



Institute for Management and
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HALAL CERTIFICATION OF CHICKEN SLAUGHTER INDUSTRY: LEGAL NEEDS AND REALITY

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This case was written by Anis Shuhaiza Md Salleh, Fariza Romli, Khuzaimah Mat Salleh Universiti Utara Malaysia. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

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Introduction

The concept of halal products including halal foods has long time received worldwide debates and discussion due to its recognition as an alternative way to safety, hygiene and quality assurance of the products. This concept is acceptable not only by the Muslim consumers, but also by the non-Muslim. For Muslims, the products have to meet not only the law enacted for halal management but also the halal requirements as prescribed by the religion. In Malaysia, a company which produces halal products has to meet the standard of halal as mainly prescribed by the Jabatan Kebajikan Islam Malaysia (JAKIM)/Jabatan Agama Islam Negeri (JAIN). Failure to fulfill the requirements or when the halal certification is wrongly used may render the company to be fined, suspension of license or even the premise may be ordered to be sealed or closed depending on the kind of offence committed. By using a case study method conducted on Jimat Jaya Sdn. Bhd. (JJSB), a multinational company which was categorized as a slaughter house, the legal needs pertaining to the halal certification and the reality of their application were clarified.

The finding from interviews conducted with JJSB particularly with its factory manager revealed that the company had been persistently complying with the standards and rules on halal certification. Ensuring the visibility and sustainability of the company in the competitive market era was not an easy task. Nevertheless, with continuous efforts and struggles put up by the staff of JJSB from top management to all workers, the company was able to maintain its recognitions and certifications at local and international levels. More importantly, the interview revealed that the establishment of the Internal Halal Committee (IHC) by JJSB as required by law was a strength for the company to monitor the halal certification ranging from the processes, slaughterers, tools and equipments to documentations. The IHC, which worked hand in hand with JAKIM/JAIN in monitoring the halal aspect of chicken slaughtering had proven that halal certification was among the company's priority. Being among the largest broiling processor companies in Malaysia, JJSB managed to produce approximately 50,000 chickens per day. There were various products of JJSB such as whole chicken, cut parts item, debone item and by products.

Background of the Company

Jimat Jaya Sdn. Bhd. (JJSB) became the selected organization for this case study. The selection was made on the reason that the company was among the most popular companies which had been producing the halal chicken products to be distributed throughout the regions of Peninsular Malaysia. JJSB was a company in Malaysia, with a head office in Kuala Lumpur. The company was a non-bumiputra company and had started its operation in 1995 at Sungai Petani, Kedah. Being a subsidiary company to CAB Cakaran Corporation Berhad (CAB), a public listed company on the Main Board of Bursa Malaysia Securities Berhad, JJSB had been involved in integrated poultry business for processing fresh, chilled and frozen carcasses, offals and chicken parts.

JJSB was located at Plot 21-24, Kawasan Industri Ringan Bukit Makmur, Sungai Lalang, Bedong, Kedah Darul Aman. The idea of incorporating JJSB was founded by the founder of the CAB, Mr Chua Ah Bee. The CAB decided that it was the right time to expand the business by instituting their own broiling processor factory of producing the chicken products. He selected the suitable area in Bedong, Kedah to develop the factory of producing the products.

The organization chart of JJSB consisted of the Chief Executive Director and Executive Director as the top management of JJSB. There were various departments in JJSB, namely the Department of Accounts, Logistics, Human Resource, Store, Maintenance, Halal, Quality Assurance and Quality Control (QA/QC), Information Technology (IT) as well as the Department of Purchasing and Production.

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