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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 the needs of micro-enterprises, aiming to address their specific challenges in halal compliance.

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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

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expected to continue and even accelerate, fuelled by several key factors (Syed Marzuki et al. 2018). The primary driver of the growth of the halal industry is the ever-increasing Muslim population worldwide. As the population grows, so does the demand for products and services that align with Islamic teachings also increasing.

In the middle of this growing industry, there is an issue related to the practices and the critical role of halal certification. Recognition of halal certification gives assurance to the consumers that the products and services they purchase meet strict Islamic guidelines. However, the process of certification is rigorous and thorough, it requires examining the entire process of production from the materials used to the production methods. According to Razalli (2018), there are numerous challenges faced by companies in obtaining halal certification. The challenge is related to compliance with certification requirements where most entrepreneurs consider that the procedures set by JAKIM are strict (Jumatun, 2012). It agreed by halal product users that halal products are 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 often exhibit reluctance to accept halal practice in their business (Hasan et al., 2020). It has occurred because of the perception of micro-enterprises like 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 to 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 and fostering a genuine motivation to maintain halal standards in all aspects of their operations. Coaching as facilitating practice can contribute to individuals' experiential learning and self-directed learning and thus develop their ability especially to maintain their halal practices as an integral part of daily business activities (Rosha and 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 needs to be assisted with the proper guidance by the coach. Thus, this paper explores the role of coaching in encouraging the successful practice of halal for micro-enterprises and highlighting the potential benefits related to coaching in encouraging to halal practices.

2.0 LITERATURE REVIEW

COACHING

According to the author of the book *Managers as Coaches and Mentors*, Eric Parsloe (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 trigger for the individual to create knowledge and implement experiences to achieve their goals by revealing their potential and increasing awareness of new opportunities. The outcome of coaching is not only related to the achievement of goals but also to the improvement of self-development and self-awareness. However, the diversity of definitions may mean that coaching practices have been used differently depending on the market segment (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 and Audet 2012), and enhancing the entrepreneur's self-confidence for business growth ((Seemann et la., 2019). Most importantly, coaching is a way to equip people with the vital skills, chances, and resources they need for sufficient development. (Feldman & Lankau 2005).

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Coaching effectively help individuals reassess their perspectives, beliefs, and attitudes towards themselves and their environment, thus leading to change. With the respective of coach, coaching process is opportunity for an entrepreneur to acquire or enhance skills for specific tasks (Bax et al., 2011; Crompton & Smyrniotis 2011; Rosha 2013). As well as helping individuals formulate new cognitive strategies (Bax et al. 2011; Crompton and Smyrniotis, 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 and 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, which all of this started from the shift 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, subsequently influencing their actions and behaviors positively.

Viewed from an organizational lens, coaching acts as a mechanism for bolstering a business's competitive standing while maximizing rewards and curtailing costs. Utrilla et al. (2015) highlight those coaching methods are instrumental in uplifting the performance metrics of human capital at the individual level. Such enhancements have a domino effect, leading to organizational improvements like revenue growth and heightened productivity. The gains realized by individuals through coaching are translatable to organizational advantages, given that 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. It shows in 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 and 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) mention that logistic company is highly needs for halal training to increase their competitiveness. The companies and employees are required for specialized and affordable training. Training is involved in 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 coach 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 influence the micro-enterprise in the approach of practice halal. The strategies is supported by the study of Othman et al. (2019b) who looked for human capital factors in influencing the halal requirement practices. The human capital factor is related to the attitude of the organization's members is also given attention to performance organizational operations. This is agreed by Razali (1999) that behavioral is the main factor that explains the smoothness of all organizational programs, especially at the

management level. Likewise with studies by Talib et al. (2015) that human capital is a factor to increase motivation and to maintaining halal status.

3.0 RESEARCH FRAMEWORK

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

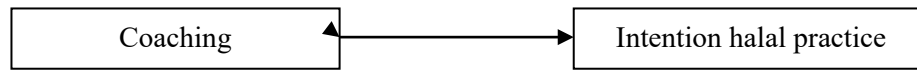


Figure 1.0: Relationship between Coaching and Intention halal practices

4.0 METHODOLOGY

Quantitative methods were used to obtain information from the sample of group micro-enterprise that involve in coaching program for halal certification organize by Rubber Industry Smallholders Development Authority Agency. The instrument used through quantitative methods is a questionnaire.

5.0 RESULT AND DISCUSSION

Result for data collected show the below result.

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 ($\beta = 0.325$; $t = 4.44$; $p < 0.01$) positive and significant relationship with the behaviour intention to adopt halal practices.

The result of these studies is consistent with Suci et al., (2020) that mentioned coaching has the potential to change the mindset, work ethic and behaviour of entrepreneurs in managing the company effectively and efficiently. Coaching has a positive and significant effect on entrepreneur self-efficacy. The major issue that leads to micro-enterprise failure in the application for halal certification is due to the lack of knowledge in the process of halal documentation (Hasan et al., 2020). Coaching is potentially able to increase the ability of competitiveness and sustainability of micro-enterprise in the halal industry (Pahim et al., 2012). Thus, it is important for top management to implement coaching encourage the responsibilities and commitment of top management to ensure the implementation the adopt of the halal process (Basir et al. 2018). Coaching is a process for facilitating individuals' self-directed learning driven by a coach. They triggered the individuals' knowledge creation and transformation of experience for achieving their goals by disclosing their potential and enhancing awareness of new opportunities (Rosha and Lace, 2021). Hence, the result of this research shows that coaching is a significant and positive relationship with the behaviour intention to adopt halal practices among the micro-enterprise.

6.0 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 the production of 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 that seek to obtain halal certification and maintain compliance with halal standards.

One of the key benefits of halal coaching for micro-enterprises is the ability to improve their 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 the quality of their products 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 also can work with industry associations to develop halal coaching programs that meet the needs of micro-enterprises. These associations can help to identify the specific challenges that small businesses face in implementing halal practices and develop coaching programs that address these challenges.

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