Restaurant Management’s Perspective on Halal Certification: An Exploratory Study in Surabaya

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ABSTRACT

As the world’s largest Moslem population of the world, Indonesia has been practicing halal principles in all aspects of the country’s life. In foodservice business sector, halal accreditation acts as the assurance of food and beverage safety and quality that is legitimized by the government or the relevant Moslem religious bodies. This paper aims to examine the knowledge and attitudes of restaurant business operators in Surabaya toward halal certification. Applying a qualitative approach, the data were collected through in-depth interviews to eight informants who are owners or managers of the restaurants in Surabaya. The findings showed that despite the positive attitude towards halal certification, the informants admitted that their level of knowledge about halal certification was still very low due to lack of information they officially received from the relevant organizations regarding the certification.

Key Words: Halal certification, Chinese food restaurant, management, perceptions, attitude.

1. INTRODUCTION

Food is an essential need of human and there are various factors that influence human’s choice of food; involving cultures, politics, economy, environment, nature, and religion. Religion, in this case, own a very essential role in the food selection within a particular social environment (Marzuki, Hall, & Ballantine, 2012). Spiritual value, as well as its standardization, have an important role that is very influential upon customers; besides, spiritual value also affects on human’s lifestyles, which will interfere their action towards the pre-consumed foods (Essoo & Dibb, 2004). A devout individual tends to purchase a particular kind of cuisine that is allowed to be consumed according to his/her religion, in order to avoid breaking a divine rule set by his/her religion (Haider, 2015).

Islam is one of the largest religions in the world. Since 2010, there has been 1,599,700,000 Moslems from total 6,895,850,000 or 23.2 % of the whole world population, according to the statistics released by the Pew Research Center in the Pew-Templeton Global Religious
Future project (Hackett, Connor, Stonawski, Skirbekk, Potancoková, & Abel, 2015). More specifically, in terms of the Moslem diaspora around the world, Indonesia is known as the biggest Moslem populated country in the world, with 207,176,162 Moslem from 237,641,236 of the Indonesia population. The data reflects the fact that 87.2 % of the Indonesian population are Moslem, according to Central Bureau of Statistics in 2010. Surabaya is the second biggest business city in Indonesia. Referring to the recorded data, there has been 2,373,720 Moslem population in Surabaya (Surabaya Central Bureau of Statistics, 2010). This shows that 85.8 % of Surabaya population are Moslems.

During the recent years, halal tourism has been growing as one of the emerging sectors in tourism industry. Halal tourism is aimed towards Moslem segment by offering tour packages, particular destinations, accommodation, and food products which in accord with Islam beliefs and laws (Fitri, 2016). In spite of the phenomenon, Indonesia has only been able to gain 1.2 % market, left far behind Malaysia and Thailand which has respectively 25 % and 24 % of the world halal tourism market (Law and Public Communication Bureau, 2016). In relation to the fact mentioned above, Indonesia can be illustrated as having a “hidden treasure”, which its potential in halal tourism market is expected to be “extracted”. This goes in-line with the current increase in both economy and politics sectors, signalled by the rising of well-educated middle class society who has a strong concern towards Islam tradition (Prabowo, Abd Rahman, Ab Rahman, & Samah, 2015). The rising of middle-class society in Indonesia has triggered several industries to conduct business transformation. Transformation into halal tourism is one of the effort done by culinary industries in order to expand their market share. Tjahyono Haryono, the head of Indonesian Café and Restaurant Entrepreneurs (APKRINDO) for East Java region, has stated that the increasing number of middle class society that used to be illustrated as the middle part of a pyramid, could nowadays be portrayed as a house with expanding middle part (Lestari, 2015). In fact, middle class society that are currently increasing are dominated by Moslems, as explained by him. There has been 20% restaurant in East Java which converted their non-halal cuisine business into halal ones (Lestari, 2015).

Indonesian Council of Ulama (Majelis Ulama Indonesia / MUI) is the organization responsible to regulate halal standardization for both food produces and providers in Indonesia. Established on July 26th 1975 in Jakarta, Indonesia, MUI is classified as a Non-Governmental Organization (NGO) embodies Indonesian clerics (ulama), zu’ama, and Moslem aimed to provide guidance, teaching, and security towards Moslem population in Indonesia.

This research was aimed to analyse the occurring phenomenon related with halal certification, especially in Surabaya. The researchers were eager to deeper elaborate several foods and beverages business organizers’ views towards the fact that there are (still) several business organizers not applying halal certification, despite of a great market opportunity. Considering the vast number of restaurants in Surabaya, the researcher has decided to limit the scope only in Chinese cuisine restaurants. The limitation was determined due to the fact that Chinese cuisine restaurants are one of the most dominant cuisines sold by the restaurant providers in Surabaya. Chinese cuisine restaurants ranks second in the whole Indonesian restaurants, behind Indonesian cuisine restaurants (Surabaya Department of Culture and Tourism, 2012). Based on that fact, the researchers aimed to find the connection between restaurant organizers’ views toward halal certification in Chinese cuisine restaurants in Surabaya.
2. LITERATURE REVIEW

2.1. Halal Concept

Esso and Dibb (2004) has argued that religion influences customers’ alternate choice towards daily food, as well as food materials. Spiritual values also interfere lifestyle, which then influences the customers’ actions (Ahmed, 2008). Therefore, perception towards spiritual values becomes a very significant aspect which influences actions taken in consuming something (Esso and Dibb, 2004). According to Bahariddin, Kasim, Nordin, and Buyong (2015), halal is a term exclusively used in Islam which means permitted or lawful. Halal and non-Halal covers all spectrums of Muslim life, not limited to foods and drinks only, but also for safety, animal welfare, social justice and sustainable environment. With regard to food, the basic issue in halal food production is cleanliness, free from ‘contamination’ and healthy food as defined in the Quran.

A number of devout customers will tend to purchase halal cuisine as a regard of their religious perception and prevent themselves involved in actions conflicting with their religious values (Masnono, 2005). As a result, customers’ belief in religion has become an important part in marketing, especially in advertising (Froehle, 1994). Religiosity also shares an effect towards customers’ behaviours and actions in selecting halal foods (Weaver & Agle, 2002). Individual’s levels of positive religiosity may influence their attitude towards halal products (Mukhtar & Butt, 2012).

2.2. Halal Certification

Halal certification is an important factor for Moslem, in order to determine their purchasing selection. Not only ensuring that a particular food product is safe to be consumed in accord with Islamic rules, a certification in form of a logo accompanied by ‘halal’ writing, also become a challenge to ensure that the production process and quality are both halal (Haider, 2015). Halal logo has become a tool to convince Moslems in many part of the world. The certification obliges the existence of quality control process in order to supervise the effective production process required to guarantee the food standard quality (Riaz & Chaudry, 2004).

There has been a lot of halal certification requests for Moslem customers’ foods, regardless of their countries. This indicates the need of halal certified food products as it seems to be a significant factor that determines Moslem decision before buying (Haider, 2015).

There is a particular organisation issuing halal certification in Indonesia. Established by the Indonesian government on Rajab 7th 1395 Hijriah or July 26th 1975 in Jakarta, Indonesia; Indonesian Council of Ulama (Majelis Ulama Indonesia, abbreviated as MUI) is a council embodies Indonesian clerics (ulama), zu’ama, and Moslem aimed to provide guidance, teaching, and security towards Moslem population in Indonesia (Deliberation Council, 2013). In Indonesia, halal labelling or halal certification process in conducted by the Assessment Institute for Foods, Drugs and Cosmetics, the Indonesian Council of Ulama (Lembaga Pengkajian Pangan, Obat-obatan, dan Kosmetika Majelis Ulama Indonesia, abbreviated as LPPOM MUI). Since March 2012, halal warranty series system has officially been introduced as HAS 23000, a compilation of rules need to be obeyed in order to receive halal certification form LPPOM MUI. HAS 23000 is a management system integration which is compiled.
implemented, and maintained to regulate the materials, production process, products, human resources, and procedures to keep halal production process, according to the requirements issued by broad members of certification council through halal documents standards (LPPOM MUI in HAS 23001 document). HAS 23000 has been internationally acknowledged, and has also become a reference in several other countries (Prabowo et al., 2015).

2.3. Perceptions, Attitudes, and Behaviour

As a social being, human considers the implication of his/her action before deciding to be or not to be involved in a particular behaviour (Ajzen & Fishbein, 1980). If someone considers that the result of getting involved in a particular action is positive, then the possibility for him/her to get involved in that action is also positive, the same goes vice-versa. If someone-related observes the positive behaviour of that individual, thus having the same motivation, then a subjective-positive norm will be established, it also works the vice-versa. The Theory of Reasoned Action (TRA) works best upon applied to the individual having a full-conscience towards his/her behaviour.

In a more specific scope, TRA emphasizes that there are two kinds individuals’ objectives in purchasing a particular product. Personality is the first, while the reflection from the social environment around an individual is the second. Actions from an individual may be either positive or negative in several behaviours. This factor is related with the attitude towards a behaviour (Mukhtar & Butt, 2012). The second factor is related with the perception in a social environment, which triggers that individual to either commit an action or not. A behaviour in consuming halal products, in this case foods, is a belief which motivates someone’s behaviour into his/her attitude. In short, an individual will consider whether his/her attitude will be accepted in a particular community or not (Mukhtar & Butt, 2012). It can be concluded that according to TRA, someone may accept halal products, yet still not buying them. The role of the subjective norms is the second, in this case, the surrounding neighbourhood. An individual may not having a positive behaviour towards halal products, yet his/her attitude in consuming halal products is driven by his neighbourhood (Mukhtar & Butt, 2012), especially due to his/her fear of being rejected by his/her community upon not consuming halal products.

2.4. Restaurant Operational Cycle

According to the decree number KM 95/HK.103/MPPT-87 issued by the Ministry of Tourism, Post, and Telecommunication, a restaurant can be defined as a kind of food industries located in a part or a whole part of a permanent building equipped with tools and equipment in purpose of running the food and beverages production process, storage, serving, and selling for public; it should, as well, meet the requirements set within the decree. All kind of restaurants, regardless of their sizes and shapes, has an identical particular process. Whether it is in form of a fast food or a company, a restaurant is obliged to have a supplier; contacted either through phone calls, email, mail, or a direct sales. Both kind of restaurants should receive the supplied goods upon their arrival, and somebody has to ensure that their quality, quantity, and price meets with the order. The supplies should be stored in a dry or cold storage, or freezer. Upon needed, the supplies should be obtained from the storage and
3. RESEARCH METHOD

This research was an exploratory study in its nature. Qualitative approach was adopted by the researchers as they aimed to elaborate the empirical reality behind this phenomenon in deep, detail, and thorough (Moleong, 2014). In this research, eight informants had been selected; four of whom selling halal cuisine, three selling both halal and non halal cuisine, and one selling only non-halal cuisine. The informants were then divided according to the restaurant classifications: three stars, two stars, one star, and no star. This classification is in accord with the decree issued by Indonesian Ministry of Tourism and Creative Economy number 11, 2014 about the Restaurant Business Standards (Ministry of Tourism and Creative Economy number 11, 2014).

In this research, the researchers utilized semi-structure in-depth interviews allowing the informants to respond to the provided answers by using their own means, in order to determine the next question. Besides semi-structured interview, the researchers also utilized a direct conversation in order to ask several unclear questions, as well as to triangulate the interview results. Halal certification, the Theory of Reasoned Action (TRA), and the restaurant operational cycle dimensions are the conceptual bases in developing the questions during the semi-structured interview.

4. RESULT AND DISCUSSIONS

4.1. Informant Profiles

The following table contains the informants’ demographical profiles in this research.

<table>
<thead>
<tr>
<th>Informant</th>
<th>Gender</th>
<th>Age</th>
<th>Food sold</th>
<th>Position</th>
<th>Restaurant category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>45</td>
<td>Halal</td>
<td>Manager</td>
<td>3-star</td>
</tr>
<tr>
<td>2</td>
<td>Male</td>
<td>42</td>
<td>Halal</td>
<td>Manager</td>
<td>2-star</td>
</tr>
<tr>
<td>3</td>
<td>Male</td>
<td>37</td>
<td>Halal</td>
<td>Supervisor</td>
<td>1-star</td>
</tr>
<tr>
<td>4</td>
<td>Female</td>
<td>46</td>
<td>Halal</td>
<td>Owner</td>
<td>Non-starred</td>
</tr>
<tr>
<td>5</td>
<td>Female</td>
<td>29</td>
<td>Halal and non-halal</td>
<td>Manager</td>
<td>3-star</td>
</tr>
<tr>
<td>6</td>
<td>Male</td>
<td>25</td>
<td>Halal and non-halal</td>
<td>Owner</td>
<td>2-star</td>
</tr>
<tr>
<td>7</td>
<td>Male</td>
<td>21</td>
<td>Halal and non-halal</td>
<td>Owner</td>
<td>1-star</td>
</tr>
<tr>
<td>8</td>
<td>Male</td>
<td>23</td>
<td>Halal and non-halal</td>
<td>Owner</td>
<td>Non-starred</td>
</tr>
</tbody>
</table>

As mentioned, there were eight informants involved in this research; four of whom selling halal cuisine, three selling both halal and non halal cuisine, and one selling only non-halal cuisine. Two are females while the rest are males. The participants are coming from various backgrounds: restaurant owners, managers, and supervisors. Both managers and supervisors are considered representable, as the owners are usually not standing-by in the restaurant.

Informant #1 is a 45-year-old male working in a starred restaurant. He has been working there for ten years as a manager. The restaurant whom he is working is not (yet) halal certified, yet all of the cuisines sold are halal. Working in a cruise for two years before finally moved to a restaurant, informant #1 is known for his abundant experience in food and beverage sector.
(yet) halal-certified restaurant but selling halal cuisines only. Informant #3 is a 37-year-old male working as a supervisor in a starred restaurant selling halal cuisines. The restaurant itself sells some cuisines ranged between IDR 30,000 – IDR 50,000. Informant #4 is a 46-year-old female, who has been running a restaurant for 13 years. Her restaurant is neither starred nor halal certified. Informant five is a 29-year-old female working as a manager in a starred restaurant. Selling both halal and non-halal cuisines, the restaurant whom she is working was established in 2013; informant #5 has been working there ever since. Informant #6 is a 25-year-old male owning a starred restaurant selling both halal and non-halal cuisines. The restaurant itself has been running for eight years, yet the informant has only been working there for four years, as he should have finished his study in the United States for the previous four years. Informant #7 is a 21-year-old male owning a non-starred restaurant. The restaurant has been running for 15 years, yet he has bounded there for only seven years. The cuisines sold are both halal and non-halal. The informant argued that the decision in selling cuisines containing non-halal products was made due to the fact that his restaurant was located in area which population tend to consume non-halal cuisines. The last research subject, informant #8, is a 23-year-old male owning a non-starred restaurant. His restaurant has opened for a year and selling only cuisines containing non-halal products. Higher buying ability owned by non-halal products customers, compared with halal-ones, becomes the main reason in setting the sales segment; nevertheless, the restaurant itself does not sell a vast variety of cuisines.

4.2. Discussion

With regards to the participants’ knowledge towards halal certification, the interviews revealed that there were a lot of occurring varieties toward society’s knowledge on halal certification. Seven of eight informants assumed that halal certification is a certification acquired by a business organizer upon not selling non-halal products; such as pork, alcohol, beasts’ meat, and animals living in two kind of environment. The statement goes in-line with a decree issued by Indonesian Ministry of Health number 82/MENKES/SK/I/1996 about the regulation of citation (Sujudi, 1996). Not only in accord with the decree, the statement also agrees with the statement of informant one, saying, “Halal certification is acquired by not selling alcoholic products, beasts’ and two-environment animals products”. The regulation is proposed in order to provide security towards customers in halal segment. From all of the informants; only informant #1, #2, #3, and #8 were well informed about the way to acquire halal certification. Nevertheless, the amount of information acquired by them is superficial. Informant #1, #5, #6, and #7 do not even have any knowledge regarding the way to acquire halal certification.

After being questioned about the level of knowledge on halal certification, the following part of the interviews was identifying the informants’ attitude towards the certification. Upon being questioned regarding their opinion towards the fact that most of the Indonesian population is dominated by Moslems, the informants shared various argumentations. Informant two working in a halal restaurant) argued, “There is nothing wrong in aiming for non-halal segmentation, due to the fact that this segment has a good purchasing power, despite of their few quantity”. The opinion goes parallel with the ones delivered by informants working in non-halal segmentation. Informant six also confirmed that “non-halal segment has better purchasing power compared with halal segment”. Informant seven and eight also admitted
Upon seen through TRA point of view, which argues that human always considers the implication of his/her action before getting involved in a particular action (Ajzen and Fishbein, 1980), added with a statement saying that there are two objectives (personality and reflection from the social environment) that influences someone in purchasing a product (Mukhtar & Butt, 2012), it can be implied that halal segment customers are surrounded by a social environment that supports his/her behaviour; therefore, there is no meaningful implication received in consuming non-halal products, as forbidden by Islamic teachings. The informants also have no desire to convert their restaurants into halal ones, like argued by informant 8, "indeed there is a desire [to have a halal restaurant], yet it is to add instead to convert, if there's an opportunity". This reflects the fact that there is no pressure to convert into halal segment.

Furthermore, all of the informants stated that despite of selling either halal or non-halal products, the restaurants whom they were working was all not (yet) halal-certified. From eight informants, informant three’s restaurant was the only one checked for its halal certification by MUI representative. This goes in contrary with a fact saying that Indonesian Council of Ulama (Majelis Ulama Indonesia / MUI) is an NGO embodies of clerics, zu’ama, and Moslem scholars in Indonesia in purpose of guiding, teaching, and securing Moslem population in Indonesia. Already established on July 26th 1975 in Jakarta, Indonesia (Prabowo et al., 2015), MUI should have had enough time to prevent the number of halal certified restaurant being this low, as shown by the fact. The fact also goes in contrary with a statement saying that several highly Moslem populated countries such as Indonesia and Malaysia, has already delegated officials to set food control (Haider, 2015). Informant three had started applying for halal certification ever since hearing that statement. From the customers’ point of view, it is known that most of the customers only ask whether the restaurant sells pork or not. The informants admitted that the question came often, and they answered it as it was. While the other seven informants had their own criteria and standards, informant #4 was the only one known of not having criteria toward raw material and operational apparatus; instead, she prioritized on goods and equipment procurement. Informant #4 was also known of not owning a supplier, arguing that her restaurant was located near a traditional market and she used to purchase in a small quantity. Meanwhile, informant #6 owned a supplier, yet also purchased some particular materials by himself. Both informants #1 and #4 did not use any supplier for cost-saving; besides, they insisted that they could buy them themselves. Since they had no supplier, inspection was conducted by using only material check to meet the standard. Further, informant #4 had already subscribed in a store to prevent her from having any problem in fulfilling the supply. All of the other informants had more than one suppliers, usually two or three, in order to control the cost and acting as a backup if one of the suppliers was unavailable. Control was also performed through both physical examination and standardization.

From four non-halal restaurants, only informants #5 and #7 who have initiated a separation between halal and non-halal separation. Two other informants did not conduct a separation regulated by Indonesian Ministry of Health’s decree number 82/MENKES/SK/I/1996 about citation (Sujudi, 1996). The other informants conducted a separation based on whether of the material was dry, wet, and the temperature. This is in accord with a theory classifying food materials into two, either perishable or non-perishable, in which each of them has their own storage method (Dittmer and Keefe, 2006). From eight interviewees, only informants #1, #4, and #7 conducted daily audit. The audit was intended to check what menu is more saleable,
also to check the supply available for the next day. The rest of the informants conducted an audit either weekly or monthly in both outlet and main office scale.

5. CONCLUSION

The researchers conclude that halal certification is still a lay phenomenon for restaurant organizers, especially for a small restaurant organizers. It is obvious that many of the restaurant business owners have a little knowledge regarding halal certification, Indonesian Council of Ulama (Majelis Ulama Indonesia/MUI), and the definition of halal itself. MUI role in socializing halal certification to the restaurant organizers, especially for small restaurant, is arguably still low. It is better to equate the rule with the one applied to big restaurants, which are obliged to administer halal certification, if needed, like done by KFC, Burger King, and Taco Bell; as confirmed by the 20 percent sales increase acquired by them post-certification (Haider, 2015). Those names refer to big franchise restaurants which has already obtained halal certification.

Nevertheless, it is inevitable that the customers themselves do not being overly sensitive toward this matter. The interview has confirmed that the customers only asked whether a food product contained pork, as uttered by the business organizers. This becomes, as assessed by the researchers, a factor that makes many restaurants selling halal product, has yet obtained halal certificate. The organizers has assessed that the demand for non-halal product is still low. This eventually results in the imbalance between the knowledge owned with the action taken.

In relation with operational, business owners has arguably ran their business well, as seen from the way they classify the materials based on the temperature, type, and procurement efficiency. Nevertheless, consideration towards halal and non-halal materials storing separation is still low, as shown by the fact that only one restaurant known to apply this kind of separation. In general, business organizers use suppliers service. Therefore, certification not only should be conducted towards the restaurant, but also toward the suppliers due to the fact that suppliers themselves determine whether a restaurant can be classified as halal. Audit has performed routinely by the restaurants, starred or not, in a good scale. It is sure that if there is any complain delivered on whether a product is halal or not, the management will be well informed about it.

Restaurant business organizers’ perceptions toward halal certification is a very broad topic. Researches conducted beyond Surabaya are really suggested. For more accurate data, the number of informants can be increased. Not only toward Chinese cuisine restaurants, further researches can also be conducted upon other types of restaurant.

One difficulty faced by the researchers during the research is related with the sensitivity nature of the research. It was very difficult for the researchers to obtain an interview permit with the restaurant representatives. Therefore, support from an official organization such as Public Health Office and the Ministry of Religion will be beneficial to encourage further researcher in obtaining interview permit easier. Besides, the amount of journal elevating this topic from producers’ point of view is very low.

Suggestion to conduct more elucidation through direct meeting or social media is intended especially toward the government officials, especially MUI, which directly associated with this.
research. Based on the data obtained, it has been revealed that actually business organizers (especially the ones working in halal segmentation) are being cooperative toward halal certification, nevertheless, the information received is insufficient. If the certification can run well in every halal restaurants, positive impact in tourism sector is highly achievable which in return, also positively impacts the national economy.

To conclude, it is recommended that halal governing body in Indonesia should provide more information on halal food due to high demands and needs in producing halal goods. However, it should be ensured that all the information pertaining to halal food and halal certification by MUI could be easily accessible in order to fulfill the management's information needs.

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