Factors behind Third-Party Logistics Providers Readiness towards Halal Logistics

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Abstract- Halal logistics is an approach to avoid contamination of perishables, raw materials, and food products during distribution activities taking into consideration the need for Halalan Toyibban products for consumption by Muslim consumers. The Malaysian Standard for Halal Logistics (MS 2400:2010) provides the guidelines on halal logistics based on the Shariah law, for logistics providers to specialize in transportation, warehousing, and retailing. The requirements for halal logistics involve specifications throughout processing, handling, distribution, storage, display, serving, packaging, and labelling of the products. There are concerns on logistics providers meeting the required standards on halal logistics implementation. This study thereby strives to investigate readiness factors that influence halal logistics implementation among food-based logistics providers. Face-to-face interviews were carried out with 156 managerial representatives of logistics companies located in Peninsular Malaysia. Descriptive analysis was used for company profiling, while factor analysis and logistics regression analysis were carried out to determine readiness factors to halal logistics implementation among the logistics providers. Support from management, enforcement of Halal Assurance System (HAS), environment controls, employee acceptance, and company vision to change were the factors identified influencing halal logistics implementation among logistics providers.

Keywords- readiness, halal logistics, logistics providers, Halalan Toyibban

1.

Halal are things or actions permitted by Shariah

Introduction

show an obligation towards Islamic faith. The word 'halal' originated from Arabic word meaning allowable or permitted [2]. Halal aspect is not restricted to ingredients of food products but also includes anything related to halal food or/and nonfood products and should comply with Islamic rules. This includes the supply chain activities for the halal products as according to the 5th principle of Halal [18], anything related to halal food, services, things, and action should be halal to serve Halalan Toyibban products to end consumers. The halal supply chain for halal products should be entirely based on best halal practices including logistics activities, which is part of the supply chain of halal products. The halal logistics activities comprise halal transport, halal warehouse, and halal retail [38].

Law or Islamic Law and it should be performed to

Faced with globalization and competition, logistics companies should be looking for new concepts to make them competitive in the market [23]. Hence, halal is considered as a new and innovative approach in logistics operations. This is especially true in case of food-based logistics operations and concerned logistics players should be prepared for managing changes in their operations due to implementation of halal logistics. Readiness and preparation are important for foodbased logistics players to maintain and sustain halal logistics operations for a long period. Due to the definitive objective of halal logistics, some improvements need to be done in modus operandi to ensure the Halalan Toyibban status of food products. However, to provide sustainable halal

good logistics service for *halal* products, a few factors need to be considered.

According to [46], technology environmental factors, management factors, and government factors need to be considered in order to adopt the halal transportation for halal logistics in Malaysia perspective. In addition, organization members' beliefs, attitudes, and intention to change [52] are other factors that need to be considered if a company would like to make changes. Other than above mentioned factors, perception towards change, vision to change, mutual respect and trust, change initiatives, management support, acceptance, and how the organization manage the changes also need to be taken into consideration [44], [45].

Previous studies highlighted other factors such as organizational culture, policies and procedure, past experience, resources, and organizational structure. However, [19] argued that readiness organization is influenced by factors like employee capability to adopt to change, appropriateness of change to organization, committed leadership to guide changes, managerial support, and benefits to organization from the change. The MS 2400:2010 is the Halal Logistics Standard published by SIRIM (Department Standard of Malaysia) and it dictates a few compulsory halal logistics requirements such as presence of Muslim workers and establishment of a halal committee. There are many factors that affect the logistics player's organizational readiness to halal logistics service implementation and this study intends to investigate the factors that influence readiness of implementation halal logistics among food-based logistics players in Malaysia.

2. Literature Review

Halal is an obligatory dietary prescription in the Al-Quran for Muslims [38] [2]. However, halal is not limited to foods alone, but also cover aspects such as actions, behaviors, speech, dress, manners and conduct [27], [50]. Thus, halal is necessary to be implemented in supply chain activities of halal products. Supply chain is basically a cycle of processes comprising physical, information, financial, and knowledge flows, with the purpose to satisfy end-customer requirements [16]. Hence, both halal and supply chain concept could be

blended together to come up with a new approach of *halal* supply chain [48], [49], [50].

The Halalan Toyibban supply chain objective is to uphold halal integrity to ensure high quality halal products to Muslim end-users. In order to ensure the Halalan Toyibban status through logistics activities, [38] had introduced Halal Standard (MS 2400:2010) for transportation, warehousing, and retailing. For instance, ref [16] had argued that retail activities are more like customers service activities which offer valueadded benefits to the supply chain in a costeffective way. Customers will demand improved service quality, thus to ensure quality of products, retailers, warehouse operators as well as transport providers need to work together. An insertion of halal operations into the entire supply chain requires involvement from the manufacturing stage until products reach the end-consumers. According to the standard for halal logistics, logistics players who would like to offer halal logistics services must fulfil standard requirements such as the Halalan Toyibban Management System, Halalan Toyibban Management Plan, and Halalan Toyibban Assurance Pipeline to fulfil all requirements for premises, infrastructure, facilities, and personnel.

Logistics players need to incorporate changes as per halal logistics requirements, in order to stay competitive in the growing halal market [44]. Products that had added value usually will help firms to gain profits in business. However, logistics firms should no longer aim for profits alone, but they need to look over value-added halal processes or products that will benefit the firm and its end consumers [47], [51]. The change from a typical logistics service to a halal logistics service provider would not only develop the logistics industry scenario but also affect the market competition and strategies towards halal industry fulfilment. This might also help in assuring the society of quality of halal products and its supply chain operations.

In order to understand *modus operandi* of *halal* logistics implementation, a prior knowledge of *halal* logistics is necessary. Ref [33] argued that knowledge should be measured first to ensure the implementation of new things or a new idea. Rapid changes in today's environment lead organizations to adjust and update the knowledge they have to maintain their competitive advantage [3]. Knowledge about *halal* logistics could be one of the indicators towards successful implementation

of *halal* logistics while intention is one of the components that reflects the readiness to change of an organization [6] [34] [49]. Ref [36] in their studies stated that intention to implement changes will reflect on both the management and organization as it is a core component towards creation of readiness.

Other than that, there are also few other factors that might affect readiness of organization such as organization's vision to change [4] [15] [37], management support [8] [9] [28], employee acceptance [12] [13] [44], organization environments [11] [12] [17], and assurance system [24] [40] [50]. An organization needs a clear and applicable vision towards changing. Applicable vision facilitates a company to focus on the objective of changes, give long term perspective as well as provide motivation to its workers and synergy to the whole company towards change. Clear vision is also useful in terms of creating a new organizational culture [4]. Clear vision is needed because it helps organization to fulfil certain key functions in interpretation, and legitimation with global mobilization of economic roles and exchanges [15].

The management support plays a role in accommodating the implementation of halal logistics process through the provision of financial, materials, human resources, shaping organizational context to make the organization more adaptive to the information system. Managements support team could help an organization by providing resources to change the organization, introducing new workflow patterns, using formal power to enforce new structures facilitating adaptation of the technology to the organization, and actively help developers and implementers to make changes to the technology in a way that promotes the new system's use [9] [28]. However, for most employees, changes in organization could create an uneasy feeling and tension, and during the organization changes employees may feel uncertainty and sense of confusion. Employees are willing to accept any changes in organization which they think as beneficial for them [44], thus employee acceptance will influence an organization's readiness on changing towards halal logistics.

Both the internal and external environments encompass the environmental readiness factor of an organization [12]. This will therein reflect the internal and external organizational boundaries for

standardization or specialization [11]. This will also help the organization to be prepared for *halal* operations standardization. The establishment of a *halal* assurance system is essential to provide trust and confidence in organizations' commitment to *halal* [40]. The *halal* logistics handbook which is aligned with HACCP was thereby introduced to identify *halal* critical control points, critical limits, management and control procedures and corrective action procedures [50] for *halal* logistics.

3. Methodology

The conceptual model of this study (Figure 1) was developed from previous literatures. According to a study by ref [20], knowledge aspects adapted from the Theory of Diffusion of Innovation (DOI) could be a basic element in implementation of something innovative or new. Based on few readiness theories, [8] and [33] included management supports, employee acceptance towards change, organization vision to change, internal and external environments of organization, knowledge, intention, standard, and Muslim workers are the factors that might be faced by organizations that are ready to change. In meeting halal aspects, one of the readiness factors to be included towards the implementation of halal logistics is the Halal Assurance System (HAS).

In order to measure the factors that influence readiness towards implementation of halal logistics, 156 managers representing logistics companies located in Peninsular Malaysia were surveyed through face-to-face and phone call interviews. A quantitative survey approach was conducted using a structured questionnaire and the list of companies were obtained from the Directory of Logistics Companies published by the Company Commission of Malaysia (Suruhanjaya Syarikat Malaysia or SSM) in 2011. Descriptive analysis was carried out to profile the companies while factor analysis was conducted to extract factors influencing the readiness of implementation of halal logistics. 5-point Likert scale statements with range between '1-Strongly disagree', '2-Disagree', '3-Neutral', '4-Agree' and '5-Strongly agree' were used to measure the readiness to implementation of halal logistics. Logistic regression analysis was carried out to determine the level of readiness towards halal logistics. The coding used for explanatory variables is given in Table 1. The

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dependent variable was readiness to implementation of *halal* logistics with coding, 1= Ready and 0= Not Ready. The equation of the model Eq. (1) is given below.

In $(\pi/1-\pi) = \theta_0 + \theta_{1Knowledge} + \theta_{2Muslim Workers} + \theta_3$ $standard + \theta_4 Constrains + \theta_5 Intention + \theta_6 Region + \theta_7 Vision to$ $change + \theta_8 Halal Assurance + \theta_9 Environments + \theta_{10 Employee}$ $Acceptance + \theta_{11 Management Support} + \epsilon_1$ (1)

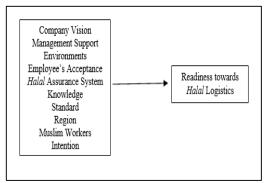


Figure 1: Conceptual framework

Table 1: Explanatory variables to measure readiness of *halal* logistics

Variables	Coding		
Level of Knowledge	1 : High knowledge		
Level of Knowledge	0 : Low knowledge		
Present of Constraint	1 : Faced Constraint		
Tresent of Constraint	0 : Not Faced Constraint		
Standard	1 : Applied Standard		
Standard	0 : Never applied any		
	standard		
Pagion	1-0-0 : South		
Region			
	0-1-0 : Central		
	0-0-1 : East		
	0-0-0 : North		
Present of Muslims	1:Yes		
workers	0 : No		
Intention	1:Yes		
	0 : No		
Company Vision	1:Yes		
	0 : No		
Halal Assurance	1:Yes		
	0 : No		
Environments	1:Yes		
	0 : No		
Employee Acceptance	1:Yes		
	0 : No		
Management Support	1:Yes		
	0 : No		

Note: n = 156

4. Results and Discussion

4.1 Company Profiling

Table 1 shows the results of company profiling. While majority of the respondents had annual sales below RM50,000 (75%), the remaining (25%) had more than RM50,000. The results on profiling of food-based logistics operations showed that 38.5% of food-based logistics players were mainly involved in retailing, while 25% accounted for transportation, 1.9% accounted for warehousing services, and the remaining 34.7% represented mixed mode (mix mode is referred to those logistics players who offered transportation, warehousing, and retailing as one). Most of the respondents were from the Central region (48%) followed by Eastern region (7.7%), Northern region (13.5%), and Southern region (30.8%). Only 34.6% companies indicated complying with standards while 65.4% responded as non-complying with standards. Majority of the companies showed high involvement of Muslim workers (63.5%) while 25% companies indicated mix of both Muslim and non-Muslim workers and only 11.5% of the companies showed involvement of only non-Muslim workers. Company owners (26.3%) and logistics operation officers (73.7%) represented their logistics companies during the survey.

Table 1. Company Profiles

Table 1. Company Promes				
Profiles	Percentage (%)			
Annual Sales (RM)				
Less than 50,000	75			
More than 50,000	25			
Logistics Activities	Logistics Activities			
Retailing	38.5			
Transporting	25			
Warehousing	1.9			
Transporting,	34.7			
Warehousing, Retailing	34.7			
Region				
North	13.5			
East	7.7			
South	30.8			
Central	48			
Experience Complying v	with Standards			
Complying	34.6			
Not Complying	65.4			
Number of Workers				
Muslim	63.5			
Non-Muslim	11.5			
Both	25.0			

Companies Representative		
Logistics Operation Officer	73.3	
Company Owner	26.3	

4.2 Factor Analysis

Factor analysis was conducted to identify factors that influenced readiness among logistics players towards *halal* logistics. Keiser-Meyer-Olkin (KMO) showed a value of 0.776 which was above the minimal requirement value of 0.6 and the Bartlett's Test with significance at 1% level of significance indicated factor analysis appropriate for this study.

Table 2. KMO and Bartlett's Test

Keiser-Meyer-Olkin l	0.776	
Sampling Adequacy		
Barlett's Test of	Approx. Chi-	8974.38
Sphericity	Square	
-	df	465
	Sig	0.000

Cronbach's Alpha for reliability test for each factor showed value above 0.5, meaning the variables were valid and reliable (Table 3). Factor analysis using exploratory factor analysis method (EFA) revealed five factors towards readiness to *halal* logistics implementation. Vision to change, *Halal* Assurance System (HAS), environment, employee acceptance, and management support were the five factors revealed and Table 3 shows the items under each factor. Cumulative variance for *vision to change* was 23.17%, while variance explained for *Halal Assurance System, environments factor, employee acceptance, and management support* was 22.17%, 12.9%, 12.7%, and 9.8% respectively.

Table 3. Factors influencing readiness towards *halal* logistics

Factors Extracted	Factor	
	Loading	
Factor 1: Vision to Change		
V1 Ready for new policies and	0.866	
practices		
V2 Important to understand new	0.851	
policies and practices		
V3 New vision in leadership	0.843	
V4 Company ready to deal with	0.835	
halal logistics		
V5 Company ready to re-alignment	0.795	
Cronbach's Alpha	0.957	

Eigenvalue	16.4
% variance explained	23.17
Cumulative % variance explained	23.17
Factor 2: Halal Assurance System	0.061
HA1 Advanced information systems help to ensure the <i>halal</i> system	0.861
HA2 Company is willing to invent	0.854
new operations to meet <i>halal</i>	0.834
requirements	0.807
HA3 Logistics players should apply	0.607
traceability system	0.769
HA4 Customers also need to	0.707
understand <i>halal</i> logistics guidelines	0.767
HA5 Halal logistics needs Halal	
Assurance System (HAS)	0.950
Cronbach's Alpha	3.530
Eigenvalue	22.12
% variance explained	45.29
Cumulative % variance explained	
Factor 3: Environmental	
E1 Employees are allowed to make	0.768
decision	
E2 Global halal market affects halal	0.722
logistics services	
E3 Management should create	0.697
employees' teamwork	
E4 Employees trust and respect are	0.616
needed	
E5 Company should study on market	0.605
competitiveness	
	0.040
Cronbach's Alpha	0.919
Eigenvalue	2.046
Eigenvalue % variance explained	2.046 12.91
Eigenvalue % variance explained Cumulative % variance explained	2.046
% variance explained Cumulative % variance explained Factor 4: Employee Acceptance	2.046 12.91 58.2
% variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes	2.046 12.91
**Eigenvalue **wariance explained **Cumulative **wariance explained **Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding *halal* logistics	2.046 12.91 58.2 0.702
Eigenvalue % variance explained Cumulative % variance explained **Factor 4: Employee Acceptance** A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to	2.046 12.91 58.2
Eigenvalue % variance explained Cumulative % variance explained **Factor 4: Employee Acceptance* A1 Employees might sometimes confuse regarding *halal* logistics A2 Employees should be ready to change on operation practices	2.046 12.91 58.2 0.702 0.699
Eigenvalue % variance explained Cumulative % variance explained **Factor 4: Employee Acceptance** A1 Employees might sometimes confuse regarding *halal* logistics* A2 Employees should be ready to change on operation practices A3 Employees are willing to face	2.046 12.91 58.2 0.702
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty	2.046 12.91 58.2 0.702 0.699 0.690
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any	2.046 12.91 58.2 0.702 0.699
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management	2.046 12.91 58.2 0.702 0.699 0.690
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any	2.046 12.91 58.2 0.702 0.699 0.690 0.670
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills	2.046 12.91 58.2 0.702 0.699 0.690 0.670
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills Cronbach's Alpha	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662 0.935
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills Cronbach's Alpha Eigenvalue	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662 0.935 1.787
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills Cronbach's Alpha Eigenvalue % variance explained Cumulative % variance explained Factor 5: Management Support	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662 0.935 1.787 12.72
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills Cronbach's Alpha Eigenvalue % variance explained Cumulative % variance explained Factor 5: Management Support S1 Management needs to understand	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662 0.935 1.787 12.72
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills Cronbach's Alpha Eigenvalue % variance explained Cumulative % variance explained Factor 5: Management Support S1 Management needs to understand vision and mission	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662 0.935 1.787 12.72 70.92
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills Cronbach's Alpha Eigenvalue % variance explained Cumulative % variance explained Factor 5: Management Support S1 Management needs to understand vision and mission S2 Management needs to consider	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662 0.935 1.787 12.72 70.92
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills Cronbach's Alpha Eigenvalue % variance explained Cumulative % variance explained Factor 5: Management Support S1 Management needs to understand vision and mission S2 Management needs to consider company's history	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662 0.935 1.787 12.72 70.92 0.919 0.911
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills Cronbach's Alpha Eigenvalue % variance explained Cumulative % variance explained Factor 5: Management Support S1 Management needs to understand vision and mission S2 Management needs to consider company's history S3 Management team should support	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662 0.935 1.787 12.72 70.92
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills Cronbach's Alpha Eigenvalue % variance explained Cumulative % variance explained Factor 5: Management Support S1 Management needs to understand vision and mission S2 Management needs to consider company's history S3 Management team should support and accept the changes if beneficial	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662 0.935 1.787 12.72 70.92 0.919 0.911 0.792
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills Cronbach's Alpha Eigenvalue % variance explained Cumulative % variance explained Factor 5: Management Support S1 Management needs to understand vision and mission S2 Management needs to consider company's history S3 Management team should support and accept the changes if beneficial Cronbach's Alpha	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662 0.935 1.787 12.72 70.92 0.919 0.911 0.792 0.898
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills Cronbach's Alpha Eigenvalue % variance explained Cumulative % variance explained Factor 5: Management Support S1 Management needs to understand vision and mission S2 Management needs to consider company's history S3 Management team should support and accept the changes if beneficial Cronbach's Alpha Eigenvalue	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662 0.935 1.787 12.72 70.92 0.919 0.911 0.792 0.898 1.229
Eigenvalue % variance explained Cumulative % variance explained Factor 4: Employee Acceptance A1 Employees might sometimes confuse regarding halal logistics A2 Employees should be ready to change on operation practices A3 Employees are willing to face any uncertainty A4 Employees need to accept any changes made by management A5 Employees are willing to learn new skills Cronbach's Alpha Eigenvalue % variance explained Cumulative % variance explained Factor 5: Management Support S1 Management needs to understand vision and mission S2 Management needs to consider company's history S3 Management team should support and accept the changes if beneficial Cronbach's Alpha	2.046 12.91 58.2 0.702 0.699 0.690 0.670 0.662 0.935 1.787 12.72 70.92 0.919 0.911 0.792 0.898

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4.2.1 Vision to Change

Generally, top-level management will responsible towards the company's vision to change. All the members of the management need to learn of, understand about, and be able to handle the new implementation requirements of halal logistics according to the specific standards laid out. However, leaders of organization need to remember that a vision should also guide its employees who are an important part of any change. In order to give directions, the top level and technical management need to have policies and practices in place to ensure right directions and right implementation of halal logistics. Thus, a new vision of leadership should be considered while preparing for change towards halal logistics.

4.2.2 Management Support

Employees play a more supportive role in companies when compared to the top level management. There are important roles played by heads of departments, executives and top level managers to deliver the ideas, provide instructions and correct directions to perform *halal* logistics operations. Proper preparations will help to increase organization effectiveness to face any failure, problems, and risks while performing *halal* logistics. Thus, high level management needs to explain and provide a comprehensive training to other levels of management, so that all levels of management are able to comprehend the risks and understand their roles in performing *halal* logistics.

4.2.3 Environmental

There are internal and external environmental factors that could affect the readiness to change in an organization and both environments could affect logistics players' readiness towards implementation. According to the halal logistics requirements, an efficient workplace will promote performance among employees performing halal logistics operations. Furthermore, employee job performance might increase as a result of a conductive workplace. Workplace will be more efficient with the existence of cooperation and superior relationship among employees. However, external environments could provide either a beneficial or non-beneficial outcome. For instance, governments sometimes may act as a

barrier to transformation, in some instances, they might also assist organizational changes. Thus, logistics players need to be prepared to face all such challenges towards making changes.

4.2.4 Employees Acceptance

It is very important for companies or organizations to get their employee's acceptance as it is one of the first steps towards preparation of organizational change. It is not an easy job to get employee's acceptance since giving an explanation to Muslims workers about the changes for halal logistics operations will be much easier compared to non-Muslims workers, because of their understanding of the implications. Halal training would be the best method to deliver the halal concept to the workers. Both Muslim and non-Muslim workforce could be unaware of the product flow and all technical operations required to ensure halal in the business and obtain certification. A tough challenge will be faced by the management's level to explain about the detail operations and information system process flow required for insertion of halal logistics operations into the system. Acceptance to all halal logistics requirements by all employees of the company is essential to ensure the success of halal logistics.

4.2.5 Halal Assurance System (HAS)

Halal Assurance System (HAS) is one of the important aspects that need to be considered for establishment of halal policies and procedures for correct implementation of halal logistics. All halal logistics operations in logistics companies also need a HAS as their general guidelines to ensure the integrity of halal products along the supply chain. Along the supply chain of *halal* products, assurance system in halal sector ensures that every entity fulfils the Halalan Toyibban requirements for all aspects such as management system, halal risk assessment, halal facilities, equipment, and infrastructure. Information and status of the halal products could be traced by the assurance system back from the ingredients to manufacturing process and logistics activities which comply with halal requirements from JAKIM (Islamic Department of Malaysia) and Malaysia Standard Department (SIRIM) for halal food preparation, handling, and logistics.

4.3 Logistic Regression Analysis

Binary logistics regression was used to determine the extent to which selected determinants affected the readiness level of logistics companies. The results in Table 4 showed that there were nine factors with significant relationships with readiness implementation of halal logistics by logistics players in Malaysia. Out of the eleven factors, two of them namely type of region and management support were not significant to readiness of the logistics players towards halal logistics. The Wald values shows the importance of each factor that affect the readiness of the logistics players. The bigger the Wald numbers, the higher the effect of variables towards readiness to halal logistics. The two step iteration of Block 0 gave a -2 Log likelihood value of 158.156 in the final model, which is desirable and the Cox & Snell R square value of 0.267 and Nagelkerke R square value of 0.375.

Intention towards halal logistics affect readiness maximum, with a Wald value of 15.527 while barrier least affect readiness among logistics players with a Wald value of 3.963. The Exp (B) values in the table explain how many times likely the logistics players is ready to implement halal logistics. Logistics companies with Muslims workers have 5.149 times more readiness towards implementation of halal logistics and logistics companies which have intention towards halal logistics showed 5.181 times more inclination to implementation of halal logistics compared to those who have no intention towards halal logistics. Logistics players who have experienced with standards of procedure in their company were 3.432 times more ready towards halal logistics and logistics companies who have knowledge about halal logistics were 3.163 times more readiness towards halal logistics compared to a company with less knowledge and no experience applying any standard in their logistics operations.

When the logistics players claimed that there are no barriers for them to implement *halal* logistics, it showed that logistics companies were 2.520 times more ready towards *halal* logistics while logistics companies who have vision towards implementing *halal* logistics showed that there were 2.578 times more readiness towards implementation of *halal* logistics. Logistics companies who have *Halal* Assurance System (HAS) on their management system were 2.178 times more ready towards

implementation of *halal* logistics compared to those who have not. However, if the logistics players were adapted with new internal and external environments and received the employees' acceptance to implement *halal* logistics, basically they were 1.628 times more ready towards *halal* logistics. Thus, presence of Muslims workers and intention towards implementation of *halal* logistics would be the major factors that affect the readiness towards *halal* logistics among logistics players in Malaysia.

Table 4. Estimates Logit Model for level of readiness towards *halal* logistics

Variables	B	Wald	Sig	Exp(B)
			O	•
Knowledge	1.152	6.021	.014*	3.163
Barrier	0.924	3.963	.047*	2.520
Standard	1.233	5.621	.018*	3.432
Region 1	-5.11	0.903	.34	0.600
Region 2	0.182	0.049	.82	1.20
Region 3	0.182	0.097	.75	1.10
Muslims				
workers	1.639	6.533	.011*	5.149
Intention	1.645	15.527	.000**	5.181
Company				
Vision	0.947	14.548	.000**	2.578
Halal				
Assurance	0.778	12.819	.000**	2.178
Environments	0.488	4.831	.028*	1.628
Employee				
Acceptance	0.675	8.311	.004*	1.964
Management				
Support	-0.155	0.262	.609	0.856
Constant	-3.415	15.820	*000	.045
-2Log				
Likelihood	146.946			
Cox and Snell				
R Square	.267			
Nagelkerke R				
Square	.375			
Hosmer and				
Lemeshow				
Test	.232			

The final binary regression model Eq. (2) is as follows:-

In (Readiness level) = -3.415+ -.511(R1) + 0.182 (R2) + 0.182(R3) + 1.512 (Knowledge) + 1.639 (Muslim Workers) + 1.233 (Standard) + 0.924 (Barriers) + 1.645 (Intention) +0.947 (Vision to Change) + 0.778 (Halal Assurance) + 0.488 (Environments) + 0.675 (Employee Acceptance) (2)

5. Conclusion

Readiness towards implementing a new idea or innovation is one of the successful keys in implementation of new things. The successful change from conventional logistics operations to halal logistics operations requires a right intention. It is essential for logistics players to make themselves ready for halal logistics implementation by considering few readiness factors such as knowledge, intention, Muslims management support, and vision to change, Halal Assurance System (HAS), environments and employee's acceptance. Logistics players or companies need to have prior knowledge about factors effecting the implementation of halal logistics, before its inception into their operations. Furthermore, it is essential for companies to gain full support of its managerial staff and employees acceptance for adoption of halal logistics into their business.

Furthermore, the establishment of the Halal Assurance System (HAS) is essential for companies involved in halal, with consideration for the internal and external environments of the organization as a result of this change. Visionary logistics players should have a team ready to manage the *halal* logistics operations and changes associated with it in the business. The appointment of a halal advisor or halal internal auditor is recommended as part of the team. The team will monitor day-to-day logistics operations in their business. The appointment of trainers for employee training on halal logistics operations will further help with right implementation of halal logistics in the logistics business. In the meantime, logistics companies also should consider presence of Muslim workers to ease halal logistics handling while knowledge and intention on halal logistics will be catalyst towards readiness implementation of halal logistics.

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