

THE TRAINING NEEDS FOR HALAL LOGISTICS INDUSTRY IN MALAYSIA

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Introduction

Today, the ultimate success of the halal industry depends on the management ability to combine the element of supply chain. The logistics service providers play a serious role in realising this combination for the halal logistics (Tieman, 2008). The third party logistics (3PL) involved in the reloading, collection, handling, consolidation, storage, tracking and tracing and controlling the movement and storage of halal products represent an important and rapid growth of the economy as halal logistics supply chain is more complicated than traditional logistics operation (Tieman, 2008). Any supply chain needs to realise the markets, the requirement of the customers and the product characteristics to achieve halal logistics excellence (Smith, 2007). All the activities of halal logistics can be achieved with the proper training to create the awareness for handling the halal product and services to the 3PL player. This paper tends to answer what is the state of the halal logistics industry in Malaysia and what are the factors that influence the training needs in halal logistics in Malaysia.

There is no denying that training plays an important role in order to boost the logistics industry as stated in the Industrial Master Plan 3 (Ministry of International Trade and Industry, 2006). It also stressed that one of the strategic thrusts in the logistics industry is to ensure an adequate supply of competent workforce to meet the long term requirement of the industry. This plan also stated that the capabilities of workforce will be enhanced through other re-training and long-life learning of the personnel to meet short and long-term needs of the industry in specific areas of technical, commercial and operation skills (Ministry of International Trade and Industry, 2006).

The Third Industrial Master Plan 2006-2020 (IMP3) shows the two aspects of the human-resource requirements as:

“Ensuring sufficient availability the human resource as well as providing a facilitative environment for the workforce to acquire the necessary skills in the professional and technical field to drive the economy to higher value added activities.”

Due to world globalisation, it is vital to have such skilled workers to influence the economic growth and competitiveness as Malaysia now practice the knowledge-based workers (Ministry of International Trade and Industry, 2006). The services sector, including logistics has been targeted as the engine of growth under Malaysia’s Third Industrial Master Plan (IMP3) in which the total share of services in Malaysia’s GDP has expanded from 48.8 percent in 1987 to 53.4 percent in 2007 (Md Damiri, 2008). Based on these two aspects of human resources requirements, it clearly shows that training is very important to drive our economy to higher value added activities, and at the same time it helps to increase our GDP as the demand of halal market now is increasing globally. The main objective of this study is to determine the current state of halal logistics industry and identify the factors influence the training needs in halal logistics industries in Malaysia.

Background of the study

Halal industry

According to Dato’ Abdul Hadi Othman, components of halal industry are (1) food (2) non-food and (3) services. Halal Industry Development Corporation (HDC) has come out with the (Figure 1) elements and components in the halal industry more appropriately. The logistics and shipping are important in order to ensure the products coming to consumer are halal.

This figure was supported by Penang International Halal Hub (PIHH), whereas there are 10 clusters that are involved in halal industry with some additional items in it. One of the clusters is knowledge-based workers (K-Workers) whereby its function is to sustain K-Workers for the halal industries. PIHH is cognizant that skilled and capable human resources is the pillars of any industry and businesses. PIHH collaborates with training providers and academies such as Penang Skills Development Center (PSDC), to develop skill sets and modules in halal management systems for processes, certifications of quality assurance and auditing. The objective is to develop a sustainable pool of knowledge workers and professionals for the halal industries,



Figure 1: Components of the Halal Industry
(Source: HDC Global)

Halalan thoiyyibba

Halalan thoiyyibba is an Islamic concept concerning the goods or actions that are permissible and wholesome as refers to Islamic principles and Shari'ah laws. *Halalan thoiyyibban* can be easily understood as permissible and allowed for usage with relation to Shariah laws as long as they are safe and not harmful (Hussain, 2010). Referring to Dr. MahHussain's presentation's in World Halal Research Summit 2010, the assumption that HARM is similar to HARAM which means that all the harmful product is Haram (Rezai, 2008; Halal Industry Development Corporation, 2008-2010; al-Qaradawi, 1994; Halal Industries Group PLC, 2009; Masod, 2010).

The opposite word of halal is haram which means prohibited or forbidden. If the Law-Giver has absolutely prohibited; anyone who engages in it is liable to incur the punishment of Allah in the Hereafter as well as a legal punishment in this world (al-Qaradawi, 1994). Any product which lies within the grey area and does not state clearly under the halal or haram category is classified as *Syubhah* or *Mashbooh*, alternatively called uncertain or questionable. In this situation, before the status of the product becomes clear, Muslims should stay away from using *Syubhah* or *Mashbooh* product (Masod, 2010; Rezai, 2008; Halal Industry Development Corporation, 2008-2010).

The growth and development in Halal industries in Malaysia

Halal is the new market force in the most Islamic countries. The Muslims represent about a quarter of the world population (Table 1). At the same time, multinational companies cannot stem from the growth and demand for Halal products. Islamic countries represent 20 percent of the world population and this figure is expected to increase to 30 percent in 2025 (Shafie & Othman, 2010). Islam is the fastest growing religion in the world. It is estimated that the Muslim population on earth is 1627.61 billion and keep increasing at 1.84% in 2009 (Islamic Population, 2004-2009). Some Muslim countries involved in the Halal industry must strive to satisfy consumer demand for Halal products around the world which are consumed not only by Muslims, but also by non-Muslims.

Table 1: World Muslim Population

Continent	Population in 2008	Muslim Population in 2008	Muslim Percentage
Africa	967	462.36	47.81
Asia	4050.6	1103.75	27.24
Europe	735.2	51.46	7
North America	331.7	7.13	2.19
South America	576.85	2.41	0.42
Oceania	33.54	0.50	1.49
Total	6694.89	1627.61	24.31

(Source:islamicpopulation.com)

The largest Muslims population is located in east and south Asia. Asia has the largest Muslims nations at any given country in the world and has over one billion Muslims population. However, 70% are located outside the Middle East. Asian nations has been seen as a centre for halal testing, production, international trade, research and standardization (Frost and Sullivan, 2009; www.daganghalal.com, 2010).

Malaysia Government has taken the initiative to become a global Halal Hub in 2010 and there are several guidelines and policies that are created in order to achieve it, such as:

(i). The Tenth Malaysia Plan

The halal industries in The Tenth Malaysia Plan discussed about the "Moving Towards Inclusive Socio-Economic Development." The strategies are to implement anchor companies for each cluster and undertake vendor development programmes to encourage participation through the value chain. Potential clusters include

halal-related industries, Islamic banking and financing and insurance, including takaful, the energy sector, including green energy and tourism and hospitality (The Economic Planning Unit, 2010).

(ii). Third National Agricultural Policy (1998 – 2010)

In order to promote the halal food products to global markets and to strengthen the capacity for standardisation, monitoring, inspection and certification of Malaysian Halal Standard, the standard is to be endorsed worldwide (Ministry of Agriculture, Malaysia, 1999).

(iii). Small and Medium Industries Development Plan (2001 – 2005)

Coordinating measures and programmes at both federal and state levels to promote Malaysia as a halal food hub (Perbadanan Pembangunan Industri Kecil dan Sederhana, 2002).

(iv). Ninth Malaysian Plan (2006 – 2010)

Producing an agency to promote and support the country as a centre for halal foods, which meet the dietary requirements for Islamic approved way of slaughtering animals (The Economic Planning Unit, 2006).

(v). Third Industrial Master Plan (2006 – 2020)

To make Malaysia as the global halal hub for the production and trade in halal goods and services (Ministry of International Trade and Industry, 2006).

The Third Industrial Plan 2006-2020 (Ministry of International Trade and Industry, 2006) state that the Republic of China, India, Pakistan, Thailand, Brunei, Singapore and West Asia with approximately one billion Muslims population is the main target market for halal goods and services. The fast development of halal products and services are being positioned to supply this rewarding market. South-East Asia has an important and competitive market of halal products and services. Lack of focus on establishing domestic production in foods and limited or absence of facilities for halal certification are the limitations in order to develop the halal industry in the sub region.

Dr. Winnai Dahlan, Director of the Thai Halal Centre stated that the Thailand Muslims market keeps increasing every year at 12.5% from the year 2000 to 2006 (six years) and it gained an income of 11.05 million baht every year. Thailand's participation in the halal market in 2006 valued at USD 330 million or 0.057 % is considered as a potential for exporting foods to both Muslims and non-Muslim countries such as European Union (EU) and

United States of America (USA) and has put Thailand at 12th place in the world food export (Smith, 2007). Thailand try to be a recognised as a Halal Centre of Excellence in Science and Testing (Frost and Sullivan, 2009).

Singapore has launched a large campaign in the Middle East to become a halal hub, while Brunei with Australian companies have combined their roles in the halal sector to ensure that the halal product and services are safe and are of the high quality (Frost and Sullivan, 2009). According to Frost and Sullivan (2009) the China halal industry is expanding in the global market. China has signed a Memorandum of Understanding (MOU) with the European Commission and ready to export the halal product to European market while India's exporters are trying to gain recognition through the Hazard Analysis and Critical Control Point (HCCP), halal certification and International Standard Organisation (ISO).

From the above discussion, there are drastic developments in Asia in terms of halal industries. Asia is now competing with other regions to become the global halal hub to cater for the growing market demand and the rise of Islamic population around the globe. This competition brings opportunities in business and of course to the consumers. With the positive development in halal industries in Asia, Malaysia especially is seen as having the potential in becoming a halal global hub.

Comparison between conventional and Halal logistics

Conventional logistics

The definition for logistics management by Council of supply-chain management (COSCM) or formerly known as Council of Logistics Management is as follows:

“Logistics management is part of supply-chain management that plans, implements and controls the efficient, effective forward and reverses flow and storage of goods, services and related information from the first point of origin until to the point of consumption in order to meet customers' needs and requirements”.

While supply chain management is defined as:-

“Supply-chain management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. Importantly, it also includes coordination and collaboration with channel partners,

which can be suppliers, intermediaries, third party service providers and customers. In fundamental nature, supply-chain management integrates supply and demand management within and across companies.”

The objective of supply-chain management is to facilitate the processes whereby primary supply is ordered and transformed to satisfy consumer preferences efficiently (Lopez & Poole, 1998). Logistics management activities in general comprise of inbound and outbound transportation management, fleet management, warehousing, materials handling, order fulfillment, logistics network design, inventory management, supply/demand planning and management of third party logistics services providers (Council of Supply-chain Management Professional, 2000; Stock & Lambert, 2001).

The logistics function also includes sourcing and procurement, production planning and scheduling, packaging and assembly, and customer service. It is involved in all levels of planning and execution-strategic, operational and tactical. Logistics management is an integrating function, which coordinates and optimises all logistics activities, as well as integrates logistics activities with other functions including marketing, sales manufacturing, finance and information technology.

There are fragmentations of activities whereby each of these activities was managed separately. It began to evolve whereby fragmentation of activities starts to integrate into two areas, such as area of material management and physical distribution. In 2000, total integration started to take place where elements within both material management and physical distribution were combined together and known as logistics.

Halal logistics

Halal industry seems to be expanding through two main thrusts which are:

- i. Halal product such as food and beverages, cosmetics and pharmaceutical.
- ii. Halal services such as Islamic banking and finance, logistics, education, training, consultation and tourism.

It can be seen that the development of halal industry is becoming more competitive as now, not only are the ASEAN countries such as Thailand, Filipina, Malaysia and Brunei are active in the halal industry but today middle east countries such as United Arab Emirates, western countries such

as United States of America and Europe such as France have also participated and started to give their serious attention in the industry (Yaakob, 2010).

Rapid development in halal industry depends on the management's ability to mix the element of the supply chain and the 3PL plays a serious role in achieving the halal logistics (Tieman, 2008).

Definitions of halal logistics given by Ir. Marco Tieman:-

“The provider of warehousing, transportation and other logistics function such as in the consolidation, collection, storage, reloading, handling, tracking and tracing and controlling the movement and storage of halal products represent significant growth of the economy. Therefore, logistics plays an important role in protecting the halal status of any given product through proper transportation, storage and handling within the supply chain until it reaches its final destination...”

The definition was supported by Hassan Rimawi, The Technical Chief of Al Islami Foods (www.daganghalal.com, 2010):

“Halal supply chains, include everything start from the resource and preparation of the halal ingredients to the manufacturing and delivery of the final product to the customer's shelves. These include the segregation of halal ingredient or finished products from non-halal products such as pork or alcohol-related products right through the entire chain. Same measures need to be practices in logistics process for examples moving the halal fed animal to the slaughterhouse or when shipping chilled or frozen halal meat in enclosed shipping containers.”

According to Halal Industry Development Corporation (2008) and Mohd Kassim, Durairaj & Oyyan (2010), halal logistics are the process of managing the procurement, movement, storage and handling of materials, parts, livestock, parts (semi-finished inventory both food and non-food relating information and documentary flows) through the organisation and the supply chain in compliance with general principles of Shariah Law.

The needs for training in Halal logistics

In today's global market place, companies and employees within the logistics industry require specialised and affordable training and development to increase their competitiveness with the continued growth of the transportation industry companies and concluded that employees in the

global transportation require specific technical knowledge in the area of the industry fundamental, operation knowledge, customer service, sales and negotiation skills (Amanda & Lucy, 2004).

According to Amanda & Lucy (2004), the employees continue to play an increasing role in the differentiation of product and service. Logistics continued in globalisation in trade, delivering freight margin, complex contract, increasing competition, increased security risks, changing role of service providers, technological advancement, required contingency planning and future trade outlook. It is also important that employees training is seen as an investment. The organisation must review the type of programme, the appropriate provider and evaluate what is the best fit and how the training programme can support the organisation's future strategy and objective and also how can it improve the performance productivity of the staff and ensure they have the skills that the industry needs. The possible training benefit would increase employee motivation, satisfaction and morale, competitiveness, consistency message, increased efficiency, reduction in employee turnover and increase innovation in strategies and product.

There are employers who identify that technical development course is very important for their personnel in the supply-chain sector and according to Pathak (2009), training in logistics is very important as:

- (i). Lack of awareness and understanding of the logistics sector.**
There is a lack of sector awareness among the future workforce participants, so some training has to be undertaken in order to build some awareness and understanding of the logistics industry.
- (ii). Attracting, developing and retaining supply chain specialist is an emerging priority.**
IT and policy change influence the supply chain/logistics businesses. Due to the shortage of workforce, retaining the supply-chain specialist is vital as they have the experience in the industry.
- (iii). Emerging occupations/specialist skills set.**
Due to new technology adapted in the industry and adapted its variations, human-resource strategies need to be adaptable to match different types of jobs ranging from semi-skilled (operational) to professional (tactical) to executive level (managerial).

A well-educated/trained workforce will give opportunities for growth and development to the logistics sector. Company/organisations are willing to invest in learning technology, health and quality (Pathak, 2009). Training courses have played an important role in supporting the growth of countless

industries in the Middle East, from travel and tourism to manufacturing and retail. However, with a limited quota of specialized programmes for supply chain professionals, there is a requirement for suitable courses to help standardise the logistics sector, especially in terms of matching the best practices from global leaders such as Europe and North America (Haq, 2009). Although companies in the Middle East logistics industry have a limited number of options for training their employees, it's seemed that the situation will change in next coming years. The suppliers will probably help to address the imbalance, although clients still need to understand the importance of selecting a quality course provider who can meet their specific requirements (Haq, 2009). From the literature review, it clearly identified that there are three components that contribute to the training needs in halal logistics as stated in Figure 2.

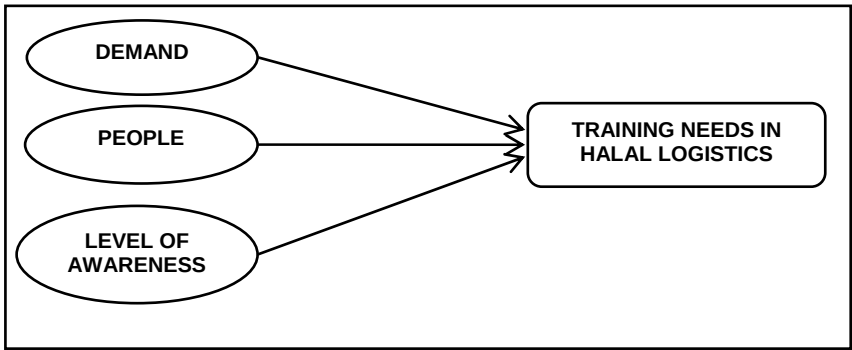


Figure 2: Components of Training Needs in Halal Logistic

(a) Demand

Market demand which comprise of several elements such as the growth in halal industry that will automatically affect the demand for halal product throughout the world. Since the demand for halal product keeps on increasing annually, most of the 3PL companies grab the opportunity to widen their services by providing the halal logistics services. In order to provide halal logistics services, there is a need for training in the halal logistics.

According to Rupasingha *et al.* (2000), human capital is comprised of education and job skills training. The employee will pursue more training to improve the current skills or develop new ones with the assumption that training lead to higher standard of living and better job. To enhance performance in a current or future workplace, training is the answer (Jacobs *et al.* 1996).

Table 2 is a selection of results from a full Global Halal Market Research project done by Kaseh Dia Research & Consulting from January to March 2009. The increasing trend showed in the table proved that the demand for global halal market increased every year (Kerbaj, 2009). As an example, the Muslims population in Britain increased more than 500,000 within four years. The Muslims population multiplies 10 times faster compared to other populations and this contributed to the growing number of demand for halal products and services (Kerbaj, 2009).

Table 2: Global Halal Food Market - Regional Data

Region/ Year	2004	2005	2009	2010*
Global Halal Food Size	587,185,597,442	596,139,122,230	634,456,445,822	641,495,186,953
1. Africa	136,875,057,590	139,447,065,208	150,591,180,705	153,387,077,823
2. Asian Countries	369,615,227,419	375,757,553,837	400,038,637,263	406,085,515,526
- GCC Countries	38,366,824,486	39,493,640,945	43,828,273,963	44,877,294,877
- Indonesia	72,990,294,471	73,924,170,128	77,598,090,745	78,469,055,732
- China	18,495,590,166	18,601,908,683	19,061,848,664	19,189,304,212
- India	21,761,125,174	22,127,162,362	23,594,446,877	23,958,886,975
- Malaysia	6,610,063,411	6,731,117,723	7,222,544,924	7,347,369,500
3. European Countries	64,277,277,386	64,356,553,178	66,579,645,388	64,604,154,464
- France	16,402,709,906	16,501,692,483	17,397,385,148	17,588,748,435
- Russian Federation	20,749,739,304	20,843,920,823	21,341,828,137	21,441,809,162
- United Kingdom	3,442,662,841	3,452,416,024	3,920,786,270	3,990,588,119
4. Australia/ Oceania	1,121,199,089	1,134,438,589	1,191,398,032	1,205,364,433
5. American Countries	15,296,835,958	15,443,511,418	16,055,584,434	16,213,074,707
- USA	12,325,507,139	12,442,436,947	12,931,940,712	13,059,097,252
- Canada	1,443,654,228	1,454,958,032	1,504,412,819	1,516,656,409
<i>* Projected</i>				

(Source:WHF2009 report by KasehDia Sdn. Bhd)

The Prime Minister of Malaysia, Dato' Sri Mohd Najib in the 5th Halal Forum said that:

"The global economy continues to develop at a fast pace, given its vast captive market of a growing Muslim population and potential market of non-Muslim consumers."

This statement is also supported by Dato' Seri Sheikh Saleh Abdullah Kamel, the Chairman of Halal Forum:

"An increasing number of global industry players is realizing the potential of the halal economy whereby open the opportunities to the

Muslims to integrate into the mainstreams and play the leading roles."

With reference to the above statements, it strongly proved that the increasing number of Muslim population around the globe at the same time affect the market demand for the halal product such as food & beverages, cosmetics, tourism and pharmaceutical. Logistics plays an important role to make sure the halalness of the product sent is guaranteed (Tieman, 2008; Khalid, 2009; Hawkes, 2008).

Demand for training needs will consider the type of training, the demander and institutional setting. Type of training could be very specific technical skills or more generic business and communication skills such as front desk training and forklift handling training which have a very different method in training the trainees.

Individual and employers are "demanders" for the training needs. A person normally goes for training because he has some sort of benefits in it such as insurance, medical and additional allowance or they have to, because of the requirement to promotion or because of the mandate of the company. Demand for training for the employee is very important to lead the workers to achieve high level skills and productivity which contribute in developing the quality workforce. In economic perspective, it is recommended that employers to only involve in trainings which benefit the firm. The institutional setting can range from the private training provider in a classroom to an apprenticeship combining on the job training and off the job training to formal training by a provider at the workplace (Karmel & Cully, 2009).

Demand for training from the employee is based on the premium attached to the skill as well as the training costs. If the premium is low, the demand for training will be low too. Karmel & Cully (2009) also stated that the large numbers of apprentices and trainees shows that there is a significant demand for training by the employers. Hence, the demand is driven by the need to acquire skilled labour. This idea is supported by the relationship between the economy and the number of apprentices (Margeret, 1994). The rest of the employers demand for training is apparently lead by business needs (Andrew, Eddie, & Smith, 1998).

(b) People

An extended marketing mix, firstly introduced by Booms & Bitner (1980) by adding another three elements to the traditional marketing mix 4 P's by Borden (1964). (Vaughn, 1987; Noe *et. al.*, 2008) has introduced "people" as

a fifth element in a marketing mix which take into account the human resources factors with the assumption that the employees must have the appropriate knowledge about their job and also should have right talent, interpersonal skills, ability and service knowledge to ensure the service delivered meet the consumer's expectation.

People in this context refer to the lack of skills and expertise of human capital in halal logistics industry. Halal logistics is considered as a new industry and still lack of personnel responsible in halal logistics (Chaudry *et al.*, 2000). The emerging of halal industries becomes very important as the demand for halal product and services is huge. Halal can be considered as a global product and in order to ensure the quality of the product and services, maintaining and monitoring the integrity of the entire value chain from farm to fork is very important. Due to the expansion of halal industry, consumers and manufacturers demand for halal standard throughout the value chain process such as transportation, storage, packaging, material handling, warehousing, facilities used and the process of product integrity (Mahathir, 2010)

To meet the demand of skilled workforce, an academic institution must develop formal degrees in supply chain and logistics at the postgraduate, graduate and undergraduate levels (Jim Wu, 2007). La Londe & Ginter (2006) indicate that the level of awareness in logistics by logistics graduates working in firms are increasing. This is because the prompt changes in development, practice and further research in logistics are very challenging and in order to meet the changing demand of the logistics sector, the supply chain and logistics education need to be improved to produce skills and experienced workers in the future (Gammelgaard & Larson, 2001).

The research by Lancioni *et al.* (2001) discovered lack of trained institution or department to teach logistics and supply chain, hard to integrate logistics and supply-chain management in the program, lack of student interest in logistics and supply-chain management, resistance to establish a logistics curriculum by a certain department within the school such as finance, marketing, statistics, economics, management, accounting, operation management and lack of fit of supply-chain management and logistics into the overall syllabus in graduate and undergraduate programmes.

With reference to Yen-Chun (2006) study, it was found that mid-level logisticians are highly expected to be equipped with more logistics skills than others from the basic and business level. The research also showed that the managerial level logistician plays an important role in the logistics industry and the mid-level logistician should have more formal training and coursework in logistics comprehensively.

According to the research done by the authors above, it proves that it is critical to have the right logistics and supply chain workforce in order to achieve the efficiency and effectiveness of logistics and supply chain industry in Malaysia. The manpower must be equipped with the right skills and education to handle the logistics functions. It is also very important to provide logistics and supply chain courses in order to provide the right people with the right skills and knowledge, especially in the halal logistics operation because only the workers with a good knowledge and skill can handle halal product to ensure the halalness of the goods along the value chain. Halal logistics can be considered as a new item in the logistics and supply chain family and the need for manpower that has the knowledge about halal to operate the halal logistics is very crucial. The people who want to enter this halal logistics industry must combine the elements in the Islamic values with the conventional logistics. The high demand for halal inspector, executive and supervisor need to be fulfilled to make sure that the total halal logistics can be achieved (Chaudry *et al.*; Tieman, 2008).

The demand for personnel that have knowledge and expertise on the halal procedure and guidelines is very crucial now. Expanding global halal markets require competent human capital in halal industries to ensure the halalness of the product and services. The personnel related to halal oriented business must be equipped with the skills and knowledge about the Islamic guideline and principle towards *Halalan thoyyibban* concept.

(c) Awareness

According to Rezai *et al.*, (2010) study, halal product is not only consumed by the Muslims but also by the non-Muslim worldwide because the halal concept consists of anything that is free from any element that is prohibited by Sharia Law for the use of Muslims, who emphasises on hygiene, safety and the wholesomeness of the food or product. These are the factors that caught the non-Muslims attention as it provides the outstanding platform for healthy dietary promote by the Islamic way of life (Rezai *et al.*, 2010).

Report by MITI in The Third Industrial Master Plan (IMP 3) 2006-2020 indicate that there are eleven strategic thrusts to be fulfilled in order to establish the development and promotion of Malaysia to be a global halal hub. These are:

- (i). Enhancing the awareness on Malaysia.
- (ii). Managing the competition rise from other countries.
- (iii). Leveraging upon outward investment to achieve access to natural resource and improves competitiveness.
- (iv). Enhancing research and development in process and product.

- (v). Developing halal compliant services.
- (vi). Ensuring food and product quality and safety
- (vii). Undertaking systemic development of halal parks
- (viii). Harmonising halal certification process.
- (ix). Enhancing the coordination among agencies involved in the promotion and development of halal product and services.
- (x). Strengthening the institutional capacity of organisations involved in halal-related products and services.

The first strategic thrust that has been highlighted is enhancing the awareness on Malaysia as the centre for halal products and services. This strategic thrust is considered important as it is placed as a number one in developing and enhancing Malaysia as a global halal hub.

It is also mentioned in the Ninth Malaysian Plan (RMK-9) (The Economic Planning Unit, 2006), that Malaysia is to be developed as a body for the certification of halal product and services while JAKIM certification will be promoted worldwide. The IMP 3 also stated that the enhancement and development of halal industries require an expertise and knowledge in various fields as we understand that the halal industries are huge and getting more demand from both Muslims and non-Muslims. Looking at the technology era now, a complete approach will be taken to enhance the human-resource capacity and institution. Initiatives taken by the government are:

- (i). Capacity building of the inspection agencies and certification such as the states and the federal Islamic departments.
- (ii). Capacity building of organisations involved in providing facilities for halal product and services.
- (iii). Harmonising the certification process between the Federal and State Islamic Development Departments.
- (iv). Identifying selected local universities to provide degree courses teaching about the halal industry.
- (v). Providing consultancy to foreign companies as parts of Malaysia's effort as a centre for halal standards and certification
- (vi). Upgrading JAKIM to provide more efficient services to the industry both internationally and locally.

All of these initiatives show the government seriousness in promoting the halal industry in Malaysia. The awareness on halal created by the government now have shown the positive result. The Malaysian government have examined and instilled halal awareness among the food importers, manufacturers, producers and distributors since 1982 through the Islamic Affair Division under the Prime Minister's Department. Islamic Food and

Nutrition Council of America (IFANCA) was founded in Illinois in 1982 with the objective of increasing awareness and understanding of Muslim dietary standards, requirements and regulations. The organisation is devoted to scientific research in the fields that related to nutrition, health and food. IFANCA runs halal certification and supervision for the production of qualifying halal products and producers including on processed meats, foods, slaughtering, and kindred products (Riaz & Chaudry, 2004).

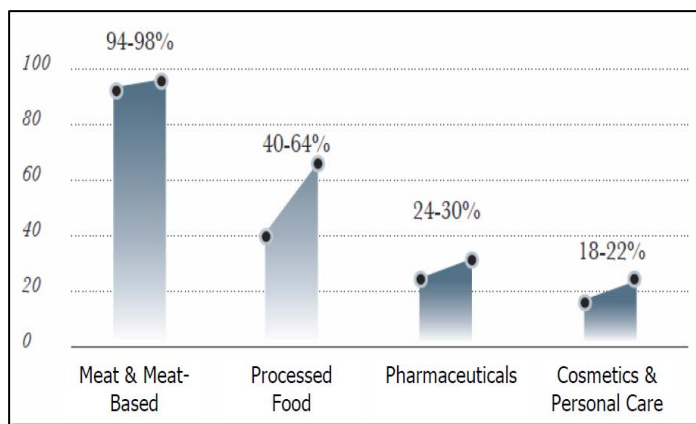


Figure 3: Average Awareness Level
(Source: WHF Post Event Report 2010)

According to Kasehdia Sdn. Bhd (2010), the development in halal industry led to the increasing of awareness from the users on the sources, process, contents and values of products and services. Research conducted by the World Halal Forum 2010 found that the awareness level is increasing and widening toward meat and food products, service sectors such as logistics, cosmetics, pharmaceuticals and animal feed. The concept of halal becomes differentiated at the same time. Halal has become symbolic and culture sensitive while still being religiously defined. The meaning is also found to be dynamic and varied, or socially constructed during a period of time.

Therefore, it cannot be denied that the need for training in halal industries is really important to make sure the product and services delivered to the consumers are totally halal. The rise of consumer's levels of awareness and demand has made the halal sector to work harder to make sure that the supply chain and logistics process meet the halal requirement (Smith, 2007). The introduction of Malaysia halal logo by the Department of Islamic Development (JAKIM) has increased the awareness among the Muslim

population on the importance of consuming products or services that follow Islamic principles and guidelines.

Conclusion

The aim of this study is to determine the current state of halal logistics industry and identify the factors that influence the training needs in halal logistics industry in Malaysia. According to literature review, the researcher found that there are gaps regarding the training needs in halal logistics industry in Malaysia. Three factors have been identified which contribute to training needs in halal logistics industry in Malaysia.

Recommendations for future research

This study has identified that halal logistics industry in Malaysia is a new function in traditional/conventional logistics. The level of awareness of consumers about the *halalan thoyibban* concept has led to the rise in demand for halal product not only for Muslim but also for non-Muslim consumers around the globe, especially for those who are in Islamic countries.

There is an increasing number of halal research done by universities and research bodies such as the halal traceability, slaughtering, radio frequency identical detector (RFID), food ingredient, genetically modified food, halal certification, pharmaceutical and logistics but there is very little research done in human-resource development (HRD) especially in training in halal logistics industry in Malaysia. This is supported by the literature review which show there is only one training provider who runs the halal training in Malaysia, and they do not have the halal logistics module in it. The outcome of future research on this may shed some light on the problem and may lead to more interesting findings.

The training needs in halal logistics industry is very vital now as the industry now keep pace with the global demand for halal product and services. In logistics, the products and services must be handled with high supervision to avoid the halal product and services to become haram due to logistics process.

Hence, in a resource-scarce nation such as Malaysia, business and industrial organisations must play an active role in improving the logistics system capabilities by associating themselves with the right training and knowledge.

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