Halal standards’ implementation in Palestinian food sector: its drivers and impact on performance

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Abstract

Purpose – The purpose of this paper is to study the correlational and effect relationship between Halal standards and the performance of Halal-certified Palestinian Food Companies.

Design/methodology/approach – Quantitative method was used, using a questionnaire survey of 40 Halal-certified Palestinian organizations out of a total of 47 certified organizations, the analysis was done using the partial least squares structural equation modeling (PLS-SEM) and the literature review was conducted using a well-known systematic literature review methodology.

Findings – Halal implementation and certification had a positive impact on performance (operational, financial and marketing). The depth/intensity of implementation fully mediates operational performance and partially mediates marketing and financial performance.

Research limitations/implications – As the sample size is small, it is recommended to conduct the study using a larger sample size, once the number of Palestinian Halal-certified organizations increases. A longitudinal or panel study is recommended to capture data that are more accurate and avoid objectivity and bias issues using a cross-sectional research design method. Finally, the study recommends to conduct additional research in the field of Halal awareness for customers to gauge their intention and welling to buy Halal products within the Middle East region.

Originality/value – The importance of this study exists in the lack of previous Halal-related studies in the Palestinian context and the previously described gap in the literature. Nevertheless, the quality management drivers and impact are limited in the Palestinian context compared with other contexts; the results of the previously published studies revealed mixed results such as the drivers of quality management are based on the type of business. Finally, this research gives small insights and directions toward conducting additional studies concerning customer awareness about Halal products.

Keywords Halal foods, Performance, Drivers, Key success factors

Paper type Research paper

Introduction

Halal is an Arabic word that refers to the consumption of permissible foods; it also means that the conduct is moral/ethical and complies with specific Islamic regulations (Tieman, 2011). According to Shah Alam and Mohamed Sayuti (2011), Halal is an important factor that influences consumers’ purchase and consumption behaviors. Halal can also be considered as a resource that can partially help in achieving sustainable competitive advantages for the firm (Fisher, 2012; Barney, 1991). The Halal-related studies were clearly noticed in the past two decades, especially in 2011 and beyond, where many scholars mainly in the east Asian context started to study Halal and its impact on business performance (Secinaro & Calandra, 2021).
One of the important Islamic regulations that Muslims should comply with is the Halal regulations related to food and beverages (Ab Talib, Siti, Abdul Hamid, & Ai Chin, 2016; Bergeaud-Blackler, 2007; Tieman & Hassan, 2015). As the Muslim communities augmented the need to institutionalize food and beverage regulations, Muslim countries including Palestine tried to achieve this through what are called “Halal standards.”

Recently, an increased interest in Halal standards was noticed through an increased number of Halal-certified firms and products (Tieman, 2011; Giyanti, Indrasari, Sutopo, & Liquiddanu, 2021; Hewege & Perera, 2020; Lever & Miele, 2012). As the number of Muslim communities increased, their expenditure on food and beverages also increased. According to the estimated data, Muslim expenditure on food and beverages in 2019 was $1.4bn, with an expected increase to $2.9bn and $3.4bn, by 2024 and 2027, respectively (Thomson Reuters & Dinar Standard, 2019; Cooper, 2017).

The growth in the demand for Halal market products came from both Muslim and non-Muslim customers (Wilson & Liu, 2010; Wilson, 2012; Tieman, 2011); many previous studies have revealed that non-Muslim customers give positive feedback for Halal-certified products (Aziz & Chok, 2013; Binti, Ismail, & Nasiruddin, 2014; Golnaz, Zainalabidin, Nasir, & Chiew, 2010; Mathew, Abdullahbinti, & Ismailbinti, 2014; Wibowo & Ahmad, 2016; Tieman, 2011). Food safety regulations and the quality assurance of Halal standards are considered the main drivers of the consumption of Halal products by non-Muslim customers (Billah, Rahman, & Hossain, 2020; Mahdzar, Zainudin, Abd Halim, & Afazal, 2021), Halal and its impact on food supply chain process (Tieman, 2011). Actually, an increase in the literature body concerning Halal-related studies was noticed after 2011, after the publication of Marco [1] Tieman article titled “The application of Halal in supply chain management: In-depth interviews”, published in *Islamic Marketing Journal*, which paved the road for other scholars to have more attention and focus on Halal-related studies.

The literature is divided into two main streams of Halal-related studies: the first group comprises Halal implementation drivers (Ab Talib, Hamid, & Zulfakar, 2015, 2017; Ab Talib, Siti, Abdul, Hamid, & Chin, 2016; Din & Daud, 2014; Giyanti et al., 2021; Othman, Shaarani, & Bahron, 2016; Shariff & Lah, 2014; Soltanian, Zailani, Iranmanesh, & Aziz, 2016) and the second group comprises the linkage between Halal implementation and performance (Ab Talib, Ai Chin, & Fischer, 2017; Mustun, 2021; Salindal, 2019; Zailani, Kanapathy, Iranmanesh, & Tieman, 2015, 2020; Tieman, 2011).

Apart from these two main research streams, limited research has linked drivers, the depth of implementation and performance (financial and non-financial performance) by adopting the general frameworks of quality management system drivers and impacts (Al-Ghanim, 2003; Kafetzopoulos & Gotzamani, 2014). Giyanti et al. (2021) attempted to fill this gap in the literature by examining the relationship between Halal implementation and business performance through the depth of implementation as a mediating factor.

The importance of this study exists in the lack of Halal-related studies in the Palestinian context and the previously described gap in the literature. Nevertheless, the quality management drivers and impact are limited in the Palestinian context when compared with others, and the previously published studies revealed mixed results, such as the drivers of quality management are based on the type of business (Baidoun, 2003, 2004; Altayeb & Alhasanat, 2014). In addition, the impact on business performance was positive in terms of non-financial indicators (customer satisfaction) in the Palestinian production sector (Al-Ghanim, 2003), with no previous publication regarding the impact of quality systems on other performance factors, such as marketing and financial performance.

As an extension to Giyanti et al. (2021), based on their output and recommendations, we have conducted related studies using the same methodology in a Palestinian context. This study aims to answer the following questions:
Q1. What are the main drivers or key success factors for Halal implementation in the Palestinian food sector?
Q2. Do external drivers influence firm performance?
Q3. Do internal drivers influence firm performance?
Q4. Does the depth of implementation play a mediating role in market share and market growth?
Q5. Does the depth of implementation act as a mediating factor that affects financial performance?

Theoretical background
This research utilized three established theories: technology, organization and environment (TOE) framework (DePietro, Wiarda, & Fleische, 1990); resources-based View (RBV) theory (Barney, 1991); and the dynamic capabilities theory (Teece, Pisano, & Shuen, 1997). First, the three factors, according to TOE, influenced the decision on technology and innovation. The technological and organizational contexts are related to the internal factors of organizations. The technological aspect is related to available technology means for the organization, and the organizational aspect is related to the special factors of the organization, such as culture. However, the environmental aspect represents external factors that influence innovation and technological changes in organizations.

According to the TOE framework, a good balance between external and internal factors can achieve the intended results (DePietro et al., 1990). External and internal factors can be realized through competition, governmental regulations, stakeholder pressures and organizational cultural changes. Thus, the TOE framework can be used to identify Halal practices (Ngah, Zainuddin, & Thurasamy, 2017).

The RBV theory as clarified by Barney (1991) is “the link between a firm’s internal characteristics and performance” (p. 101). According to Barney (1991), the RBV theory has two main assumptions: heterogeneity in the control of resources and that resources are not perfectly mobilized across firms. Thus, heterogeneity is long-lasting (Barney, 1991, 2001).

According to RBV theory, competitive firms implement a value-creation strategy that is not currently implemented by competitors. Firms claim to be sustainable and competitive if their competitive advantages last for a longer time. However, rare resources enable firms to have a sustainable competitive advantage. These values are measured through well-identified competitive conditions (Barney, 1991).

The RBV theory has been extended to dynamic markets, in which the dynamic capabilities (DC) theory was used because of the inability of the RBV to explain how and why firms have competitive advantages in a situation of rapid and unpredictable change (Teece et al., 1997).

Both the RBV and DC theories highlight the effects of firms’ resources on competitive advantage and sustainable competitive advantage. Ab Talib et al. (2017) used the RBV and DC theories to explain the relationship between Halal and performance, in which Halal is considered a resource that partially helps achieve firms’ sustainable competitive advantages. Similarly, Zailani, Iranmanesh, Aziz, and Kanapathy (2017) used Halal certification as a moderator factor to achieve firms’ intended performance.

Finally, most recent related halal studies used the RBV and DC theories to shape the relationship between different Halal aspects and organizational performance (Yang, Jafar, Yeng, & Al-Mamun, 2022; Ali, Karim, Younis, & Murtaza et al., 2013; Ruangsriroj & Suvittawat, 2021). Thus, the TOE, RBV and DC theories can be used as general theoretical frameworks for Halal-related studies in linking the Halal system implementation with performance.
Literature review

Halal implementation drivers

Drivers are motivators that encourage firms to implement certain concepts, methods or tactics in an attempt to fulfill the performance-related aims of firms (Hoffman & Ross, 2001). The implementation of Halal standards like other food safety systems has many drivers that encourage the food sector to implement them. Few studies attempted to identify the drivers behind Halal system implementation, with a remarkable contribution of Marco Tieman and others starting from early 2007 and onward, the Halal drivers and implementation got few attention in the literature, and those drivers are external, internal and organizational drivers (Ab Talib et al., 2015; Khan, Akhtar, Ansari, & Dhamija, 2020; Ngah et al., 2017; Nor, Latif, & Ismail, 2016; Susanty et al., 2019; Susanty, Puspitasari, Caterina, & Jati, 2020; Talib & Hamid, 2015; Tieman, 2011, 2017; Tieman, van der Vorst, & Ghazali, 2012; Zailani et al., 2015).

Two published articles were found in both Scopus and Emerald databases about the systematic literature review in Halal and performance field of research. Secinaro and Calandra (2021) studied the previous empirical research about Halal and performance in terms of sustainability and innovation. Ab Talib, Pang, and Ngah (2020) captured the role of government in Halal logistics by conducting a systematic literature review. Hence, both research revealed different recommendations for future studies with regard to more Halal and performance-related studies and the importance of governmental regulations/policies over Halal adoption and performance as well.

Accordingly, conducting a systematic literature review can be essential and valuable in the field of Halal and food. Among the available methods to conduct the literature review, systematic literature review and meta-analysis (PRISMA) were chosen. A search protocol [2] for Halal drivers and performance was used to identify related Halal literature in Google Scholar, Scopus database, EBSCO and Islamic Marketing Conference proceedings (Pahlevan-Sharif, Mura, & Wijesinghe, 2019). Scopus includes most journals indexed with WoS (Mongeon & Paul-Hus, 2016). Hence, data analysis using the Scopus database follows Mongeon and Paul-Hus’s (2016) methodology, who stated “Scopus includes most of the journals indexed in WoS.” EBSCO database includes many of well-known reputable journals and the Islamic Marketing Conference can be considered as the Hub for Islamic-related studies in the Middle East region where Halal-related studies are one of the core fields of this conference (Islamic Marketing Conference is conducted annually from 2013).

The selection of Scopus and EBESCO databases can be justified as these two databases include well-known peer reviewed journals. Google Scholar and the Islamic Marketing Conference publications for the untapped areas and many published articles might be not peer reviewed (Khan et al., 2018b).

The identification, screening, eligibility and inclusion of related literature were performed in accordance with the PRISMA general framework, as identified by Pahlevan-Sharif et al. (2019). Accordingly, Figure 1 represents the process of systematic literature review results within Scopus database and Google Scholar. The results of EBSCO database and Islamic Marketing Conference were critically reviewed in a separate subsection.

The literature on Halal drivers is relatively new as revealed by the search protocol. In total, 16 included articles were published in well-known journals from 2016 onward, 5 of which were published after 2020. Moreover, the Malaysian context dominated most of the Halal studies related to the literature, which is clearly noticed in the 16 included articles related to the Malaysian context, as Malaysia has many Halal scheme certificates.

Most of the articles were published in the Emerald journals: Islamic Marketing Journal and the British Food Journal, as shown in Figure 2.

Table 1 represents the drivers or the critical success factors for Halal implementation, which are taken from the 16 included related studies, as explained previously.
Halal and business performance

As mentioned previously, there are a limited number of publications on the field of Halal and its impact on performance, compared with other research fields, such as quality management (Zailani, Iranmanesh, Jafarzadeh, & Foroughi, 2020). Moreover, a limited number of studies concerning Halal and its impact have attempted to identify the relationship between Halal and financial performance (Zailani et al., 2020), marketing performance (Katuk et al., 2021; Salindal, 2019) and good food supply chain management and performance (Ali et al., 2017a, 2021; Zainuddin, Saifudin, Erenbjerg, & Mahidin, 2019; Zainuddin, Saifudin, Erenbjerg, & Osman, 2020; Razalli, 2018; Zailani, Omar, & Kopong, 2011).
### Table 1. Summary of PRISMA Halal drivers using Google Scholars and Scopus databases

<table>
<thead>
<tr>
<th>CSF</th>
<th>Governmental support</th>
<th>Top management &amp; leadership support</th>
<th>Strategic management</th>
<th>Technology and information</th>
<th>Process integrity/ Halal integrity</th>
<th>Attention to customer</th>
<th>Religious and cultural issues</th>
<th>Higher revenue expectation</th>
<th>Demand and competition</th>
<th>HRM</th>
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</thead>
<tbody>
<tr>
<td>Ab Talib et al. (2020)</td>
<td>X</td>
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<td>Karim, Mahmud, Marmaya, Padlisham, &amp; Hasan (2020)</td>
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<td>Silalahi, Fachruzi, &amp; Fahham (2021)</td>
<td>X</td>
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<td>Zaikni et al. (2015)</td>
<td>X</td>
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<td>Fathi, Zaikni, Irmananesh, &amp; Kanapathy. (2016)</td>
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<td>Haleem &amp; Khan (2017)</td>
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<td>Ngah et al. (2017)</td>
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<tr>
<td>Ab Talib et al. (2015)</td>
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<tr>
<td>Haleem et al. (2021a, b)</td>
<td>X</td>
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<tr>
<td>Wazirah, Shah, Muhammad, Mohamad, &amp; Suzana Jaafar (2016)</td>
<td>X</td>
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<tr>
<td>Haleem et al. (2021a, b)</td>
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<td>Azmi, Abdullah, Mua, &amp; Wan Mahmood (2020)</td>
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<td>X</td>
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<tr>
<td>Amin, Norhayati, Mohd, Muhammad, Abbas, &amp; Mohd (2017)</td>
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<td>X</td>
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<tr>
<td>Khan et al. (2018b)</td>
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<td>X</td>
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<tr>
<td>Ahmad, Abdul Rahman, Othman, &amp; Ungku Zainal Abidin (2017)</td>
<td>x</td>
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<td>X</td>
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<tr>
<td>Elias, Mahidin, &amp; Babaudin (2019)</td>
<td>X</td>
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<td>Total</td>
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<td>6</td>
<td>6</td>
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<td>3</td>
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</table>
A systematic literature review using the PRISMA methodology (Pahlevan-Sharif et al., 2019) was conducted using a search protocol within the Scopus database, which includes most journals indexed with WoS (Mongeon & Paul-Hus, 2016) that contain information on Halal drivers or key success factors and performance.

Accordingly, Figure 3 represents the process of systematic literature review within the Scopus database.

Most of the included articles were published after 2019, which means that Halal certification and its systems and their impact on business performance is still a challenging topic and needs to receive more attention from scholars (see Figure 4).

The Malaysian context dominated the Halal literature, with one article from the Middle East context (Shafii et al., 2013) and another from Europe (Usman, Li’zzah, & Rozar Norlinda Mohd, 2021). Thus, contextual differences and influence on Halal standards and their impact have not been well addressed in the literature, as most of the literature pertains to the Malaysian context (see Table 2).
<table>
<thead>
<tr>
<th>No</th>
<th>Authors</th>
<th>Methodology</th>
<th>Main findings</th>
<th>Recommendation and future studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Karia (2022)</td>
<td>Survey from sample of 129 Malaysian logistic providers firms</td>
<td>Halal logistic practices positively affect logistic performance within the Malaysian context; accordingly, a manager should be aware of the Halal system</td>
<td>Same model can be further tested on other than current settings (time and context)</td>
</tr>
<tr>
<td>02</td>
<td>Giyanti et al. (2021)</td>
<td>Empirical study using survey questionnaire of 83 samples of Halal-certified Indonesian firms</td>
<td>Internal motivation toward Halal standards positively affects the implementation of Halal standards, while external motivation does not. In which the Halal degree of implementation positively influences the performance (Operational, Marketing and Financial)</td>
<td>To conduct the same research using a larger sample within the Indonesian context</td>
</tr>
<tr>
<td>03</td>
<td>Katuk et al. (2021)</td>
<td>298 surveyed through interview Halal food operators in Indonesia</td>
<td>Halal-certified food companies have knowledge regarding the market segments which positively impacted the performance through the good targeting of market segment (Halal segments)</td>
<td>To conduct the same study in contexts other than the Indonesian context, To conduct more studies on the drivers toward obtaining Halal certification standards for SMEs (External or Internal Drivers)</td>
</tr>
<tr>
<td>04</td>
<td>Usman et al. (2021)</td>
<td>Qualitative Case Study</td>
<td>It is found that the major sources of contamination (operational performance indicator) are addressed through the acceptance of raw materials from non-halal suppliers, which negatively affect the Halal implementation performance</td>
<td>Future research can utilize the Halal risks in Halal supply chain analysis and studies</td>
</tr>
<tr>
<td>05</td>
<td>Lestari, Kurniawan, Arifin, Yasir, Muhammad Saleh, &amp; Akbarizan (2021)</td>
<td>Sample of SMEs 73 companies that do not have Halal certificates, which were identified through two Halal certification bodies and groups in Indonesia. Hence, the chosen sample of companies is in process of introducing two different Halal guides and instructions</td>
<td>Good Halal Practices were identified through 40 indicators that were grouped into 6 main variables to measure the differences in the levels of Halal good practices implementation into two distinct groups of SMEs. The main finding was that the Halal implementation was much better in MUI Pekanbaru than MUI Kampar</td>
<td>To conduct future researches that consider the customer perception of Halal food products as well</td>
</tr>
<tr>
<td>06</td>
<td>Ali et al. (2021b)</td>
<td>Quantitative data was collected from a sample of 275 Halal-certified companies (Malaysian companies)</td>
<td>The Halal certification positively influences the integration of the supply chain</td>
<td>Future studies to focus on Halal system factors and drivers that successfully integrate all functions to achieve the needed Halal results</td>
</tr>
</tbody>
</table>

Table 2. Summary of PRISMA literature review of Halal and performance
<table>
<thead>
<tr>
<th>No</th>
<th>Authors</th>
<th>Methodology</th>
<th>Main findings</th>
<th>Recommendation and future studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>07</td>
<td>Susanty, Puspitasari, Jati, &amp; Selvina (2021)</td>
<td>Quantitative using questionnaire as a data collection tool</td>
<td>Both internal and external factors positively affect the supply chain integration</td>
<td>Future qualitative research could use to better understand the internal as well as the external factors</td>
</tr>
<tr>
<td>08</td>
<td>Ismail, Mohamad, &amp; Ahamat (2020)</td>
<td>Regression analysis quantitative survey method</td>
<td>Global mindset and foreign knowledge positively influence the international firms performance in Halal food companies</td>
<td>To conduct studies on other top management demographical factors and its relationship with Halal</td>
</tr>
<tr>
<td>09</td>
<td>Hendayani &amp; Febrianta (2020)</td>
<td>Quantitative methods using a survey questionnaire</td>
<td>Technology can be used to make sure of compliance with Halal standards within the supply chain, which have a positive impact on the supply chain. However, in family business Halal company, the results do not support the positive relationship, it might be because family businesses including Halal-certified companies do not have good financial access or financial investments capabilities as other firms</td>
<td>To conduct the same framework study on other Halal sectors, other than food, like pharmaceuticals</td>
</tr>
<tr>
<td>10</td>
<td>Zailani et al. (2021)</td>
<td>Quantitative using questionnaire</td>
<td>The results showed that handling of materials (storage and transportation) positively influences financial performance. However, the Halal production process negatively influences financial performance in terms of profit, business growth, investment increase, operational costs. Finally, the Halal culture positively affects the financial performance</td>
<td>Longitudinal study to cover longer period is recommended for future research</td>
</tr>
<tr>
<td>11</td>
<td>Muhamed, Salim, Ab Rahman, Hamzah, &amp; Ali (2020)</td>
<td>Quantitative using questionnaire</td>
<td>Top management support, the credibility of supply chain partners have a positive effect on firms’ performance, while the degree of influence in the case of top management support is lesser than credibility</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Zainuddin et al. (2020)</td>
<td>Mixed using survey and case study</td>
<td>The traceability system of Halal has a positive impact on the Halal Supply chain</td>
<td></td>
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</table>

(continued)
<table>
<thead>
<tr>
<th>No</th>
<th>Authors</th>
<th>Methodology</th>
<th>Main findings</th>
<th>Recommendation and future studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Elias <em>et al.</em> (2019)</td>
<td>Quantitative using questionnaire</td>
<td>The religiosity practices do not affect the firm’s performance and religiosity among top management is not a driver for better financial and non-financial performance among Malaysian Halal companies</td>
<td>To study other dimensions other than religiosity like entrepreneurship</td>
</tr>
<tr>
<td>14</td>
<td>Zainuddin <em>et al.</em> (2019)</td>
<td>Quantitative using questionnaire</td>
<td>Halal certification and implementation have a good impact on the supply chain</td>
<td></td>
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<tr>
<td>15</td>
<td>Salindal (2019)</td>
<td>Quantitative using questionnaire</td>
<td>Halal certification positively affects innovation, which leads to better market performance. A significant difference between certified and non-certified firms were reported too</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Arifeen, Jermsittiparsert, &amp; Antomi (2019)</td>
<td>Quantitative using questionnaire</td>
<td>Halal certification and implementation can enhance the performance of restaurants</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Mohd Ismail (2018)</td>
<td>Literature review paper</td>
<td>Lack of publications in the field of impact of religiosity over operation and performance at Halal Certified Firms</td>
<td>To conduct the same study in context other than Malaysian</td>
</tr>
<tr>
<td>18</td>
<td>Saifudin <em>et al.</em> (2018)</td>
<td>Literature review paper</td>
<td>The introduction of the Islamic Halal Supply Chain Model Based on Halal Standards improves the performance of the supply chain covering all stakeholders like suppliers, customers and authorities</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Ali <em>et al.</em> (2017b)</td>
<td>Quantitative using questionnaire</td>
<td>Strategy integration (supplier and customer) contributes to Halal food supply chain integration</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Ab Talib <em>et al.</em> (2017)</td>
<td>Quantitative using questionnaire</td>
<td>The study confirmed the positive correlation between Halal Certification and performance (Operational Performance)</td>
<td>Longitudinal research design is recommended</td>
</tr>
<tr>
<td>21</td>
<td>Ab Talib, Abdul Hamid, &amp; Chin (2016)</td>
<td>Conceptual paper</td>
<td>This study offers a conceptual model that links between Halal certification and performance based on RBV of <em>Barney (1991)</em></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Shafii <em>et al.</em> (2013)</td>
<td>Case study</td>
<td>Applying the Halal assurance, which prevents and mitigates product recall, will increase customer confidence and loyalty</td>
<td></td>
</tr>
</tbody>
</table>
As previously described, there are limited Halal publications in the top tier journals classified in the Scopus database like the *Islamic Marketing Journal of Emerald*, EBSCO and Islamic Marketing Conference proceeding papers, in which Islamic Marketing Conference proceeding books were reviewed from 2013 to 2021. Many Halal-related topics reviewed were Halal awareness, halal religiosity Halal purchasing decisions and Halal technology and infrastructure requirements.

As for Halal awareness, the impact of different demographics affects the Halal level of awareness (Erdin & Yildiz, 2012; Yousif, Meleware, & Dennis, 2015). Religiosity positively impacts Halal awareness and Halal food procurement decisions (Khalik & Ibrahim, *Submitted for publications*). Halal quality assurance system adoption could facilitate the implementation of different Halal standards (Roslan, Rahman, Hanafiah, & Abdul, 2015; Usman & Dian, 2015). Hence, the results of these two published articles can be further utilized to shape the integrated impact of different management systems including the Halal standards over organizational performance. Moreover, such quality assurance systems might require the adoption of new technologies or new production processes (innovation) (Hasan & Boeji, 2013). And finally the countries’ policies, strategies and regulations could play a major role in driving the Halal system (Hasan & Boeji, 2013), which revealed the same results in the systematic literature review conducted by Ab Talib *et al.* (2020).

As for the EBSCO database, the Halal food and performance were used as key searching words, which revealed 63 published articles in different journals from 2015 to 2022. Where 63 articles were initially identified and the final number of inclusion was reduced to 11 articles after abstract and full-text review. Figure 5 represents the included articles with their journals as well as the impact factor, in which most of the journals included are of good to high impact factors.

Of 12 included articles, there are 7 articles that followed the quantitative research design, 3 articles were systematic review of the literature and the remaining 2 articles followed the case study and conceptual research design.

Generally, the quantitative reviewed research indicated a good and positive relationship between Halal standards, brands and certification over performance as identified in these publications.

![Figure 5. Number of published articles in the field of Halal Food and performance within EBSCO database with its journal impact factor](image)
seven critically reviewed articles. Nurzulain, Zuraini, and Afiq (2019) revealed that there is a positive relationship between procurement behavior in which Halal bakery products affect the consumer procurement decision for Muslims and non-Muslims Malaysian consumers. Zhao, Song, Zuo, and Yang (2021) and Han, Lho, Raposo, Radic, and Ngah (2021) revealed that Halal products and certificates positively affect the retention of Muslim travelers and green attaché consumers, respectively.

Moreover, Halal-certified firms have positive results in terms of international environmental practices in the Iranian context (Akbari, Danesh, Dolatshah, & Khosravani, 2019) and environmental sustainability practices (Akanmu & Nordin, 2022).

Other studies studied the Halal supply chain and its impact on the performance, which revealed the positive relationship or impact between Halal and good supply chain performance and also showed the positive impact of Halal on the supply chain. Helmi Ali et al. (2019) revealed that supply chain integration of the Halal food industry could be considered a powerful competitive weapon. Ali, Zhan, Alam, Tse, and Tan (2017) revealed that the integration of the Halal food supply chain from suppliers to customers would positively affect the supply chain performance.

As previously described, 2 articles of the 12 included articles in the critical literature review were literature review articles, both articles studied the previous literature on the Halal food supply chain from two different angles; Halal logistics and customer loyalty (Masudin, Fernanda, & Widayat, 2018), while Rejeb, Keogh, Rejeb, and Dean (2021) systematically reviewed 40 published articles to study the necessary measure needed for the development of sustainable Halal food supply chain.

Rejeb et al. (2021) found that quality management systems, Halal labeling, the use of technology would positively influence the supply chain. Furthermore, sustainability efforts could be strengthened by environmental protection initiatives. This study can be regarded as one of the most important literature review studies as it relates among Halal food system, supply chain and sustainability. Khan et al. (2018a) defined the Halal supply chain concept by systematically reviewed literature published in Scopus and Google Scholar databases. Khan et al. (2018b) revealed that there are seven well-known definitions of the Halal supply chain in the literature as described in Figure 6.

Finally Kazancoglu, Ekinci, Mangla, Sezer, and Kayikci (2021) proposed a conceptual framework for reverse logistic and its impact on environmental and economic indicators.
through conducting case study analysis. Kazancoglu et al. (2021) revealed that reverse logistics activities can significantly contribute to sustainable performance through waste elimination/minimization.

Framework and hypotheses

Drivers and depth of halal implementation

This study examined the framework of Giyanti et al. (2021) in the Palestinian food sector to determine whether the previously published results of Giyanti et al. (2021) in the Indonesian context are valid in another context, such as the Palestinian context. Figure 7 represents the model.

To avoid various problems such as product failure, safety and health issues and customer failure costs, Halal standards, such as food safety and quality systems are adopted by various organizations (van der Spiegel, de Boer, Luning, Ziggers, & Jongen, 2007; Giyanti et al., 2021). Moreover, Halal system drivers that overlap with TQM drivers, if well managed, can help achieve the intended organizational performance (Fotopoulos, Kafetzopoulos, & Psomas, 2009).

A few studies have revealed that internal and external drivers lead to successful Halal implementation, such as the need to improve products and production processes (Rubio-Andrada, Del Mar Alonso-Almeida, & Rodríguez-Antón, 2011). External drivers include customer demand, government regulations and rivalry (Ab Talib & Ai Chin, 2018).

Giyanti et al. (2021) studied 143 Indonesian Halal-certified companies and revealed that internal drivers, such as internal motivation and organizational commitment significantly affect Halal implementation and performance, whereas external factors do not, which slightly matched the results revealed by Zailani et al. (2015) in the Malaysian context.

Other studies revealed that external drivers, such as governmental pressures, consumer behavior, market demand and competition are the determinants of Halal certification (Ab Talib, Abdul Hamid, & Chin, 2016; Ab Talib, Siti, Abdul, Hamid, & Chin, 2016; Giyanti et al., 2021). Based on the aforementioned findings on internal and external drivers, this study formulated the following hypotheses:

Figure 7. A general framework of Halal standards and its impact

Source(s): (Giyanti et al., 2021, p. 1583)


$H1a$. Internal key success factors or motives positively influence the intensity of Halal standards' implementation at Halal-certified Palestinian food companies.

$H1b$. External pressures have a positive impact on the depth/intensity of Halal standards' implementation at Halal-certified Palestinian food companies.

Other studies have revealed that top management, organizational commitment and employee involvement are considered the main internal drivers of the depth of Halal standards' implementation (Haleem, Khan, & Khan, 2021a, b; Ab Talib et al., 2015). Ab Talib and Ai Chin (2018) and Giyanti et al. (2021) found that organizational commitment positively correlated with the depth of Halal implementation. Accordingly, the following hypothesis was developed:

$H1c$. Organizational commitment has a positive relationship with the intensity of Halal implementation in Halal-certified Palestinian food companies.

Many previous studies have confirmed that the depth of system implementation linked with external motives could be mediated through internal motives (Jang & Lin, 2008; Giyanti et al., 2021), thus, the following hypothesis was formulated:

$H2$. Internal motives mediate the relationship between external pressures and the intensity of Halal implementation in Halal-certified Palestinian food companies.

Studies have shown a positive relationship between Halal implementation and performance (both financial and non-financial performance) (Ab Talib, Abdul Hamid, & Chin, 2016; Ab Talib, Siti, Abdul, Hamid, & Chin, 2016; Ab Talib et al., 2017; Ab Talib & Ai Chin, 2018; Giyanti et al., 2021; Zailani et al., 2015, 2020; Zainuddin et al., 2019). As Halal standards are structured following other food safety and quality systems, the documentation of procedures and processes by itself cannot generate the difference. However, good management of all factors in production processes can lead to better operational performance (Kafetzopoulos & Gotzamani, 2014; Al-Ghanim, 2003). Furthermore, Ab Talib et al. (2017) and Giyanti et al. (2021) proved that Halal certification positively influences operational performance. Accordingly, the following hypothesis was formulated:

$H3a$. The intensity of Halal implementation positively affects operational performance.

Ab Talib et al. (2017) and Giyanti et al. (2021) include market performance along with operational performance. Previous studies have shown that Halal certification positively affects market performance. Liow (2012) found that Malaysian frozen food expanded its market share and reached 100% after obtaining Halal certificates. Nevertheless, Halal certificates have become a bridge to achieving good market results, mainly for food-related sectors. Thus, the following hypothesis was formulated:

$H3b$. The intensity of Halal implementation positively influences market performance within Palestinian Halal-certified food companies.

Many scholars have confirmed the correlation between Halal implementation and financial performance (Ab Talib, Abdul Hamid, & Chin, 2016, 2017; Giyanti et al., 2021; Zailani et al., 2020), and the following hypothesis was formulated:

$H3C$. The depth of Halal implementation positively affects the financial performance of Palestinian Halal-certified food companies.

Ab Talib et al. (2017) and Giyanti et al. (2021) revealed that Halal certification can improve operational performance and lead to better financial performance. Moreover, Giyanti et al. (2021) proved that operational performance leads to improved market performance. Accordingly, this study proposes the following hypotheses:
Operational performance has a positive influence on market performance in Palestinian Halal-certified food companies.

Operational performance has a positive influence on the financial performance of Palestinian Halal-certified food companies.

Operational performance positively influences the market and financial performance, which is expected owing to the indirect mediating relationship between operational performance and market and financial performance (Ab Talib et al., 2017; Giyanti et al., 2021; Zailani et al., 2020). Accordingly, this study formulated the following hypotheses:

H5a. Operational performance positively mediates the link between Halal depth/intensity of implementation and market performance.

H5b. Operational performance positively mediates the link between the intensity of Halal implementation and financial performance.

Methodology
This study followed the approach used by Giyanti et al. (2021). It used a structured questionnaire consisting of four main sections: respondent information and geographical information of Small and Medium Enterprises- SMEs, drivers of Halal system implementation, depth of Halal system implementation and assessment of SME performance.

Three methods were used to validate the questionnaire as a data collection tool. First, content validity was assessed in accordance with Cooper and Schindler (2014), which aimed to check the phrases, relevance and clarity. Second, pilot testing was conducted at five food companies, where feedback regarding the questionnaire was taken into consideration before the final version of the questionnaire was prepared. Third, three experts evaluated the questionnaire: two food experts (a food expert and the executive manager of a food industry association) and one Halal system auditor. Fourth, the literature review used the PRISMA methods and the questionnaire was analyzed using PLS-SEM (Partial least squares structural equation modeling).

Post which, the data were collected by sending the questionnaire to Halal food-certified companies, followed by phone calls, meetings and interviews. The questionnaire was distributed to a sample of 40 of 47 certified companies with the aim of achieving a response rate of more than 50%, where the population was obtained through the Palestinian food industrial association.

Measurement
The same six-point Likert scale was used as in previous studies (Giyanti et al., 2021; Ab Talib, Abdul Hamid, & Chin, 2016; Ab Talib, Siti, Abdul, Hamid, & Chin, 2016; Ab Talib et al., 2017). Like Giyanti et al. (2021), the respondents were asked to rate the motives, external pressures and organizational commitment-related questions through specific criteria (1 that indicates not important at all to 6 that indicates most important), while the questions related to the depth of implementation used the same Likert scale with a different meaning (1 means not implemented and 6 means fully implemented).

For performance (financial, market and operations), this study followed the same sections as in Giyanti et al. (2021), which were adopted from many previous studies. The Likert scale was used, where (1) indicated less importance and (6) indicated increased importance.

Unit of analysis and sample size, sampling procedure
The unit of analysis used in this study is the certified Halal SMEs, in which the CEO or production managers are asked to answer the related questions, using a sample size of 40
companies randomly selected from among the total number of certified SMEs (47 companies), which are listed in an Excel sheet from 1 to 47. The respondents had good knowledge of daily operations. According to Giyanti et al. (2021) and Zailani et al. (2015), the companies list was obtained from Palestinian Food Industrial Association.

Research design and operations of the research
This research followed a cross-sectional quasi-experimental correlational research design, which is widely used in Halal-related studies (Ab Talib, Abdul Hamid, & Chin, 2016; Ab Talib et al., 2017; Ab Talib & Ai Chin, 2018; Giyanti et al., 2021; Saifudin, Zainuddin, Elias, Nur, & Samsuddin, 2018; Zailani et al., 2015, 2020; Zainuddin et al., 2019, 2020).

A six-point Likert scale was used to operationalize the study, and the following figure represents the study sections of the general framework operations (see Figure 8).

Results
The PLS-SEM statistical analysis used in this study is not sensitive to sample size, as it does not require the assumption of a multivariate normal of the sample data (Henseler & Sarstedt, 2013; Hair, Risher, Sarstedt, & Ringle, 2019). Accordingly, the quality of the measurement can be obtained without assuming normality. According to Hair et al. (2019), PLS-SEM measurement includes internal consistency, reliability and validity.

While the PLS-SEM included composite reliability (CR), which can replace the Cronbach’s alpha (CA) test, Table 3 represents the CA results with CR and AVE values derived from responses in the questionnaires (40 samples) (Hair, Sarstedt, Hopkins, & Kuppelwieser, 2014, 2019). The response rate was high.

In the CR test conducted in accordance with Hair et al. (2014, 2019), the threshold value of the CR should be greater than 0.7. The CR values, according to Table 3, range between 0.72 and 0.91. Moreover, the AVE values are greater than 0.5, which represents an adequate convergent validity level, and the traditional CA test values are greater than 0.9.

Figure 8.
General framework of Halal drivers and impact study model
The discriminant validity was tested using Fornell–Larcker criterion and the heterotrait-monotrait ratio of correlations (HTMT).

The Fornell–Larcker ratios and HTMT indicated that discriminant validity was established between a given pair of reflective constructs. The values of Fornell–Larcker ratios and HTMT were 0.8 or less and 0.9 or less, respectively, as shown in Tables 4 and 5.

From Tables 4 and 5, it is obvious that the degree or level of implementation has the lowest values, and with deep analysis, it can be seen that the HLIM 6 (traceability) loads opposite to other factors, which requires further analysis, as shown in Table 6.

Multi-collinearity was assessed to examine whether there is a correlation between constructs (Hair et al., 2014). The variance inflation factor (VIF) was used to identify potential collinearity problems. According to Garson (2016), the VIF values should not exceed 4 in a well-fitting statistical model, as the actual values of VIF were less than 4; thus, there was no multi-collinearity issue (see Table 7).

The coefficient of determination ($R^2$) reflects how many constructs explain each other, in which the coefficient of determination of 0.25, 0.75 and 0.5 indicate a weak or modest predictive accuracy (Hair et al., 2014). In the present study, the HLIM construct $R^2$ value was 0.692. Thus, the INMV, ORGS and EXPR constructs moderately explained 69.2% of HLIM. The $R^2$ values for the MRKT, OPRS and FINC were 55.1%, 50.3% and 66.8%, respectively.

<table>
<thead>
<tr>
<th>Construct</th>
<th>CR</th>
<th>CA</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORGS</td>
<td>0.86</td>
<td>0.974</td>
<td>0.67</td>
</tr>
<tr>
<td>EXPR</td>
<td>0.72</td>
<td>0.945</td>
<td>0.56</td>
</tr>
<tr>
<td>INMV</td>
<td>0.88</td>
<td>0.954</td>
<td>0.73</td>
</tr>
<tr>
<td>HLIM</td>
<td>0.91</td>
<td>0.910</td>
<td>0.59</td>
</tr>
<tr>
<td>MRKT</td>
<td>0.89</td>
<td>0.956</td>
<td>0.67</td>
</tr>
<tr>
<td>OPRS</td>
<td>0.87</td>
<td>0.933</td>
<td>0.63</td>
</tr>
<tr>
<td>FINC</td>
<td>0.91</td>
<td>0.968</td>
<td>0.78</td>
</tr>
</tbody>
</table>

Table 3. CR, CA and AVE results of received questionnaires

<table>
<thead>
<tr>
<th>Construct</th>
<th>EXPR</th>
<th>FINC</th>
<th>HLIM</th>
<th>INVM</th>
<th>MRKT</th>
<th>OPRS</th>
<th>ORGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPR</td>
<td>0.98</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FINC</td>
<td>0.439</td>
<td>0.982</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HLIM</td>
<td>0.313</td>
<td>0.742</td>
<td>0.83</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INVM</td>
<td>0.37</td>
<td>0.757</td>
<td>0.803</td>
<td>0.973</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRKT</td>
<td>0.387</td>
<td>0.747</td>
<td>0.736</td>
<td>0.716</td>
<td>0.946</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPRS</td>
<td>0.427</td>
<td>0.777</td>
<td>0.7</td>
<td>0.676</td>
<td>0.718</td>
<td>0.931</td>
<td></td>
</tr>
<tr>
<td>ORGS</td>
<td>0.519</td>
<td>0.775</td>
<td>0.736</td>
<td>0.694</td>
<td>0.65</td>
<td>0.608</td>
<td>0.975</td>
</tr>
</tbody>
</table>

Table 4. The Fornell–Larcker ratios

<table>
<thead>
<tr>
<th>Construct</th>
<th>EXPR</th>
<th>FINC</th>
<th>HLIM</th>
<th>INVM</th>
<th>MRKT</th>
<th>OPRS</th>
<th>ORGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPR</td>
<td>0.447</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FINC</td>
<td>0.322</td>
<td>0.768</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HLIM</td>
<td>0.375</td>
<td>0.774</td>
<td>0.823</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INVM</td>
<td>0.398</td>
<td>0.763</td>
<td>0.753</td>
<td>0.737</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRKT</td>
<td>0.44</td>
<td>0.8</td>
<td>0.741</td>
<td>0.701</td>
<td>0.742</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPRS</td>
<td>0.532</td>
<td>0.791</td>
<td>0.776</td>
<td>0.711</td>
<td>0.668</td>
<td>0.63</td>
<td></td>
</tr>
<tr>
<td>ORGS</td>
<td>0.532</td>
<td>0.791</td>
<td>0.776</td>
<td>0.711</td>
<td>0.668</td>
<td>0.63</td>
<td></td>
</tr>
</tbody>
</table>

Table 5. HTMT table

Halal standards in Palestinian food sector
The results also revealed that the HLIM construct was weakly predicted, with FINC 53.6%, OPRS 48.6% and MRKT 50.3%.

**Hypothesis testing**

The one-tail $t$-test was performed to test the study hypotheses, and Table 8 represents the hypotheses with its $t$-test results. Unlike other contexts (Indonesian), where Giyanti *et al.* (2021) revealed that H1a, H3b and H3c were not supported in the Indonesian context, this study revealed that the Palestinian context supported all hypotheses.

The mediating effect testing was done in accordance with Nitzl, Roldan, and Cepeda (2016), where the full mediating occurs if the direct effect is insignificant, and the indirect effect is significant, Table 9 summarized those results.
Again, the results in the Palestinian context revealed that there is a full mediating effect only for internal motives between HLIM and EXPR, whereas OPRS was partially mediated. Hence, according to Giyanti, Indrasari, Sutopo, and Liquiddanu (2020), all the mediating effects presented in Table 9 were fully supported in the Indonesian context.

Finally, the lowest score among all the sub-variables was for traceability (HLIM 6). However, this was the case for companies that received Halal certificates from external organizations rather than the Palestinian standard institute. Malaysian Halal organizations ranked positively on HLIM 6 construct. In particular, the frequency analysis revealed that 90% of respondents gave very low marks for HLIM 6 construct. This might be because the Palestinian Halal standards traceability requirement is not sufficiently mature.

Discussion
Objective 1: to identify the drivers of Halal implementation
As for the drivers of Halal implementation and certification, our study revealed that internal, external and organizational drivers all significantly influenced the implementation of Halal standards in the Palestinian context, which is partially in accordance with Giyanti et al’s (2021) study results as previously described and in accordance with those of Jang and Lin (2008) and Talib and Chen (2018). Therefore, Palestinian food companies have implemented Halal standards based on organizational and internal motives, as well as external pressure.

The next finding was that internal motives fully mediate the link between external pressure and depth of Halal implementation, which confirms the results of Giyanti et al. (2020) and Jang and Lin (2008). However, the current study revealed that operational results partially mediate between the depth of implementation and marketing and finance performance results.

With respect to organizational commitment and motives, this study is in agreement with Giyanti et al. (2020) and Rafiki and Abdul Wahab (2016) who highlighted that organizational commitment has a significant impact on Halal system implementation. Hence, most food companies in Palestine are small family-owned companies with simple organizational structures. Accordingly, knowledge transfer and sharing among all staff increased based on the characteristics related to Halal system implementation.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path coefficient</th>
<th>t-value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a</td>
<td>0.78</td>
<td>-22.89</td>
<td>Supported, Hypo accepted</td>
</tr>
<tr>
<td>H1b</td>
<td>0.304</td>
<td>-20.7</td>
<td>Supported</td>
</tr>
<tr>
<td>H1c</td>
<td>0.738</td>
<td>-23</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>0.679</td>
<td>-18</td>
<td>Supported</td>
</tr>
<tr>
<td>H3a</td>
<td>0.73</td>
<td>-17</td>
<td>Supported</td>
</tr>
<tr>
<td>H3b</td>
<td>0.732</td>
<td>-24</td>
<td>Supported</td>
</tr>
<tr>
<td>H3c</td>
<td>0.714</td>
<td>8.177</td>
<td>Supported</td>
</tr>
<tr>
<td>H4a</td>
<td>0.774</td>
<td>10.7</td>
<td>Supported</td>
</tr>
<tr>
<td>H4b</td>
<td>0.001</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Direct effect</th>
<th>Indirect effect</th>
<th>Type of mediation</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2</td>
<td>0.1555</td>
<td>0.0566</td>
<td>Full Mediation</td>
<td>Supported</td>
</tr>
<tr>
<td>H3a</td>
<td>0.17</td>
<td>0.12</td>
<td>Partial mediation</td>
<td>Not supported</td>
</tr>
<tr>
<td>H3b</td>
<td>0.2146</td>
<td>0.2000</td>
<td>Partial mediation</td>
<td>Not supported</td>
</tr>
</tbody>
</table>

Table 8. Hypothesis testing

Table 9. Mediating effect of HLIM
Objective 2: identify the Halal impact on performance

The hypothesis tests confirmed that the depth of Halal standard implementation positively correlates with performance and contributes to performance (operational, financial and marketing), which confirms the results of the previous research (Giyanti et al., 2021; Salindal, 2019; Ab Talib et al., 2017, 2018) with respect to operational and financial performance. However, the current study’s results are contrary to those of the previous studies with respect to marketing performance. Accordingly, Palestinian food companies have been encouraged to adopt Halal frameworks.

Halal implementation had a positive influence on internal operations, food processing, raw material handling, production process, production capacity and the quality of products, whereas it had limited influence over product traceability in the Palestinian context.

Objective 3: to identify the mediating effect of operational performance on financial and market performance

Unlike Giyanti et al. (2020), the results revealed that a moderate mediation effect exists between operational, financial and market performance. The partial mediation effect revealed that operational performance leads to a good market and financial performance.

Practical implications

The results of this study are beneficial not only for business owners, but also for policymakers. The depth of implementation was positively correlated with performance. Thus, if business owners focus on the depth of the implementation of Halal standards, other food safety initiatives would positively affect their business performance. Additionally, business owners need to pay more attention to the integration of Halal standards with other applicable standards like quality management to have a unified integrated management or quality assurance system (such as Six Sigma, ISO 9001) that considers more than one standard (Vanany, Hua Tan, Siswanto, Arvitrida, & Pahlawan, 2020).

Hence, the Halal standards could be used as a good marketing tool to expand business market share in the local and export market as there are active Palestinian organizations promoting the export activities like Paltrade [2]. Halal certificates can be also used to differentiate between Palestinian and Israeli products in the global market too.

Policymakers, such as the Palestinian Standard Institute are encouraged to review Palestinian Halal standards, as the results revealed that traceability implementation was the lowest among all the items of the degree of implementation (HLIM), which can be updated under other well-known Halal standards, such as Malaysian and food safety ISO 22000.

The study found that internal motives – depth of implementation – mediate the effect between external factors and performance. The study suggested that successful Halal program implementation partially relies on the organizational ability to convert external factors into internal motives in externally driven organizations. Such a transformation can only be achieved if both the top management and staff support it. Thus, awareness and training can increase support through a better understanding of the management and staff. While more attention should be paid to customers based on the results regarding external derivers as well as the market performance in terms of customer satisfaction and trust.

Finally, even with the partial mediation effects of the depth of implementation and both marketing and financial performance. The Palestinian food sector encouraged considering Halal standards as an innovative tool to improve operations, production and quality, which directly translates into better operational performance and indirectly improves marketing and financial performance.
Conclusion and scope for future research

The impact of Halal standards on performance and Halal standards drivers is one of the key questions in the literature, and this study answers these questions using the Palestinian context. The study used the previous model of Giyanti et al. (2021) and was empirically validated using the PLS-SEM method with a sample of 40 Palestinian food Halal-certified companies.

As previously explained, the results revealed that external pressure, internal motivation and organizational motives significantly influenced implementation and performance. However, this study revealed that internal motives partially mediate the relationship between external aspects and performance (marketing and financial), which partially confirms the results of previous studies.

The smaller sample size is regarded as one of the limitations of this study, as the total number of Halal-certified food companies in Palestine is only 47. Thus, future studies using the same methodology to conduct research on a number of Halal-certified companies should include a larger sample.

Regarding the objectivity of companies’ management in evaluating performance, this study used perceptional data. Thus, future studies may use actual data performance or a longitudinal or panel study methodology.

It is recommended to conduct customers awareness studies to gauge the awareness regarding Halal products, certificates and Halal labels among Palestinian and other Middle East consumers, as the current study revealed external drivers like consumer demand as well as the market performance in terms of customer loyalty, trust and satisfaction. Thus, it is worth conducting a separate future study aimed at measuring customer trust and loyalty toward Halal food products.

A comparison study between Halal-certified and non-certified companies in terms of performance also can be recommended to gauge the difference in performance especially the operational performance among certified and non-certified companies.

Finally, a conceptual literature review using the PRISMA framework recommended capturing the vast number of theories utilized in previous Halal studies in the food sector.

Notes

1. This study by Marco Tieman can be considered as the most cited study concerning Halal-related issues with more than 8,681 (citations and downloads from Emerald.com website) and more than 483 citations in Google Scholars.

References


**Further reading**


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