect group. The result is summarized in a cause and effect map, shown in Fig. 2. Figure 2 shows that all factors have similar situation with zero deference.

Rahman *et al.* (2012) introduced 7 factor of non-compliance of Halal standard among restaurant operations in Kuala Lumpur; researchers with application of MCDM and logical inter-relationship study among

factors, tried to filter the factors. Results showed that all factors are independently function and cannot be separated in cause and effect groups. Generally, Halal standard managers and advisors, as well as restaurant operators should consider all 7 factors equally then only they will achieve a better result to protect Muslim customers from any Halal logo and facilitate consumers to select the right restaurant to eat.

**CONCLUSION**

Results proved that Halal non-compliance factor, developed by previous researcher cannot be categorized in cause and effect groups as they have the same position in cause and effect map developed by this research.

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Table 2: Total relationships

Relationship	Factors							D
	1	2	3	4	5	6	7	
Factor 1	1	0	0	0	0	0	0	1
Factor 2	0	1	0	0	0	0	0	1
Factor 3	0	0	1	0	0	0	0	1
Factor 4	0	0	0	1	0	0	0	1
Factor 5	0	0	0	0	1	0	0	1
Factor 6	0	0	0	0	0	1	0	1
Factor 7	0	0	0	0	0	0	1	1
R	1	1	1	1	1	1	1	-
D+R	2	2	2	2	2	2	2	-
D-R	0	0	0	0	0	0	0	-

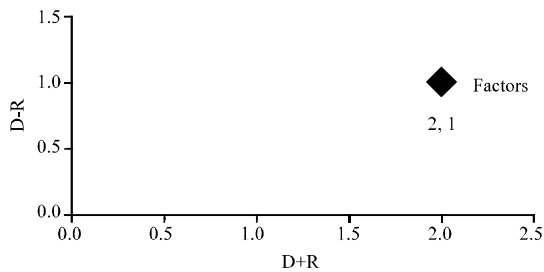


Fig. 2: Cause and effect map