

A Study on Micro-Industry Women Entrepreneurs in the Obtainment of Halal Certification: Challenges and Success Factors

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Abstract: Micro-Industry Women Entrepreneurs (MIWE) are essential in local economic development. Despite the growing halal industry worldwide, micro-industry participation in halal certification remains relatively low, especially in Perlis. This study intends to explore the challenges and success factors MIWE faces in obtaining halal certification in Perlis, particularly in the food sector. It examined the challenges hindering women entrepreneurs from adopting halal certification for their food products and the factors contributing to their success in this process and implementation. The study employed a qualitative research method for data collection. Semi-structured interviews were conducted with fifteen (15) informants involving seven (7) MIWE in the food manufacturing sector, one (1) halal auditor, four (4) agency officers and three (3) halal executives. An inductive-deductive analysis revealed that the industry struggled with a lack of employees to manage halal certification, small market access, insufficient IT skills in handling the MYeHALAL system and a lack of concerns about halal certification among entrepreneurs. The success factors enabling the entrepreneurs to obtain and maintain halal certification included a strong understanding of halal concepts and requirements, commitment and motivation of MIWE in implementation, and initiatives and support from government authorities and staff. This study is crucial as it contributes to a deeper

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understanding of the critical factors for the sustainability of halal certification among MIWE.

1. Introduction

Women's contribution to the economic sector and their involvement in micro, small, and medium enterprises (MSMEs) have been highlighted in the literature. MSMEs are regarded as the cornerstone of the Malaysian economy. Accordingly, the Department of Statistics Malaysia report revealed that the number of MSMEs in Malaysia was 1,069,831 in 2022. In addition, micro-enterprises recorded several 803,702 (78.7%) establishments in 2022 (Department of Statistics Malaysia, 2024). MSMEs are essential to fostering economic growth and promoting jobs and innovation within a country. Although globalization has created many opportunities for women entrepreneurs, trading in the global market necessitates high competition. Roughly 20% of women were involved in the MSMEs 2016 (Yeong *et al.*, 2022). This acknowledges the presence of women entrepreneurs as players within the business environment, contributing to the diversification and increase of the representativeness of the business and economic space in the country. Abd Wahid *et al.* (2021) presented that most women entrepreneurs' operations are limited to the local market. For example, their inability to effectively operate their businesses worldwide was caused by a lack of access to the international market, access to funding, obsolete equipment, and networking and innovation (Abd Wahid *et al.*, 2021). This limitation requires specific initiatives to empower their growth and achieve their full entrepreneurial potential.

Additionally, with the Muslim middle class rising, there is a need to market differently to meet their demand. With the emergence of the Muslim middle class, there is a demand for halal-certified products, which requires marketing segmentation strategies targeting this demographic (Muhammad Aswad, 2022). When the Muslim standard of living rises in both developed and developing countries, there is an increasing desire for a spectrum of halal products and services compatible with the ruling of Islamic law (Randeree, 2020). Besides, the expansion of halal businesses has grown from the food segment to other sectors, such as banking, cosmetics, fashion, pharmaceuticals, and tourism (Battour *et al.*, 2022). It suggests that women can engage in various capacities in the emergent halal market segments. It is also a positive indicator for women entrepreneurs to participate in various halal business sectors, increase economic prosperity and social growth, and alleviate poverty and unemployment. A study by Mohd Esa *et al.* (2019) supported that women entrepreneurs can significantly enhance national productivity. However, as Bernama (2024) noted, women's participation in entrepreneurship remains insufficient. Survival rates for women-owned enterprises are considered low compared to men primarily due to economic, social and structural challenges (Chipfunde *et al.*, 2021; Abd Wahid *et al.*, 2021). Women are also associated with declining participation in labour due to their additional commitments, such as marriage, housework, and care responsibilities, which lead to disengagement in the labour force (Syed Salleh &

Mansor, 2022). Thus, measures to improve women's prosperity in work must be improved to cater to the challenges women workers face in general.

Furthermore, with its unique characteristics and potential for halal activities, Perlis can capitalize on the demand for halal products and services domestically and internationally. Perlis is known for having a relatively higher number of rural areas, which can be associated with its smaller population size than other states in Malaysia (Guad *et al.*, 2021). This demographic characteristic is significant in the halal industry, as rural areas may have less access to resources and infrastructure than urban areas. The business sector in Perlis mainly comprises MSMEs that have a massive impact on the state's economy (Hassan *et al.*, 2023). According to the Department of Statistics Malaysia data, the number of MSMEs in Perlis was 7,150 in 2022 (Department of Statistics Malaysia, 2024). Meanwhile, the information obtained from JAIPs reported that 53 enterprises in Perlis were halal-certified in 2023. Given the state's significant participation in the MSME sector, the small number of halal certificate holders is cause for concern. This qualitative study thus intended to discover and analyze the factors that contributed to the challenges and success of MIWE in Perlis in obtaining Malaysian halal certification. Its purpose is to enable women entrepreneurs to grow their enterprises to the next level.

2. Literature Review

2.1. Halal Certification in Malaysia

The leading institutions that have a central role in acquiring and maintaining halal certification for firms are the Ministry of Islamic Development in Malaysia (JAKIM), the State Department of Islamic Affairs (JAIN) and the State Council of Islamic Affairs (MAIN). JAKIM provides the Halal Certification Handbook, which contains the information the applicants need during the certification stages. This manual includes information relating to the current manuals like the Malaysian Halal Certification Procedure Manual (MPPHM) 2020, Domestic and the Malaysian Halal Management System (MHMS) 2020 (Mohd Idris *et al.*, 2022). Halal certification is a very elaborate procedure to ensure all products and services follow the halal regulations. Some of its certifying aspects involve physical monitoring of various high-risk processing activities related to the schemes, including animal slaughtering, cleaning, processing handling, application storage, transportation and management practices (Department of Islamic Development Malaysia, 2020). All criteria must be adhered to by all applicants who take part in the process of halal from production until consumption (Abd Hamid *et al.*, 2022). JAKIM and the enforcement authorities are responsible for monitoring compliance to ensure that halal products and services are aligned with Islamic law. This regulatory oversight is critical to the integrity of the certification process and maintaining the halal status of products on the market.

MSMEs in Malaysia have been identified as facing several challenges in halal certification. These studies are crucial to assessing the growing halal market. Halal certification is crucial

to impose adherence towards halal practices among MSMEs. Studies revealed that entrepreneurs considered the halal certification process burdensome, associating it with complex paperwork (Arif *et al.*, 2021; Hassan *et al.*, 2023). This sentiment discouraged their participation in the certification process. Moreover, MSMEs' challenges are often associated with insufficient funds or financial resources. With small operations and income generated, the cost affiliated with the whole operation, facility reconstruction, and providing welfare to workers put pressure upon the entrepreneurs (Hassan *et al.*, 2023). Abd Wahid *et al.* (2021) supported the idea that their inability to access financial aid from the bank or related organization is one factor that hinders women entrepreneurs' success in business. The employer must ensure that their employees receive halal education on the procedures to ensure compliance (Hassan *et al.*, 2023). Skillful workers are highlighted as a crucial element in the halal certification procedures. Women entrepreneurs and new enterprises have difficulty employing skillful workers (Abd Wahid *et al.*, 2021). As a result, the business may suffer from a lack of managerial capabilities and efficiency. This will contribute to confined growth and hinder women entrepreneurs from being involved in halal certification. Arif *et al.* (2017) explored the challenges users face in accessing halal certification for online businesses and the factors that limit the efficient use of the MYeHALAL system. It was observed that the inability of applicants to use the system, knowledge of IT and the inefficiency of the MYeHALAL system impacted their application. A lack of competency and knowledge of the requirements regarding the certification process among business actors exacerbates this challenge. Nonetheless, these challenges provide this study with a holistic understanding of the obstacles the entrepreneurs encountered in this process.

2.2. An Overview of Micro-Industry Women Entrepreneurs (MIWE) in Halal Sectors

The drive and challenges of women halal entrepreneurs in the halal sectors have been studied to impact their performance and success in the market. Soltanian *et al.* (2016) identified that several antecedents, including halal entrepreneurship, intrinsic motivation, self-effort in searching for opportunities, appeal of opportunity, pressure from peers, perceived opportunity feasibility, and perceived government support influence women in MSME's intention of venturing into halal entrepreneurship. These factors depict the decision-making pattern of entrepreneurs willing to venture into the halal industry. On the other hand, some of the previous literature revealed the challenges that affect women entrepreneurs in the halal industry, which include limited availability of halal raw materials, lack of knowledge in finance, and legal constraints (Martiana *et al.*, 2018; Othman *et al.*, 2023). These challenges hinder women entrepreneurs from succeeding in the halal market environment. A study also revealed that low-income women running micro-enterprises in Malaysia face several challenges, such as inadequate financial capital, poor marketing, low self-esteem, inadequate labour, and poor family support (Omar *et al.*, 2014). By understanding these challenges, policymakers and organizations can design relevant support programs more effectively to address these challenges and enhance women entrepreneurs' performance in business. Next, a study by Soltanian *et al.* (2016) has established that SME entrepreneurs' awareness of

“halalpreneurship” is essential for their development in the sector as it encourages them to participate in the halal business. Additionally, the lack of halal awareness and knowledge among entrepreneurs has been identified as one of the challenges in the halal industry (Ag Damit *et al.*, 2023). This deficiency may hamper their ability to provide halal products and services.

Halal entrepreneurship for women offers benefits in social development and economic growth. Promoting the welfare of society, raising women’s financial status, and providing relief from difficulties are the objectives of this Shariah-compliant business (S. Muhammad *et al.*, 2020). Today, Islamic microfinance can be named an efficient instrument that opens the doors to small businesses, especially for women. Hamdan and Hj Kassim (2022) stated that stimulating the development of MIWE with the help of efficient microfinance systems is one of the critical factors in the long-term economic growth of Islamic economies. Halal entrepreneurship for women ensures women have an economic status and plays a role in advancing societal development by establishing a conducive environment for women entrepreneurs using Islamic guidelines. This makes it possible for societies to harness the optimal productive capacity of women for economic and social development.

3. Materials and Methods

The research’s primary objectives were to identify the challenges and success factors that hinder and contribute to obtaining halal certification among MIWE in Perlis. To ensure that the study achieved its objectives, the researcher used a qualitative research method by conducting an interpretive study (Pervin & Mokhtar, 2022). This design was adopted because information must be gathered from the entrepreneurs in micro food enterprises and other critical stakeholders in Perlis over the halal certification. In line with the findings of Moser and Korstjens (2018), qualitative research aims to collect comprehensive and complex data to gain an in-depth understanding of the research subject. In addition, face-to-face interactions can provide more precise data than other methods (Yeong *et al.*, 2018). Therefore, semi-structured interviews were conducted using purposive sampling. Purposive sampling is used because it allows the researcher to identify and select competent and knowledgeable individuals or groups concerning the phenomenon (Etikan, 2016). Thus, purposive sampling allows researchers to address their research objectives by focusing on a specific population subset that fulfils these requirements.

A total of 15 informants were selected for this study. Seven (7) women entrepreneurs were chosen based on predetermined characteristics such as marital status, education, business period, and halal status. It involves micro-entrepreneurs in food manufacturing who own a workshop or small factory that is halal or non-halal certified and located in Perlis. The entrepreneurs were chosen from the lists provided by the Muda Agricultural Development Board (MADA) and the Department of Islamic Religious Affairs Perlis (JAIPs). Their

products include packed food, pastries, biscuits, dry chips, and cakes. The informants were interviewed in Arau, Kangar and Simpang Empat.

Aside from the entrepreneurs, eight (8) essential personnel, including a halal editor from Perlis State Islamic Religious Affairs Department (JAIPs), four government officers from the People's Trust Council (MARA), Young Agricultural Development Board (MADA), Perlis State Department of Agriculture (Pertanian), and SME Corporation were interviewed to acquire their knowledge and experience about halal certification and entrepreneurial activities in Perlis. Other than that, three halal executives cum academicians from Perlis Islamic University College (KUIPs) and Universiti Utara Malaysia (UUM) were also the experts interviewed for this study to gather key information and assist in enriching the data.

The interviews lasted 20 to 60 minutes and were recorded except for a few informants. The questions included the level of halal awareness, the challenges in achieving halal certification and the success factors in implementing halal certification and practices. The interviews were transcribed and translated into text for further data analysis. Then, the inductive-deductive approaches are used to analyze the data. Inductive and deductive approaches are typically applied in qualitative data analysis to give thorough and systematic data analysis. The inductive approach leads towards new theories, giving rise to new ideas or themes as the study progresses. The other method is the deductive method, which involves using existing theories or frameworks to analyze the collected data (Azungah, 2018). It is suggested that integrating both approaches allows researchers to build on the strengths of the approaches, thus providing a better understanding of the phenomena studied.

4. Results and Discussion

The study participants were interviewed qualitatively to understand the research topic better. Fifteen (15) informants, including seven entrepreneurs and eight experts, participated in the semi-structured interviews. Later, the inductive-deductive analysis was used to evaluate the gathered data.

4.1. Demographic Background

The background of the entrepreneurs is displayed in Table 1 below. There are seven women entrepreneurs (Informant E1 to Informant E7). Their ages range from 32 years old to 59 years old. Five owned micro-enterprises, while two entrepreneurs were small enterprises that manufactured food products in workshops and small factories in Perlis. The business period ranges from 5 to 26 years. Most entrepreneurs have SPM as their highest education. E2 and E4 had obtained halal certification, whilst E7 appeared to be in the process of obtaining it.

Table 1. Demographic Background of Entrepreneurs

| Code | Gender | Product | Marital status | Education | Business Period | Applied for Halal | Have Halal |
|------|--------|--------------------------------|----------------|-----------|---------------------------|-------------------|------------|
| E1 | Female | Traditional biscuits and cakes | Married | SPM | 26 years/ Arau | No | No |
| E2 | Female | Bahulu | Married | SPM | 23 years/ Arau | Yes | No renewal |
| E3 | Female | Cakes and biscuits | Single | Degree | 8 years/ Arau | No | No |
| E4 | Female | Rempyek | Married | SPM | 19 years/ Kangar | Yes | Yes |
| E5 | Female | Multipurpose cooking paste | Married | SPM | 5 years/ Kangar | No | No |
| E6 | Female | Traditional kuih | Married | SPM | 7 years/ Kangar | No | No |
| E7 | Female | Cakes and pastries | Married | Diploma | 17 years/Simpang Empat | Yes | No |

Meanwhile, Table 2 below shows the expert's background. H1 is the halal auditor from JAIPs. Informant H1, O1, O2, O3, and O4 are government officers. Meanwhile, A1, A2, and A3 are halal executives and academicians related to halal certification and practices. They are well-versed in halal certification and have plenty of expertise in dealing with entrepreneurs.

Table 1. Demographic Background of Experts

| Code | Agency | Gender | Position | Location |
|------|-----------|--------|---|----------------------------|
| H1 | JAIPs | Female | Halal Auditor, JAIPs Chief Assistant Director of Research and Halal | Kangar, Perlis |
| O1 | MARA | Male | Chief Assistant Director of Perlis State MARA (Entrepreneur Development) | Kangar, Perlis |
| O2 | MADA | Male | Head of the Farmers & Entrepreneurs Development Division | Kangar, Perlis |
| O3 | Pertanian | Male | Director of Perlis Agriculture Department | Kangar, Perlis |
| O4 | SME Corp. | Female | Manager, Business Development & Entrepreneurship Division | Kuala Lumpur, Kuala Lumpur |
| A1 | UUM | Female | Halal Executive, Lecturer, Institute of Halal Management (IHM), Islamic Business School (IBS), UUM | Sintok, Kedah |
| A2 | KUIPs | Male | Halal Executive, Lecturer, Faculty of Business & Management Sciences, KUIPs | Kuala Perlis, Perlis |
| A3 | KUIPs | Male | Halal Executive, Lecturer, Head of Halal Industry & Hospitality Department, Muamalat & Islamic Finance Faculty, KUIPs | Kuala Perlis, Perlis |

4.2. Challenges of MIWE in Halal Certification

This study sought to identify the challenges faced by MIWE in obtaining halal certification. The informants were interviewed to respond to questions formulated based on the themes from prior research and the characteristics of the phenomena under investigation. The transcribed data indicated that the average responses highlighted challenges that impede the obtaining of halal certification among MIWE. Based on Figure 1, the results bear four (4) challenges faced by MIWE in obtaining halal certification, including (1) limited employees in managing halal certification, (2) low market access, (3) inadequate expertise in IT in handling the MYeHalal system, and (4) lack of concerns among entrepreneurs in halal certification.



Figure 1. (Challenges of MIWE in Obtaining Halal Certification).

4.2.1. Lack of employees in managing halal certification

One of the challenges is the lack of employees in managing halal certification operations. The lack of manpower or employees to manage and monitor halal certification processes and practices can be a major challenge for organizations operating in the halal industry (Hanzala *et al.*, 2021). This might pose a challenge in the halal certification process as the presence or lack of employees can impact on their ability to smoothly supervise and implement halal certification processes and standards. This may lead to poor supervision, enforcement of halal standards, delayed issuance of certification, and poor paperwork (Hassan *et al.*, 2023).

From the data collected, it is observed that E2, E4 and E6 claimed that they were unable to procure and implement halal certification as it was beyond their reach and time since they do not have an assistant or employee to assist in the activities. As such, employers are burdened

by their tasks, thus, seeking a halal certification becomes more challenging. In the case of E4, which had difficulties managing daily records and completing halal paperwork for renewal of certification and audits, the lack of support and time further contributed to their difficulties. This aligns with the findings of studies highlighting the challenges SMEs face, including managing paperwork and record keeping (Arif *et al.*, 2017; Hassan *et al.*, 2023).

“Our workload prevents us from recording daily for audit purposes. Since our employees come and go, recording by myself exhausts me as an entrepreneur.” (E2).

“We struggle with halal certification, particularly audits. Since we cannot document this task daily, we do it weekly. The process is tedious, and we don't have people to settle and audit files.” (E4).

“As the business's only personnel, I record and prepare all information for halal certification alone.” (E6).

The study by Razalli *et al.* (2013) suggested that human resources elements such as management responsibility, employee profiles and corporate policies play crucial roles in halal certification. Human resources are essential at every phase of the halal certification process. To maintain the halal certification and stay in line with ever-changing norms and standards, it is essential to continuously monitor, evaluate, and adjust (Hassan *et al.*, 2023; Department of Islamic Development Malaysia, 2020). With inadequate employees managing strict compliance with the organization's halal practice, it may be challenging for many organizations to ensure that the halal certification remains credible and acceptable to customers and the authority.

4.2.2. Small market access

Micro-enterprises face the challenge of expanding beyond local markets. Factors contributing to this limited market reach include small production sizes, strong competitors, high production costs and geographical constraints. Informants E2, E3 and E6 emphasized these challenges.

“My packed bahu is limited. Due to their short shelf life, I do not sell bahu elsewhere or in retail retailers. Since I sell fresh bahu, the halal certification becomes unnecessary.” (E2).

“We do not expect to export soon since our manufacturing is small and focused on Perlis. Halal certification seems redundant now.” (E3).

“This is because supply costs are rising. Inflation and cheap online shopping are reducing consumers' purchasing power at physical stores.” (E6).

The production activities of these micro-enterprises are predominantly localized and often take place in rural areas or as home-based work. These enterprises usually operate with minimal resources, low wages, and lack the appropriate facilities, equipment and human resources needed to expand production to larger markets. This is in line with the study by Teka (2022), which found that small and medium enterprises struggle to sustain their

businesses due to insufficient market opportunities and difficulties in expanding into new markets. The study listed several factors, such as financial constraints and product quality. The mindset and resources of micro-enterprises also play a crucial role in enforcing their ability to implement halal certification, which is essential to access specific markets, especially in regions with significant Muslim populations. Despite their extraordinary potential, Alagesh (2022) has found that SMEs are limited in exporting halal products. Market expansion into larger markets entails heavy capital investments in facility modifications and certifications, among other factors the expansion brings. Nevertheless, this transformation is quite challenging since micro-enterprises face many constraints and few resources.

4.2.3. Inadequate expertise in IT in handling the MYeHALAL system

The low IT skills of micro-enterprises were another challenge limiting the MyeHALAL system's use. This slows the process of acquiring halal certification. The skills gained in IT are also essential for micro-entrepreneurs to manage their businesses and apply for halal certification. According to Werber *et al.* (2015), efficiency in IT is crucial for enhancing operation performance, market access, and general performance. For instance, the MYeHALAL system was developed to make applying for halal certification in Malaysia easy. This system requires business owners to submit several paperwork to obtain approval from JAKIM. The system reflects the broader trend of the importance of technology in supporting business operations.

E2 and E4, the two entrepreneurs undertaking the halal certification process, have expressed their experiences with the difficulties arising from the submission of various paperwork. The informants consider the MYeHALAL system complex, which presents a challenge in attaining certification. It is supported by Arif *et al.* (2019), where the inability to use technology and online applications hinders the entrepreneur's successful halal certification application. Some of the responses are quoted below:

“I got this halal certificate years ago. After the government created the online system, I struggled since I am not tech-savvy. Halal certification submission used to be simple.” (E2).

“Before, renewing the halal certificate was easy. The officer will contact us with any concerns after you submit the form at JAIPs. Now everything is online. Thus, we require aid to complete it.” (E4).

“Despite owning a computer, I am not adept at using it and will require help applying halal later.” (E6).

4.2.4. Lack of concerns among entrepreneurs in halal certification

Entrepreneurs are known for their resilience and positive attitude, especially in the face of challenges in the business world. However, the strict nature of halal certification procedures

requires entrepreneurs to approach the process with early preparation and strong commitment (Hassan *et al.*, 2023). Nevertheless, the lack of interest in halal certification among entrepreneurs becomes a significant obstacle for MIWE in securing the certificate. From the interviews with the experts, the self-initiative of the entrepreneurs at every stage of the process is crucial for the process to run smoothly. However, problems arise when business owners show a lack of concern and negligence during the procedures, which affects the quality and likelihood of obtaining the halal certificate. This negligence not only hinders the certification process but also undermines the credibility and integrity of the certification, which ultimately affects the growth and success of MIWE in the halal industry. A study discusses the social awareness of entrepreneurs regarding halal certification for products. It points out that the attitude of entrepreneurs towards halal certification plays a crucial role in their response to mandatory certification, which can affect the overall success of businesses in the food sector (Darmadi *et al.*, 2022). Below are some quoted results of the interview:

“Malay businesses typically think that every Malay/Muslim product is halal, overlooking the essential requirements. They may lose their halal certificate. Instead, non-Muslims follow the protocol.” (A2).

“These entrepreneurs know halal, but when they execute, they discover they do not comprehend the requirements. This is their ignorance and carelessness. Entrepreneurs' mentality and dedication determine success. Thus, they must improve knowledge, teamwork, and attitude.” (O1).

This lack of concern may be due to various factors, such as limited awareness of the benefits of certification, the perceived complexity of the certification process and difficulties in understanding the associated requirements (Arif *et al.*, 2021). The data analysis revealed that E1, E3 and E4 perceive the halal certification process as rigorous and demanding, discouraging them and hindering their involvement in the implementation. In addition, informants stated they do not see the need to acquire halal certification for the production scale and the business they are responsible for. Studies on the barriers to the acceptance and intention of halal certification by Malaysian restaurants and Indonesian micro-enterprises, respectively, have emphasized the importance of awareness and perception of benefits in influencing the intention to obtain and implement halal certification (Md Rodzi *et al.*, 2023; Oemar *et al.*, 2023). The findings suggested that business owners' perceptions of the procedures and their level of awareness play a crucial role in determining their propensity to adopt and obtain halal certification, thus affecting the accessibility of certification for MIWE.

“I want a halal certificate later. But I need MeSTI first, and the procedure is complicated.” (E1).

“As a MeSTI applicant, I have witnessed filing, documenting, and other challenges. Understaffing makes it hard. Exporting our products is not our goal. Thus, halal certification appears unneeded now.” (E3).

“Our firm started as a hobby. After implementing MeSTI and halal certifications, we have increased obligations, which is exhausting.” (E4).

4.3. Success Factors of MIWE in Halal Certification

The informants were questioned about the critical success factors that enabled MIWE to obtain and implement halal certification in Perlis. The success elements identified include (1) a thorough understanding of halal concepts and requirements, (2) strong dedication and motivation from MIWE in the implementation process, and (3) the support and initiatives provided by government agencies and halal experts.

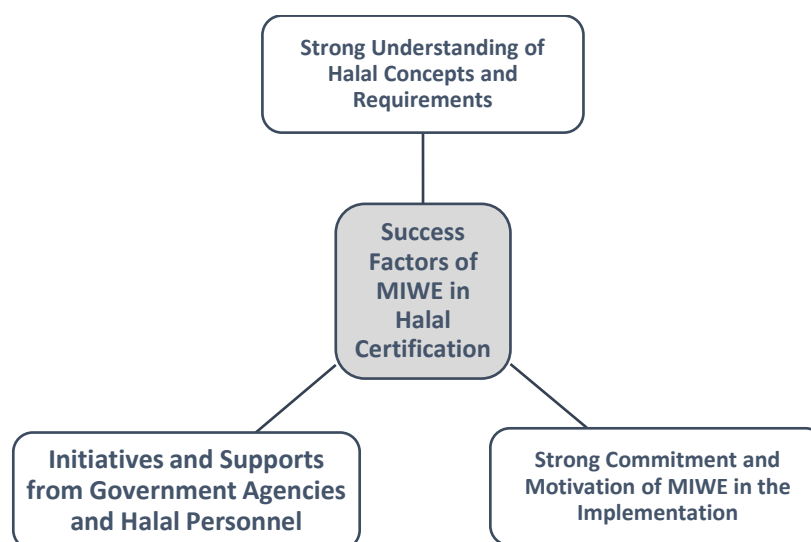


Figure 2. Success Factors of MIWE in Halal Certification.

4.3.1. Strong understanding of halal concepts and requirements

The success factors of MIWE in achieving halal certification are closely linked to a deep understanding of halal concepts and requirements. This deep understanding serves as a foundation for navigating the intricacies of halal certification and ensures that products and services meet the strict standards of Islamic law. For instance, a woman who owns a halal food business requires knowledge not only of the prohibition of alcohol or swine but also the correct sources, methods of preparing, and methods of handling halal foods. Besides, awareness of halal is essential for conformance (Arif *et al.*, 2021). The knowledge includes comprehending the meaning of literal and Sharia concepts to ensure accuracy and ethical integrity in their production activities. In a nutshell, general knowledge of halal principles helps ensure MIWE complies with legal requirements in its operations aside from benefiting from the increased market in the industry.

Endeavours made during the expert interviews show that profound knowledge and understanding are central to the effective obtainment and implementation of halal. All four

experts stated that understanding halal requirements is crucial to staying constant and can be practised throughout the processes. Baharuddin *et al.* (2015) mentioned that entrepreneurs need to deeply understand halal food production, processing, handling, and storage and the significance of the halal logo and halal certification for meeting the required standards in Malaysia. Correspondingly, it must include an understanding of field inspection and halal audits. The study provides a significant implication for Malaysian entrepreneurs who engage in halal industries to have a broad grasp of the halal practices and standards governing the sector. Furthermore, the study by Pratikto *et al.* (2023) discussed the impact of halal awareness, halal literacy and perceived regulation of MSMEs towards halal certification practices. It underscores the importance of knowledge as an asset in certification endeavour.

“One of the factors in a successful halal certification implementation is knowledge.” (O1).

“Increase understanding of halal certification by regularly participating in programs or training offered by relevant organizations.” (O3).

“Entrepreneurs that understand halal may simply renew their certificates as they see halal is more than a commercial tool.” (A1).

“Understanding halal is crucial for halal certification, yet many businesses lack this knowledge.” (O4).

4.3.2. Strong commitment and motivation of MIWE in the implementation

In halal certification, a critical success factor for obtaining and implementing certification is the unwavering commitment of entrepreneurs to meticulously adhere to the standards and requirements set by the certification authorities. For example, a crucial aspect for businesses or entrepreneurs, especially in micro, small and medium enterprises, is the strong commitment and dedication to each halal certification process and standards, such as MPPHM (domestic) 2020 and MHMS 2020 (Department of Islamic Development Malaysia, 2020). This commitment is the cornerstone of ensuring that products and services meet the strict criteria required for halal certification.

According to Hassan *et al.* (2023) and M. Muhammad *et al.* (2020), committed entrepreneurs in halal compliance are more likely to be acknowledged by these certification bodies and subsequently issued the halal certificate. However, it is essential to acknowledge that a challenging period ensues after the certification has been acquired, especially in sustaining the certificate and the trust of the authorities like JAKIM, JAIN or MAIN. To maintain its validity and credibility, the stakeholders must remain committed and adhere to the halal standards and requirements to avoid nulling and revoking the certificate. Entrepreneurs or companies that fail to adhere to halal standards and regulations will expose themselves to issues of fraud like mislabeling of products, use of non-halal ingredients or other fraudulent actions that lead to the revocation of the certificate (Mohamad Hilmi *et al.*, 2021). Some of the informants' answers are quoted below:

“A customer requested our aid with certificate information to demonstrate their halal commitment. They will persevere till success if they are willing. Thus, great awareness is essential.” (H1).

“Success factors include adherence to JAKIM's standards for obtaining halal certification.” ((O3).

“For effective adoption and execution, entrepreneurs must closely adhere to criteria such as MHMS (IHCS), paperwork, and information update.” (A3).

Another critical success factor is the entrepreneur's motivation in their business activities to drive growth and ensure survival. Giyanti *et al.* (2021) pointed out that internal motivation and organizational commitment are essential drivers for the adoption of halal. This motivation catalyzes entrepreneurs to manage the complexity of halal certification processes, ensure compliance with strict standards and continuously improve their products or services. Entrepreneurs driven by a strong sense of purpose and determination are more willing to invest time, resources and effort to meet halal certification requirements. Their motivation drives them to seek opportunities for innovation, expansion and differentiation within the halal market, ultimately contributing to their business's long-term success and sustainability. By staying motivated and focused on business growth, entrepreneurs improve their chances of halal certification and position themselves for continued success in the competitive halal industry.

“The entrepreneur's market segment choice determines the result. If they realize they can diversify their goods, they will work to get recognition to help sell them.” (O2).

“To sustain their business, the entrepreneurs must have the determination and invest in manpower to grow.” (O4).

“Entrepreneurs need a long-term strategy to promote their products in larger markets. A wider market draws more customers, increasing profitability. Finally, they can maintain halal certification.” (A2).

4.3.3. Initiatives and support from government agencies and halal personnel

Entrepreneurs seeking Malaysian halal certification are strongly advised to seek assistance and support from government agencies and relevant halal authorities. Micro, small, and medium enterprises always experience different challenges and restrictions that can hinder their development. In this regard, the opinions of some of the experts who participated in the interviews stated that the efforts and support of government authorities and halal personnel involved in halal services are crucial in the successful implementation of the certification process. A study also pointed out that government support plays a vital role in the level of interest among SME entrepreneurs in adopting halal entrepreneurship (Soltanian *et al.*, 2016). Besides, the role of the government and other agencies is also essential for women's self-employment and women entrepreneurs' engagement in stimulating business development (Abd Wahid *et al.*, 2021). Since the Malaysian government provides various assistance to entrepreneurs, ranging from innovation to business expansion, it has a vital role

in ensuring that micro-entrepreneurs take their businesses to the next level (Muddat *et al.*, 2021).

Some agencies, including Pertanian, MARA, and MADA, are involved in funding, grants offering, advisory, and awareness training for MIWE. These initiatives are targeted to assist MSMEs in managing issues relating to halal certification, compliance, and establishing consumer trust in the halal market. For instance, official bodies such as the JAKIM offer support, guidelines, and material for proper adherence to halal standards. Halal practitioners, consultants and scholars offer advisory training and certification solutions to organizations that require halal certifications. By utilizing the expertise and support of these experts, entrepreneurs or companies can ensure seamless process execution and sustainability of halal implementation in their businesses.

“Having support system from JAIPS, MARA, MAIPS, and TEKUN for instances.” (O1).

“Many companies cannot afford MeSTI and halal-compliant factories and workshops. MADA gives firms subsidies to improve and renovate their workplaces.” (O2).

“Increased proactive measures and incentives such promotions, exhibitions, and financial help or advocacy of subsidies.” (O3).

“Relevant agencies should provide guidance and support for success, including assistance services from halal auditors, consultants, and enforcement.” (A3).

4. Conclusion

Malaysia leads the worldwide halal sector with its strategic efforts, sophisticated certification system, and aggressive government assistance. Its fast expansion and diversification outside the food industry provide companies with beneficial prospects globally to capitalise on the growing halal customer base. However, Perlis MSMEs' halal certification is still behind other states (Hassan *et al.*, 2023). MSMEs in Perlis confront distinct challenges in obtaining halal certification. The study on MIWE's halal certification challenges include limited employees, market access, IT expertise for MYeHALAL system, and lack of entrepreneur concern in halal certification. These challenges depict MIWE's difficulties in navigating the halal certification landscape. The findings also identified attributes of success, which reveal essential factors for successful halal certification obtainment and maintenance. It includes a strong understanding of halal concepts and requirements, unwavering commitment and motivation among MIWE in implementing certification processes, and the support and initiatives provided by government agencies and halal personnel.

Recognition and intervention of those challenges while maximizing the success factors would help stakeholders better nurture MIWE to obtain and sustain their halal status. A holistic approach could provide a direction where halal-certificate businesses can become more competitive and sustainable. Additionally, it will contribute to the overall development and

growth of the halal industry, which will benefit both entrepreneurs and consumers. It is, therefore, incumbent upon governments and investors to promote, support and foster women's participation in the halal sector due to the potential of women entrepreneurs. This is outlined by their capabilities within the economic and sustainable development front. Consequently, more empirical investigation and focused effort are required to enhance micro-industry women entrepreneurs' potential in achieving halal certification and enterprise growth.

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