

Coaching to Encourage Halal Practices

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ABSTRACT

The halal industry is a burgeoning economic sector with a global market value exceeding \$2 trillion. Despite its growth, driven primarily by the expanding Muslim population, the industry faces challenges related to halal certification and compliance, particularly among micro-enterprises. This paper explores the role of coaching in facilitating halal practices among these smaller businesses. Drawing on various studies, there are arguments that coaching is an effective tool for behavioral change, performance improvement, and fostering a growth mindset. It is particularly beneficial for micro-enterprises, which often perceive halal certification as burdensome. Through coaching, these businesses can gain the necessary skills and knowledge to navigate the complexities of halal certification, thereby improving their competitiveness and marketability. Quantitative research supports the positive impact of coaching on the intention to adopt halal practices. Hence, the author recommends that halal institutions allocate funds to support coaching programs tailored to micro-enterprises' needs, aimed at addressing their specific challenges in halal compliance.

Keywords: *Coaching Halal Practices, Encourage, Micro-enterprise Halal, Behavioral Change*

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1.0 INTRODUCTION

The halal industry is a rapidly growing economic sector, providing an array of goods and services permissible under Islamic law. Covering diverse sectors such as food and beverages, cosmetics, pharmaceuticals, fashion, and tourism, the industry commands an impressive global market value of over \$2 trillion (Mohamad K, 2011). This growth trend is expected to continue and even accelerate, fuelled by several key factors (Syed Marzuki et al., 2018). The primary driver of the halal industry's growth is the ever-increasing Muslim population worldwide. As the population grows, so does the demand for products and services that align with Islamic teachings.

In the midst of this growing industry, there is an issue concerning practices and the critical role of halal certification. Halal certification provides consumers with assurance that the products and services they purchase meet strict Islamic guidelines. However, the certification process is rigorous and thorough; it requires an examination of the entire production process, from the materials used to the methods employed. According to Razalli (2018), numerous challenges are faced by companies in obtaining halal certification. The challenge concerns compliance with certification requirements, as most entrepreneurs consider JAKIM's procedures strict (Jumatun, 2012). It is agreed by halal product users that halal products are of very high quality and reliable because each product (food) has gone through several stages of inspection, starting from the source used, based on strict procedures that have been set by JAKIM in cooperation with the health authorities (Nor Aini and Mohd Ali, 2013).

Most Small and Medium-sized Enterprises (SMEs) generally accept the concept of halal practices in their process operations. However, most of them, especially micro-enterprises, are reluctant to adopt halal practices in their businesses (Hasan et al., 2020). This has occurred because micro-enterprises, such as street food vendors, often perceive that obtaining Halal certification could introduce additional complications without providing any significant value to their businesses (Hasyim, 2019). As a result, they tend not to comply with the stringent regulations set by Halal authorities to attain Halal certification. The voluntary nature of obtaining this certification also contributes to why some food business operators are not motivated to adopt halal practices and pursue certification. (Othman et al., 2019)

It is of utmost importance to equip micro-enterprises with comprehensive coaching to ensure consistent adherence to halal practices and the eventual attainment of Halal certification. The coaching related to halal certification and practices is important and needs to be multifaceted, going beyond mere assistance with documentation requirements to foster genuine motivation to maintain halal standards across all aspects of their operations. Coaching, as a facilitating practice, can contribute to individuals' experiential and self-directed learning, thereby developing their abilities, especially in maintaining their halal practices as an integral part of daily business activities (Rosha & Lace, 2016).

Hence, micro-enterprises, which form a significant portion of the business landscape (Department of Statistics, Malaysia, 2021), often face challenges in adopting halal practices, and obtaining halal certification requires proper guidance from the coach. Thus, this paper explores the role of coaching in encouraging the successful practice of halal among micro-enterprises and highlights its potential benefits in promoting halal practices.

LITERATURE REVIEW

Coaching

According to Eric Parsloe, author of *Managers as Coaches and Mentors* (1999), coaching is defined as "a process that facilitates learning and development and, therefore, improved performance". Other authors have published similar definitions of coaching, such as promoting attitudinal and behavioural change (Arnaud, 2003), focusing on human growth and change (Stober, 2006), creating a climate that empowers individuals (Evered & Selman, 1989), bringing about change (Dotlich & Cairo, 1999), being practical and goal-oriented (Hall et al., 1999), and focusing on individual performance in an organizational context (Garman et al., 2000). Rosha and Lace (2021) explained that coaching is a process that promotes an individual's self-directed learning through a coach. The coach is the catalyst for the individual to develop knowledge and gain experience to achieve their goals by revealing their potential and increasing awareness of new opportunities. The

outcome of coaching is not only about achieving goals but also about fostering self-development and self-awareness. However, the diversity of definitions may mean that coaching practices have been applied differently across market segments (Jackson, 2005). Moreover, coaching plays a role in changing attitudes (Grant et al., 2010), promoting behavioural change (McGovern et al., 2001; Peterson, 2006; St-Jean & Audet, 2012), and enhancing the entrepreneur's self-confidence for business growth (Seemann et al., 2019). Most importantly, coaching equips people with the vital skills, opportunities, and resources they need for meaningful development. (Feldman & Lankau 2005).

Coaching effectively helps individuals reassess their perspectives, beliefs, and attitudes towards themselves and their environment, thus leading to change. With respect to the coach, the coaching process is an opportunity for an entrepreneur to acquire or enhance skills for specific tasks (Bax et al., 2011; Crompton & Smyrnios, 2011; Roshia, 2013). As well as helping individuals formulate new cognitive strategies (Bax et al., 2011; Crompton & Smyrnios, 2011; Kutzhanova et al., 2009), the goal is to empower entrepreneurs with the critical skills needed to objectively assess situations and reflect on their own learning processes (St-Jean & Audet, 2012).

A study by Grant et al. (2010) found that coaching can lead to increased goal attainment, enhanced well-being, and decreased stress and anxiety, all of which stem from shifts in attitudes and behaviors. Coaching offers a space for individuals to challenge their own attitudes and beliefs and to replace them with more positive and adaptive ones. Meanwhile, coaching was shown to have significant positive effects on performance and skills, well-being, coping, work attitudes, and goal-directed self-regulation. Such changes necessitate shifts in attitudes and perspectives (Theeboom et al., 2014). Moreover, by creating a supportive and uplifting atmosphere, coaching enables individuals to reevaluate their viewpoints and attitudes, thereby positively influencing their actions and behaviors.

Viewed through an organizational lens, coaching bolsters a business's competitive standing, maximizes rewards and curtails costs. Utrilla et al. (2015) highlight that coaching methods are instrumental in improving human capital performance metrics at the individual level. Such enhancements have a domino effect, leading to organizational improvements like revenue growth and heightened productivity. The gains individuals realize through coaching translate into organizational advantages, as improvements at the individual level naturally influence the broader organization. As such, the integration of coaching into halal practices not only serves micro-enterprise owners but also able to streamlines their organizations' adherence to halal standards.

Coaching And Behavior Change

Coaching indeed plays a significant role in behavioural change. It's driving performance improvement and fostering growth for smaller businesses. The study by Audet et al. (2022) showed that coaching can enhance the entrepreneurial mindset. By fostering open-mindedness, creativity, resilience, and a positive attitude towards risk-taking, coaching can help micro-entrepreneurs identify and exploit business opportunities more effectively. Besides that, Coaching can foster improved leadership capacities in micro-entrepreneurs, which can drive better business results. Through coaching, micro-enterprise owners can develop their leadership attitudes and behaviors, improving team motivation and engagement (Baron & Morin, 2009). One of the key ways in which coaching influences micro-enterprises is by fostering a growth mindset among entrepreneurs. Coaches work with individuals to shift their perspective from seeing challenges as obstacles to viewing them as opportunities for learning and development. This shift in thinking can result in increased resilience, creativity, and a greater willingness to take risks, all of which are essential to entrepreneurial success (Dweck, 2008).

Pahim et al. (2012) note that logistics companies urgently need halal training to enhance their competitiveness. The companies and employees are required for specialized and affordable training. Training involves the transfer of knowledge and skills from the trainer to the trainee. However, unlike training, coaching is not usually about teaching specific skills or knowledge. It is more personalized, flexible, and collaborative. It involves a coach working one-on-one with the client to help them reach their own personal or professional goals. Helping the individual to improve their own self-awareness, decision-making, problem-solving abilities, and performance. It's a more supportive process, aimed at unlocking a person's potential to maximize their own performance. For example, an executive coach might work with a CEO to help them improve their leadership skills and make better strategic decisions (CIPD, 2019). Hence, coaching can help to reinforce and consolidate learning from training, ensuring that new skills and knowledge are integrated and applied effectively.

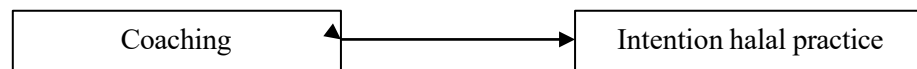
Therefore, the need for human capital factors through behaviour change strategies is more influential for the micro-enterprise

in the practice of halal. The strategies are supported by Othman et al. (2019b), which examined human capital factors influencing halal requirement practices. The human capital factor, which relates to the attitudes of the organization's members, is also given attention in performance and organizational operations. According to Razali (1999), behavioral factors are the primary determinant of the effectiveness of all organizational programs, especially at the management level. Likewise, studies by Talib et al. (2015) indicate that human capital is a factor in increasing motivation and maintaining halal status.

RESEARCH FRAMEWORK

The purpose of this research is depicted in Figure 1.0. The framework was developed to show the relationship between coaching and intention to adopt halal practices.

Figure 1.0:
Relationship between Coaching and Intentional Practices



METHODOLOGY

Quantitative methods were used to collect information from a sample of group micro-enterprises involved in a coaching program for halal certification organized by the Rubber Industry Smallholders Development Authority Agency. The instrument used in this study is a questionnaire.

RESULT AND DISCUSSION

The results for the data collected show the following:

Table 2.0
Results of Path Coefficients

Hypotheses	Path Coefficients	Standard Error	T value	P value	Decision
COC -> INT	0.325	0.073	4.44	0*	Supported

The finding on data collected shows the result of Path Coefficients in Table 2.0, the objective of this research is achieved ($\beta = 0.325$; $t = 4.44$; $p < 0.01$), a positive and significant relationship with the intention to adopt halal practices.

The results of these studies are consistent with Suci et al. (2020), who reported that coaching can change entrepreneurs' mindsets, work ethic and behaviour, enabling them to manage their companies effectively and efficiently. Coaching has a positive and significant effect on entrepreneur self-efficacy. The major issue leading to micro-enterprise failure in the halal certification application is a lack of knowledge of the halal documentation process (Hasan et al., 2020). Coaching can increase the competitiveness and sustainability of micro-enterprises in the halal industry (Pahim et al., 2012). Thus, it is important for top management to implement coaching and to encourage their responsibilities and commitment to ensure the implementation of the halal process (Basir et al., 2018). Coaching is a process that facilitates individuals' self-directed learning under the guidance of a coach. They triggered individuals' knowledge creation and the transformation of experience to achieve their goals by disclosing their potential and enhancing awareness of new opportunities (Rosha & Lace, 2021). Hence, the result of this research shows that coaching is a significant and positive relationship with the intention to adopt halal practices among micro-enterprises.

CONCLUSION

The importance of halal coaching lies in its ability to assist individuals and businesses in obtaining halal certification and maintaining compliance with halal standards. Halal coaching is becoming increasingly important for micro-enterprises, especially those involved in producing halal products. The coaching provides guidance and education on halal practices to help micro-enterprises understand the principles of halal and how to implement them in their production processes. This coaching is essential for micro-enterprises seeking halal certification and compliance with halal standards.

One of the key benefits of halal coaching for micro-enterprises is improved understanding of halal practices. Through coaching, micro-enterprises can learn about the requirements for halal certification and how to meet them. This includes understanding the principles of halal and how to implement them in the production process. By gaining this knowledge, micro-enterprises can improve product quality and increase their marketability in the halal industry.

Therefore, to promote coaching for halal practices, the halal institution can allocate funds to support halal coaching programs for micro-enterprises. This will help to cover the cost of coaching services and make them more accessible to small businesses. The halal institution can also work with industry associations to develop halal coaching programs that meet the needs of micro-enterprises. These associations can help identify the specific challenges that small businesses face in implementing halal practices and develop coaching programs to address them.

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CONFLICT OF INTEREST

The authors declare that there is no conflict of interest, financial or non-financial, that could have influenced the research, authorship, or publication of this manuscript.

AUTHOR CONTRIBUTION STATEMENT

ETHICS STATEMENT

This research was conducted in accordance with the ethical standards of Akademi Laut Malaysia and adhered to the principles of academic integrity and responsible research practice. As this study is a conceptual and qualitative paper based on documentary analysis, comparative ethical analysis, and secondary literature, it did not involve human participants, personal data collection, interviews, surveys, or experimental procedures. Therefore, formal ethical approval and informed consent were not required. All sources used in this study were properly cited, and the analysis was conducted solely for academic purposes.

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