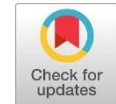


Organizational and institutional challenges to halal compliance readiness: A systematic review



Asiah Alkharib Shah^{1*}, Elistina Abu Bakar², Nur Atika binti Atan³

¹Halal Product Research Institute (IPPH), Universiti Putra Malaysia, Jalan Putra Infoport, Serdang, Selangor, 43400, Malaysia

²Faculty of Human Ecology, Universiti Putra Malaysia, Lorong Tuang Daing, Serdang, Selangor, 43400, Malaysia

³School of Healthcare Management, KPJ Health University, Lot PT 17010 Persiaran Seriemas Utama, Seriemas City, Nilai, Negeri Sembilan, 71800, Malaysia

*Corresponding author: asiahalkharibshah@gmail.com

ABSTRACT

Despite growing awareness and institutional support for halal certification, organizations continue to encounter challenges in achieving sustained compliance. Existing studies have largely examined individual determinants and certification outcomes, offering limited understanding of how organizational and institutional conditions shape compliance readiness. This study systematically reviews empirical halal compliance research published between 2020 and November 2024. Based on the PRISMA 2020 guidelines, relevant articles were retrieved from Scopus and Web of Science, with 21 studies retained following screening and quality appraisal using the Mixed Methods Appraisal Tool. A thematic synthesis supported by NVivo identified five interconnected themes: knowledge and awareness, regulatory frameworks, organizational capacity, supply chain complexity, and consumer and market dynamics. The synthesis indicates that awareness and willingness alone do not ensure organizational readiness, as the translation of halal requirements into practice depends on regulatory clarity, internal capacity, supply chain coordination, and responsiveness to market pressures. These challenges are particularly relevant to resource-constrained enterprises. The review advances a readiness-oriented perspective that conceptualises halal compliance as an organizational capability extending beyond certification attainment. It recommends that institutional interventions move beyond awareness programmes towards targeted capability development, accessible regulatory guidance, operational support, and improved supply chain coordination. Future research should examine how these interacting conditions influence the transition from awareness to operational preparedness and sustained halal compliance.

Article History

Submitted: April 14, 2026

Revised: September 27, 2026

Accepted: September 29, 2026

Published: September 30, 2026

Keywords

Halal certification, Halal compliance, Institutional challenges, Organizational capability, Organizational readiness.

© 2026 The Author(s). Published by Universitas Ahmad Dahlan.
This is an open-access article under the [CC-BY-NC-SA](#) license.



INTRODUCTION

As the global halal economy continues to expand, halal compliance has increasingly been framed as a strategic mechanism for ensuring consumer trust, market legitimacy, and regulatory credibility (Islam et al., 2023; Purnomo, 2023). Within both academic and policy-oriented discussions, halal certification is frequently treated as a proxy for organizational compliance. This framing implicitly assumes that having certification reflects an organization's capacity to implement and sustain halal requirements in practice. However, this assumption is increasingly problematic given the fragmented

and evolving nature of halal regulatory ecosystems, where differences in standards, interpretations, and enforcement practices continue to shape how compliance is understood and operationalised across contexts (Hamzah et al., 2024).

Growing empirical evidence challenges this assumption. Studies across food and beverage sectors consistently report gaps between certification status and day-to-day compliance, highlighting recurring difficulties in maintaining halal integrity across sourcing, production, documentation, and operational routines (Bidin et al., 2021; Raimi et al., 2025). These inconsistencies suggest that halal compliance is not a static outcome secured through certification alone, but an ongoing organizational process shaped by internal capabilities, ethical commitments, and regulatory interpretation (Ghazali et al., 2022; Sholihin, 2024; Solehudin et al., 2024). In practice, weak enforcement mechanisms and uneven monitoring further exacerbate these gaps, allowing instances of non-compliance to persist despite formal certification (Purwaningsih et al., 2024).

The limitations of this dominant framing become more pronounced in the context of small and micro enterprises (SMEs). Despite increased exposure to halal awareness initiatives and certification guidelines, many SMEs continue to struggle with translating regulatory knowledge into consistent organizational practices (Chik et al., 2018). Prior studies often attribute these challenges to isolated factors such as cost constraints, limited expertise, or owner attitudes. While informative, such explanations tend to fragment the phenomenon and obscure the underlying question of how organizational readiness for halal compliance is constructed and sustained under resource-constrained conditions. In particular, the high cost of certification and compliance-related investments remains a significant barrier, further constraining SMEs' ability to institutionalise halal practices (Saima et al., 2024).

Within the broader compliance literature, readiness is increasingly recognised as a critical yet under-theorised concept. Rather than representing a static or binary condition, organizational readiness reflects the extent to which firms are prepared in terms of cognitive, structural, and operational aspects to implement and sustain required practices over time. In halal contexts, readiness therefore extends beyond awareness of requirements or possession of certification and encompasses organizations' ability to align internal processes, resources, and routines with regulatory expectations.

More critically, the halal compliance literature remains both methodologically and conceptually uneven. A substantial proportion of existing studies prioritise certification procedures, consumer perceptions, or compliance outcomes, with comparatively limited integration of organizational readiness as a central analytical construct (Giyanti et al., 2020). Where readiness is discussed, it is frequently treated implicitly or used interchangeably with related concepts such as awareness, intention, or adoption. This conceptual ambiguity has contributed to inconsistent empirical conclusions and limited the cumulative explanatory power of the literature. Furthermore, the absence of a unified regulatory and institutional framework has resulted in varied compliance pathways, where firms may adopt adaptive or informal strategies to navigate regulatory gaps, potentially compromising the consistency and integrity of halal practices (Sarbani et al., 2025).

This review argues that the persistence of halal compliance challenges among SMEs reflects a deeper gap in how organizational readiness has been theorised, assessed, and synthesised across studies. Importantly, SMEs should not be treated as a homogeneous category, as readiness conditions may differ across micro, small, and medium enterprises according to their resource capacity, organizational structure, managerial capabilities, and operational complexity. The existing evidence is also geographically concentrated, particularly within Southeast Asian contexts such as Malaysia and Indonesia, which may limit the transferability of findings across different institutional and cultural settings. At the same time, halal-related studies have evolved along fragmented lines, focusing separately on certification processes, consumer perceptions, ethical considerations, or post-certification outcomes, with comparatively limited attention given to the organizational and institutional conditions that shape firms' preparedness for compliance (Alimusa et al., 2026; Islam et al., 2023; Mustapha et al., 2024; Purnomo, 2023). This fragmentation is also evident in industry-specific studies, where gaps in legislation, implementation, and enforcement are highlighted within particular segments of the halal ecosystem, such as logistics, warehousing, and poultry production, without being examined within a broader readiness framework (Hashim et al., 2019; Ismail et al., 2023). By treating organizational,

regulatory, and contextual factors in isolation, the literature has yet to develop an integrated understanding of halal compliance as a process shaped by interacting conditions. These limitations highlight the need to rethink halal compliance through a readiness-oriented lens that foregrounds how organizations become prepared to implement and sustain halal compliance in practice. This perspective is increasingly important as halal compliance extends beyond certification adoption to the continuous implementation of requirements within organizational routines, resources, and supply-chain practices (Hamzah et al., 2024; Saima et al., 2024).

Generally, this study makes three key contributions. First, it problematises the prevailing tendency to conflate halal certification with organizational compliance, demonstrating how this assumption has constrained cumulative understanding of compliance readiness, particularly among smaller enterprises. Second, by synthesising evidence across diverse methodological traditions, the review foregrounds organizational readiness as a dynamic capability shaped by organizational and institutional conditions rather than informational exposure alone. Third, the review offers an integrative conceptual perspective that clarifies inconsistencies in prior findings and provides a more coherent analytical foundation for future empirical research and policy design in halal governance contexts.

RESEARCH METHOD

Methods

This study adopted a systematic literature review (SLR) design guided by the PRISMA 2020 framework to ensure transparency and methodological rigour throughout the review process (Page et al., 2021). The review was designed not merely to map existing halal compliance studies, but to critically synthesise evidence across diverse research traditions with a specific focus on organizational readiness.

Search Strategy and Study Selection

A comprehensive literature search was conducted using two major academic databases, namely Scopus and Web of Science. Keywords related to halal compliance, including “halal,” “compliance,” and “non-compliance,” were systematically applied to ensure a broad yet focused retrieval of relevant peer-reviewed studies. This focused approach was adopted to maintain conceptual alignment with the review objective, which was to examine challenges associated with halal compliance. The complete search strings employed for each database are presented in Table 1.

Table 1. Comprehensive search strings employed for systematic literature retrieval across Scopus and Web of Science.

Scopus	TITLE-ABS-KEY (halal AND ("compliance " OR " non-compliance " OR " non-compliance")) AND PUBYEAR > 2019 AND PUBYEAR < 2025 AND (LIMIT-TO (DOCTYPE, "ar")) AND (LIMIT-TO (LANGUAGE, "English")) AND (LIMIT-TO (PUBSTAGE, "final")) Access Date: 13 November 2024
WoS	halal AND ("compliance " OR " non-compliance " OR " non-compliance") (Topic) and 2024 or 2023 or 2022 or 2021 or 2020 (Publication Years) and Article (Document Types) and English (Languages) Access Date: 13 November 2024

The identification, screening, eligibility, and selection processes were documented using a modified PRISMA flow diagram (Figure 1). Upon completion of duplicate removal, articles were screened based on predefined inclusion and exclusion criteria. Only peer-reviewed journal articles published in English between 2020 and 2024 were considered. Systematic reviews, meta-analyses, books, book chapters, and conference proceedings were excluded to maintain a focus on primary empirical evidence relevant to organizational practices. This multi-stage screening process ensured that only studies directly addressing halal compliance within organizational contexts were retained for further analysis.

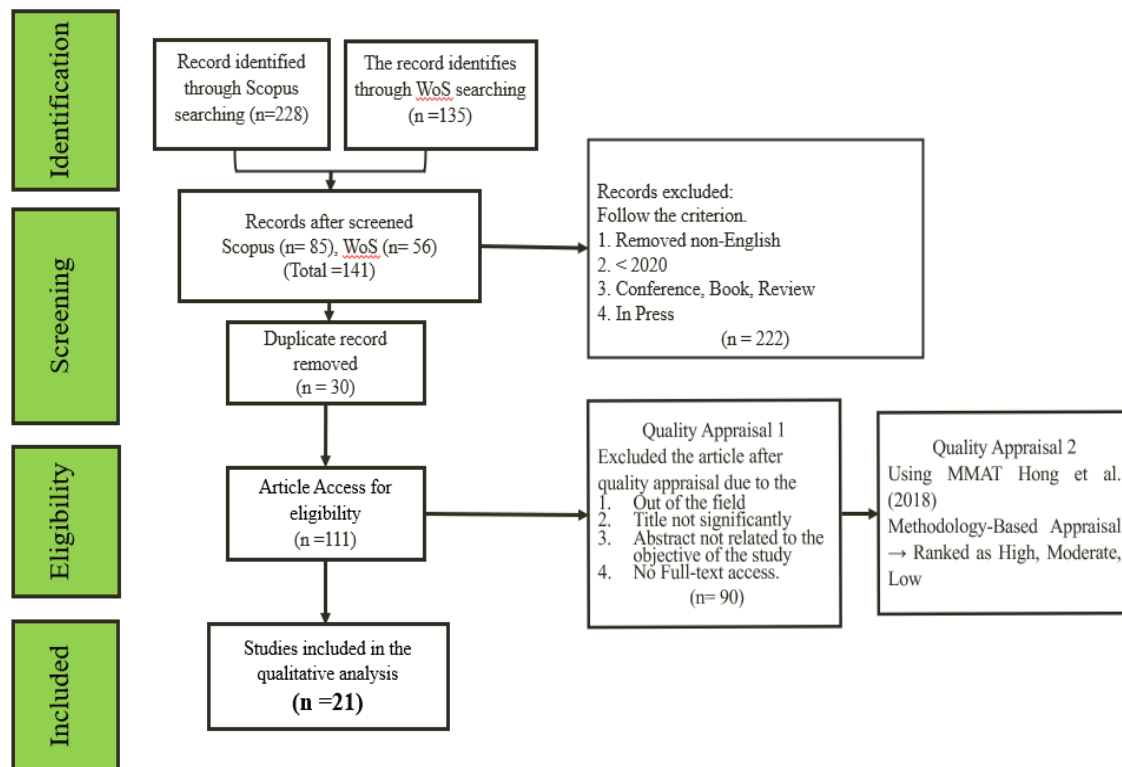


Figure 1. Modified PRISMA 2020 Flow Diagram incorporating quality appraisal using the MMAT (Hong et al., 2018), adapted from Page et al. (2021).

As illustrated in Figure 1, the review followed a multi-stage screening and appraisal process. The PRISMA flow diagram reports detailed exclusion decisions and quality appraisal outcomes, while the following sections explain the methodological rationale.

Quality Appraisal

Given the methodological heterogeneity of halal compliance research, which spans qualitative, quantitative, and mixed-methods designs, this review incorporated the Mixed Methods Appraisal Tool (MMAT) version 2018 as an analytical filter rather than a scoring exercise (Hong et al., 2018). The purpose of the appraisal was not to rank studies numerically, but to assess whether each study demonstrated sufficient methodological coherence to inform a readiness-oriented synthesis.

Quality appraisal focused on key dimensions such as clarity of research design, appropriateness of data collection procedures, coherence between research questions and analytical approaches, and the credibility of reported findings. Studies that lacked methodological transparency or analytical rigour were excluded to preserve the integrity of the synthesis. The appraisal process was conducted collaboratively by two reviewers, with discrepancies resolved through discussion to ensure interpretive consistency.

Each article was rated as high, moderate, or low quality as suggested by Petticrew & Roberts (2006), based on the extent to which it met the MMAT criteria. Articles rated as high demonstrated rigorous methodology, clear research questions, valid sampling, and sound analysis techniques. Articles with moderate rankings showed potential but had some methodological limitations, while those rated as low typically had major flaws in research design or data interpretation. To maintain the quality and integrity of this review, only studies rated as high or moderate were included in the final synthesis. Articles with a low-quality rating were re-evaluated in consensus meetings among the reviewers, particularly regarding their methodological quality and relevance to the review scope. In accordance with this rigorous review, 21 articles were finalised for inclusion in the systematic review (see Table 2).

Table 2. A selected revised mixed methods appraisal tool (MMAT).

Authors	Citation	Research Design
Widigdo & Triyanto (2024)	Knowledge and compliance: The increasing intention of msme's halal certification in Indonesia	QT
Kamarulzaman et al. (2022)	An investigation of adoption intention of halal traceability system among food SMES	QT
Azam et al. (2024)	Ranking and rating halal-certified restaurants in Malaysia: an application of AHP	QL
Najmi et al. (2023)	Firm's readiness for halal food standard adoption: Assessing the importance of traceability system	QT
Fernando et al. (2023)	Traceability technology, halal logistics brand and logistics performance: Religious beliefs and beyond	QT
Wahyuni et al. (2024)	Analysis of interplay between food safety systems and halal standards in Indonesia.	QL
Andespa et al. (2024)	Challenges and strategies in halal supply chain management for MSMEs in West Sumatra: A participatory action research study.	QL
Nurhayati et al. (2022)	Culinary industry health product in Surakarta, Indonesia: Health policy guaranteeing halal and healthy products.	MM
Santoso & Rachman (2024)	Digitalising halal certification: the dynamics of regulations and policies concerning halal certification in Indonesia	QL
Batubara & Harahap (2022)	Halal industry development strategies: Muslims' responses and sharia compliance in Indonesia.	MM
Vanany et al. (2021)	Halal six sigma framework for defect reduction	QL
Basarud-din et al. (2022)	Malaysian halal certification: A study of compliance behavior of Muslim entrepreneurs.	QT
Nawi et al. (2023)	Firms' commitment to halal standard practices in the food sector: Impact of knowledge and attitude.	QT
Mayangsari & Khasanah (2021)	Regulation of halal and healthy products for small-scale businesses as consumer protection	QL
Zainuddin et al. (2021)	Retail halal control points–which control processes can be applied digitally?	QL
Jasman & Ariffin (2024)	Risk factors analysis in halal supply chain management system.	QL
Ismail et al. (2020)	The moderating effect of religiosity on halal certification among food manufacturers in Malaysia.	QT
Hamid et al. (2024)	The moral obligation to adopt halal practices.	QT
Sari et al. (2024)	Sustainable strategic planning and management influence on sustainable performance: Findings from halal culinary MSMEs in Southeast Asia	QT
Fernando et al. (2024)	Halal beauty supply chain and sustainable operational excellence: A moderator of the Post-Sars-Cov-2 mitigation strategy	QT
Wahyuni et al. (2025)	Blockchain technology design based on food safety and halal risk analysis in the beef supply chain with FMEA-FTA	MM

Note: QT: Quantitative; QL: Qualitative; MM: Mixed Methods.

Data Analysis

Based on the quality appraisal, the final set of eligible studies was subjected to thematic synthesis using NVivo to support systematic comparison across diverse methodological traditions. NVivo was employed as an analytical aid to facilitate iterative coding and to support interpretive reasoning, rather than as a tool for generating frequency-based outputs.

The synthesis focused on identifying recurring conceptual patterns, tensions, and gaps related to organizational readiness for halal compliance. Coding was conducted iteratively, with ongoing refinement of themes through team discussions. Particular attention was given to how organizational and institutional conditions were conceptualised and operationalised across studies. Where interpretive differences arose, the team reached consensus through collective deliberation. This approach enabled the development of a coherent thematic framework grounded in prior empirical evidence while remaining sensitive to contextual variation.

RESULT AND DISCUSSION

Theme 1: Knowledge and Awareness as a Readiness Barrier in Halal Compliance

The literature consistently identifies knowledge, awareness, and attitudes as important foundations of halal compliance, particularly among SMEs. Knowledge is frequently positioned as a backbone of halal assurance, although its contribution to compliance depends on how effectively it is embedded within organizational and institutional structures (Widigdo & Triyanto, 2024). Higher awareness and positive attitudes, often associated with moral obligations and social influence, may encourage favourable perceptions, adoption, and informal promotional practices such as word-of-mouth (Basarud-din et al., 2022; Hamid et al., 2024). Similarly, halal-related education tailored to organizational needs can foster positive employee attitudes and reinforce adherence to halal requirements at the operational level (Nawi et al., 2023). All these findings position knowledge and awareness as necessary cognitive foundations, but not as sufficient conditions for organizational readiness.

Despite these positive effects, the review reveals a recurring gap between awareness and organizational readiness. A study reports that SME entrepreneurs possess only partial or superficial understanding of halal certification processes, including misconceptions about procedural requirements and compliance responsibilities (Hasanah et al., 2021). Intervention-based training and community-driven awareness programmes can improve halal-related knowledge (Andespa et al., 2024), yet improved knowledge does not necessarily result in sustained compliance when organizations lack the mechanisms required to apply it. The persistence of inconsistent standards implementation and weak enforcement mechanisms further constrains the translation of awareness into actionable preparedness (Batubara & Harahap, 2022). Thus, the central issue identified across the reviewed studies is whether the knowledge can be translated into organizational processes, responsibilities, and routines.

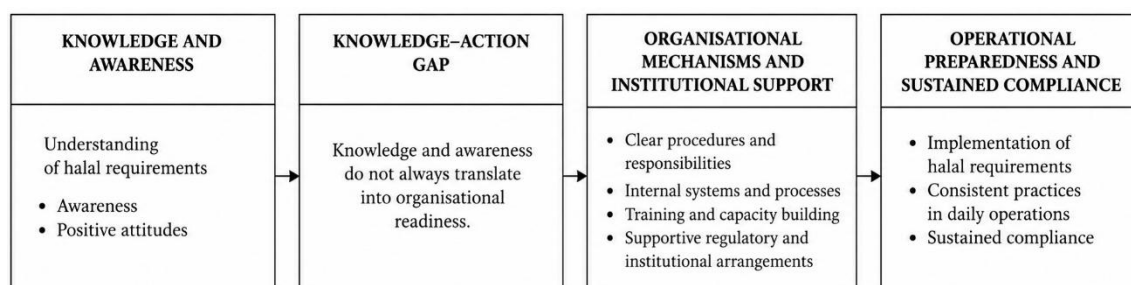


Figure 2. Bridging the knowledge–action gap through organizational mechanisms and institutional support.

This synthesis suggests that knowledge and awareness become a readiness barrier when they remain disconnected from the organizational mechanisms and institutional support required for implementation. Educational and training interventions may strengthen cognitive understanding, but their contribution to readiness ultimately depends on whether organizations have the structural arrangements and resources necessary to convert learning into practice (Andespa et al., 2024; Bidin et al., 2021). Accordingly, strengthening readiness requires a shift from information provision alone towards mechanisms that support the translation of knowledge into operational action, including appropriate responsibilities, procedures, internal systems, and supporting institutional arrangements. The reviewed literature gives comparatively limited attention to this translation process, particularly

within SME contexts. This highlights the importance of examining how organizations move beyond awareness towards operational preparedness and, ultimately, sustained compliance. The synthesis of these findings is illustrated in Figure 2, which shows how knowledge and awareness may develop into organizational readiness when the knowledge–action gap is addressed through appropriate organizational mechanisms and institutional support.

Theme 2: Regulatory Frameworks as Institutional Barriers to Readiness

The regulatory framework plays an important role in shaping halal compliance by defining the standards, procedures, institutional responsibilities, and expectations that organizations are required to follow. However, the review indicates that regulatory arrangements do not always facilitate organizational readiness, particularly when requirements are unclear, responsibilities are fragmented, or implementation pathways are insufficiently coordinated. Evidence from Indonesia, for example, highlights challenges involving unclear implementation guidelines, overlapping responsibilities among regulatory bodies, and the absence of a clear and coordinated roadmap for the halal industry (Batubara & Harahap, 2022; Wahyuni et al., 2024). Such regulatory ambiguity can create uncertainty for entrepreneurs when interpreting and applying halal requirements, thereby making compliance more difficult to organise and sustain in a consistent manner.

Although studies indicate growing awareness and willingness to comply with halal standards, actual certification remains constrained by practical barriers within the regulatory and certification environment (Nurhayati et al., 2022). High application costs, limited access to reliable information, and technical or procedural complexities can restrict SMEs' ability to navigate certification requirements effectively (Fernando et al., 2023; Manik et al., 2023). The reviewed studies indicate that the institutional conditions surrounding halal compliance vary across contexts, particularly in terms of regulatory clarity, coordination among relevant authorities, accessibility of information, and the practical burden associated with certification. Therefore, the synthesis suggests that the way regulatory requirements are communicated, coordinated, and operationalised can influence firms' ability to translate formal requirements into organizational practice.

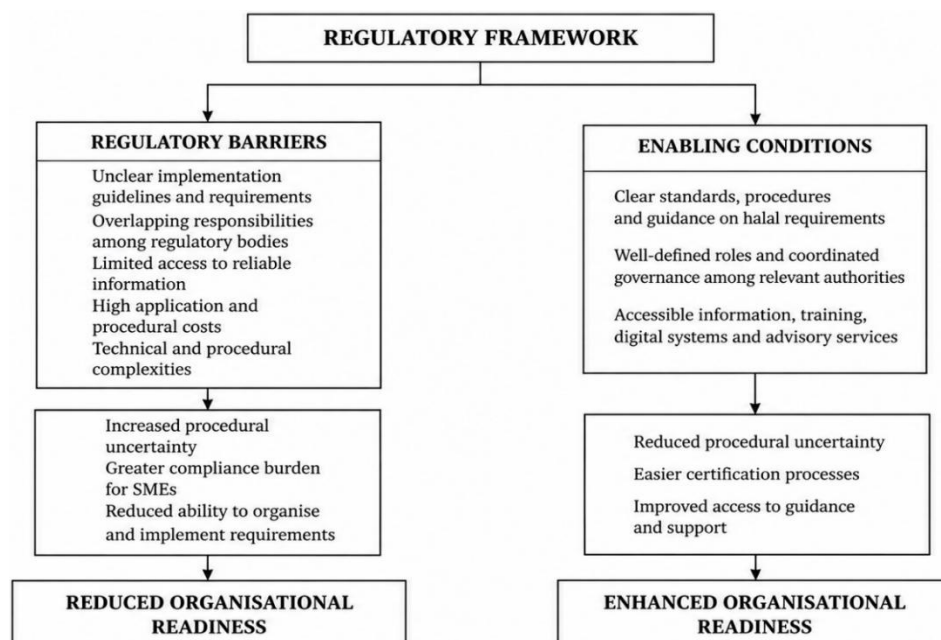


Figure 3. Regulatory barriers and their implications for organizational readiness for halal compliance.

Several studies propose strengthening government support through targeted training programmes, standardised assessments aligned with recognised standards such as MS1500:2019, and the use of digital systems to improve access and efficiency (Azam et al., 2024; Batubara & Harahap, 2022). Digital initiatives, such as the halal certification system introduced by BPJPH in East Java, have also

demonstrated potential to reduce certification costs and processing time (Santoso & Mahardika, 2023). However, such interventions are unlikely to generate sustained readiness when they operate as isolated technical solutions without coherent regulatory structures and stable legal, financial, and institutional support. Thus, as synthesised in Figure 3, the regulatory challenge identified in the literature lies in the extent to which regulatory systems provide clear guidance, coordinated governance, and accessible institutional support that enable firms to meet halal requirements.

Theme 3: Organizational Capacity Constraints and Readiness Gaps

Even when halal requirements are understood, and appropriate regulatory frameworks are in place, organizations may remain unprepared because of limitations in internal capacity. The literature consistently identifies organizational capacity as a critical condition for halal compliance readiness, as it shapes an organization's ability to implement, sustain, and monitor halal requirements within daily operations. Among SMEs, constraints in human resources, internal systems, financial resources, and strategic capability can limit the ability to translate formal requirements into consistent organizational practices (Batubara & Harahap, 2022). Consequently, compliance readiness may remain uneven when organizations lack the internal resources and capabilities required to organise and sustain implementation.

These capacity constraints become more apparent when organizations attempt to respond simultaneously to halal market opportunities and operational compliance demands. As firms pursue innovation, branding, and market positioning, limited organizational resources may create competing priorities between commercial objectives and the development of internal compliance capabilities (Batubara & Harahap, 2022; Najmi et al., 2023). In resource-constrained settings, motivation to compete in the halal market therefore does not necessarily translate into readiness to operationalise halal standards consistently. The issue is not necessarily a lack of willingness to comply, but whether organizations possess sufficient human, financial, technical, and managerial capacity to accommodate compliance within their existing operations.

Several studies propose capacity-building initiatives, including targeted training, innovation-driven strategies, and the use of assessment tools aligned with recognised standards such as MS1500:2019 (Azam et al., 2024; Batubara & Harahap, 2022; Vanany et al., 2020). However, the review indicates that many of these tools and frameworks are resource-intensive and technically demanding, limiting their practical applicability for SMEs. Rather than closing readiness gaps, such solutions may unintentionally widen disparities between well-resourced firms and smaller organizations with limited capacity.

The reviewed studies further indicate that organizational capacity is closely related to the feasibility of adopting formal systems, assessment tools, and operational improvement mechanisms. Approaches such as Halal Six Sigma and Retail Halal Control Points (RHCP) have demonstrated potential to enhance efficiency, control, and transparency across halal (Jasman & Ariffin, 2024; Vanany et al., 2020; Zainuddin et al., 2021). However, the implementation of such approaches may require financial investment, technical expertise, appropriate infrastructure, and dedicated organizational resources. Similarly, advanced technologies such as blockchain and Enterprise Resource Planning systems may remain difficult for resource-constrained SMEs to adopt because of implementation costs and technical complexity. Thus, the availability of a compliance tool or framework does not necessarily indicate organizational readiness to implement it.

Top management commitment is also identified as an important enabling condition. Evidence from Malaysian food SMEs indicates that active leadership involvement and strategic resource allocation can contribute to more effective implementation of halal systems and traceability practices (Kamarulzaman et al., 2022). However, leadership commitment alone cannot compensate for fundamental resource and capability limitations. Commitment needs to be accompanied by adequate human resources, financial capacity, technical expertise, and organizational systems that allow halal requirements to be embedded in routine operations. Overall, as synthesised in Figure 4, the reviewed evidence suggests that organizational readiness gaps in halal compliance arise from limitations in the internal capacity required to translate intentions and formal requirements into sustained operational practice.



Figure 4. Organizational capacity constraints and readiness gaps in halal compliance.

Theme 4: Supply Chain Complexity as an Inter-Organizational Readiness Barrier

Even when organizations are ready internally and supported by regulations, halal compliance may still fail if readiness is not shared across the supply chain. This shows the inter-organizational nature of halal compliance, where readiness depends not only on individual firms, but also on coordination across suppliers, logistics providers, and downstream partners. The literature increasingly recognises halal supply chain management as a critical pillar of compliance, particularly through mechanisms such as traceability, risk control, and coordination across multiple actors (Jasman & Ariffin, 2024). However, these requirements extend beyond the boundaries of individual firms, making readiness dependent on the practices and capabilities of suppliers, distributors, and logistics partners.

While studies highlight the potential of strategic partnerships and advanced technologies such as blockchain to enhance transparency and traceability within halal supply chains (Andespa et al., 2024), these solutions are often difficult for SMEs to adopt. Digital tools such as Retail Halal Control Points and Halal Six Sigma frameworks have been proposed to improve operational efficiency and sustainability (Vanany et al., 2020; Zainuddin et al., 2021). Nevertheless, the successful implementation of such models requires coordinated participation across the supply chain, as well as significant financial and technical resources.

For many SMEs, limited control over upstream suppliers and downstream partners creates structural readiness barriers. Even when firms are willing and internally prepared to comply, dependency on external actors who may not share the same level of readiness undermines consistent compliance. This challenge is particularly evident in areas such as ingredient sourcing, traceability documentation, and risk management, where non-compliance at one point in the supply chain can compromise the integrity of the entire halal system (Fernando et al., 2024; Jasman & Ariffin, 2024).

Collectively, these findings indicate that supply chain complexity represents a distinct readiness barrier that operates beyond individual organizational capacity and regulatory design. Readiness for halal compliance is therefore not solely an internal organizational condition, but a relational one that depends on alignment and coordination across the broader halal supply chain. As synthesised in Figure 5, these findings highlight an important gap in the literature, particularly the limited attention given to SMEs' readiness to manage inter-organizational risks and dependencies within halal supply chains.

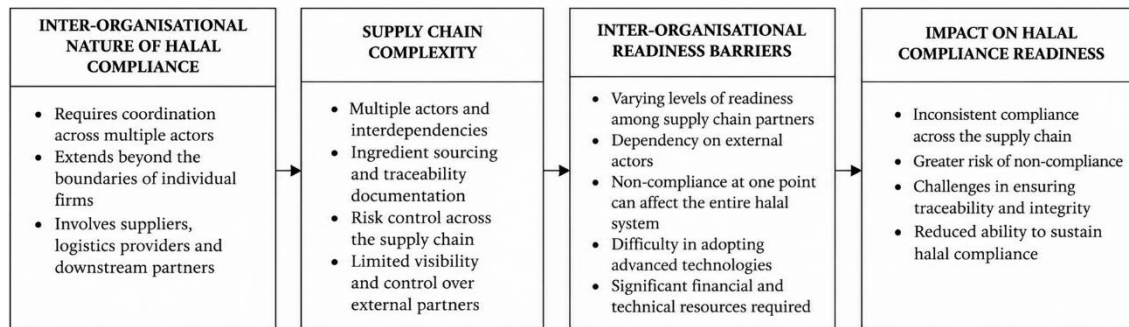


Figure 5. Supply chain complexity and inter-organizational readiness barriers in halal compliance.

Theme 5: Consumer Dynamics and External Pressure as Sources of Readiness Gap

Growing consumer awareness and intensifying market competition have increasingly positioned halal compliance as a strategic consideration for firms. Studies show that consumer demand for halal products is no longer limited to religious considerations, but is also associated with expectations of quality, safety, ethical values, and corporate responsibility (Fernando et al., 2024; Najmi et al., 2023). In response, organizations may adopt halal standards to enhance brand image, strengthen ethical positioning, and remain competitive in the market (Jasman & Ariffin, 2024; Sari et al., 2024). These findings indicate that consumer expectations and market competition can create external pressure for organizations to demonstrate responsiveness to halal requirements.

Despite this strong market momentum, the literature suggests that consumer-driven pressure does not necessarily translate into organizational readiness for halal compliance, particularly among SMEs. While firms may feel compelled to respond to consumer expectations, market-oriented responses can emphasise visible outcomes such as halal labelling, branding, and market positioning, while giving less attention to the internal systems and processes required for sustained compliance. As a result, external pressure may accelerate adoption decisions without necessarily supporting the development of the organizational preparedness required to implement halal requirements consistently.

This creates an external pressure–readiness gap, whereby firms face increasing pressure to respond to market expectations while remaining insufficiently prepared to implement halal requirements consistently and sustainably. Although existing studies recognise the growing influence of consumers and market competition on halal adoption, limited attention has been given to how these external forces shape organizational readiness. In particular, the literature provides limited insight into how SMEs manage the tension between responding to consumer expectations and developing the internal systems and capabilities required for sustained halal compliance. As synthesised in Figure 6, these findings highlight an external pressure–readiness gap in which market expectations may accelerate visible halal adoption without necessarily ensuring the internal preparedness required for sustained compliance.

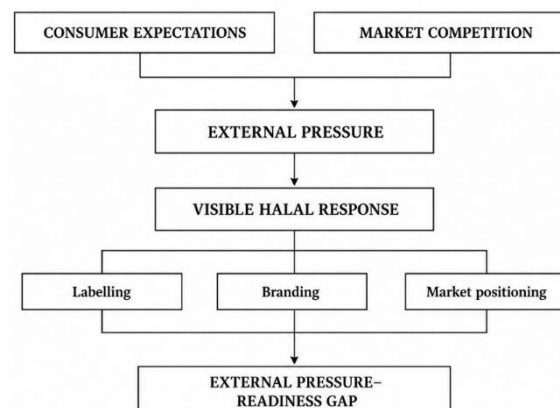


Figure 6. Consumer dynamics, external pressure, and the readiness gap in halal compliance.

Generally, the five themes indicate that readiness for halal compliance is not shaped by a single factor, but emerges from the interaction of cognitive understanding, organizational capacity, regulatory support, supply chain coordination, and market pressures. These conditions reinforce one another, constraining organizations' ability to move from awareness and intention towards sustained compliance. At the cognitive and institutional levels, Theme 1 shows that knowledge and awareness do not necessarily translate into readiness when they remain detached from operational mechanisms. This gap is further intensified by complex, fragmented, or weakly coordinated regulatory frameworks in Theme 2, which increase uncertainty and procedural burdens.

Then, Theme 3 highlights internal capacity as a critical condition for implementation. Limited human, financial, and technical resources can restrict organizations' ability to translate halal requirements and motivation into consistent operational practice. Beyond the firm, Theme 4 shows that readiness also depends on coordination across suppliers, logistics providers, and downstream partners, as uneven readiness and inter-organizational dependencies can undermine consistent compliance. Theme 5 further indicates that consumer demand and market competition can accelerate visible halal adoption, such as branding and certification, without necessarily strengthening the internal systems required for sustained compliance. This creates an external pressure–readiness gap in which organizations face increasing market expectations while remaining insufficiently prepared for long-term implementation.

Overall, the review indicates that readiness for halal compliance is a dynamic and multi-level condition shaped by interacting barriers and enabling conditions. As synthesised in Figure 7, organizations must progress from awareness towards operational preparedness and sustained compliance, while this transition depends on the alignment of cognitive, organizational, institutional, supply-chain, and market conditions. Addressing these conditions in isolation is therefore unlikely to produce sustained readiness.

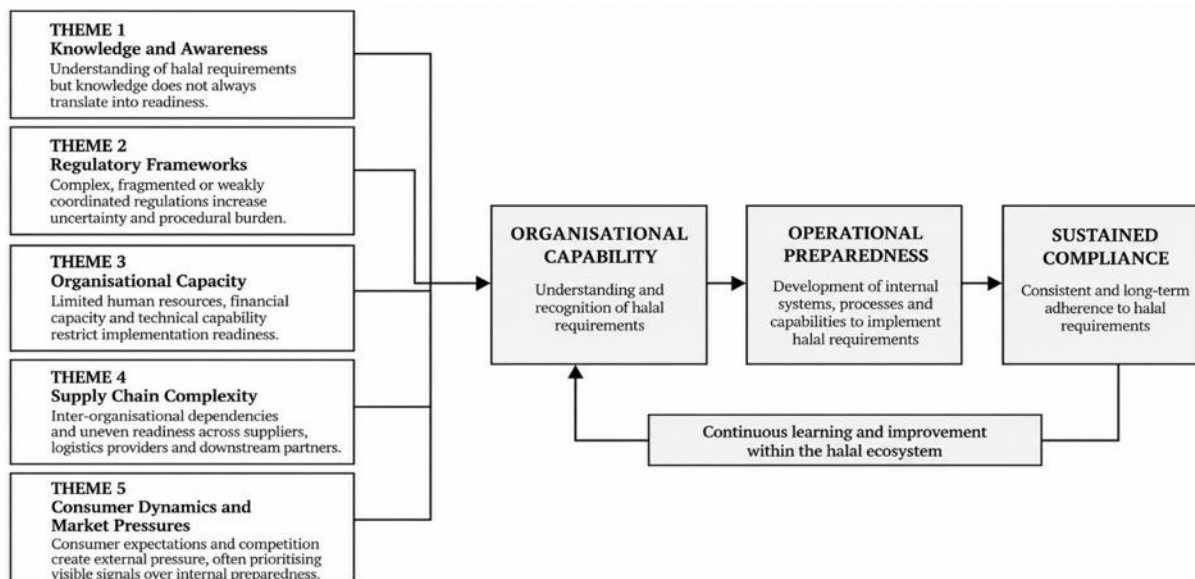


Figure 7. Actionable capability framework for advancing from awareness to sustained halal compliance.

CONCLUSION

This review highlights that persistent challenges in halal compliance cannot be fully explained by isolated factors such as awareness, regulation, organizational capacity, supply chain management, or consumer and market dynamics. Instead, organizational readiness for halal compliance emerges as a multi-level condition shaped by the interaction of cognitive understanding, organizational capacity, regulatory systems, supply chain relationships, and market pressures. Addressing these conditions in isolation is therefore unlikely to support sustained compliance, particularly in resource-constrained

organizational settings. By reframing halal compliance through a readiness lens, this review underscores the importance of moving beyond outcome-focused approaches towards strategies that recognise how organizations become prepared to implement halal requirements in practice. Readiness is influenced not only by internal capabilities, but also by the institutional environments, inter-organizational dependencies, and external market pressures within which organizations operate. Future research may build on this perspective by empirically examining how the readiness barriers identified in this review manifest at the firm level and evolve across different regulatory and market contexts. Such research could contribute to a more grounded understanding of how organizations progress from awareness and intention towards operational preparedness and sustained halal compliance.

REFERENCES

- Alimusa, L. O., Ratnasari, R. T., & Hasib, F. F. (2026). Determinants of halal food customer behaviour in the context of Indonesia and Malaysia: a systematic literature review. *Journal of Islamic Accounting and Business Research*, 17(7), 2087–2113. <https://doi.org/10.1108/JIABR-12-2023-0433>
- Andespa, R., Yurni, Y., Aldiyanto, A., & Efendi, G. (2024). Challenges and strategies in halal supply chain management for MSEs in West Sumatra: A participatory action research study. *International Journal of Safety and Security Engineering*, 14(3), 907–921. <https://doi.org/10.18280/ijss.140322>
- Azam, Md. S. E., Ahmad, A. N., & Jaiyeoba, H. B. (2024). Ranking and rating halal-certified restaurants in Malaysia: An application of AHP. *Journal of Islamic Marketing*, 15(7), 1743–1765. <https://doi.org/10.1108/JIMA-02-2023-0041>
- Basarud-din, S. K., Saad, R. A. J., & Aminullah, A. A. (2022). Malaysian halal certification: A study of compliance behavior of Muslim entrepreneurs. *Global Journal al Thaqafah*, 12(2), 46–65. <https://doi.org/10.7187/GJAT122022-4>
- Batubara, C., & Harahap, I. (2022). Halal industry development strategies: Muslims' responses and sharia compliance in Indonesia. *Journal of Indonesian Islam*, 16(1), 103. <https://doi.org/10.15642/JIIS.2022.16.1.103-132>
- Bidin, R., Razak, M. N. F., Mohamad, B., Osman, M. N., Bakar, M. S. A., Tham, J. S., Atan, R., Handayati, P., & Utaberta, N. (2021). Halal industry's organizational performance factors: A systematic literature review. *Pertanika Journal of Social Sciences and Humanities*, 29(4), 2545–2568. <https://doi.org/10.47836/pjssh.29.4.25>
- Chik, C. T., Abdullah, M. A., Bachok, S., Arsat, A., & Yahya, N. Z. (2018). Halal crisis management in small medium food enterprises. *International Journal of Administration and Governance*, 4(2), 5–10.
- Fernando, Y., Mergeresa, F., Wahyuni, I. S., & Hazarasim, N. S. (2024). Halal beauty supply chain and sustainable operational excellence: A moderator of the post-SARS-CoV-2 mitigation strategy. *Journal of Islamic Marketing*, 15(12), 3748–3777. <https://doi.org/10.1108/JIMA-07-2023-0205>
- Fernando, Y., Wahyuni, I. S., Zainul Abideen, A., & Mergeresa, F. (2023). Traceability technology, halal logistics brand and logistics performance: Religious beliefs and beyond. *Journal of Islamic Marketing*, 14(4), 1007–1031. <https://doi.org/10.1108/JIMA-06-2020-0183>
- Ghazali, E. M., Mutum, D. S., Waqas, M., Nguyen, B., & Ahmad-Tarmizi, N. A. (2022). Restaurant choice and religious obligation in the absence of halal logo: A serial mediation model. *International Journal of Hospitality Management*, 101, 103109. <https://doi.org/10.1016/j.ijhm.2021.103109>
- Giyanti, I., Indrasari, A., Sutopo, W., & Liquiddanu, E. (2020). Measurement model of halal practice readiness among food manufacturing small medium enterprises. *The 5th International Conference on Industrial, Mechanical, Electrical, and Chemical Engineering 2019 (ICIMECE 2019)*, 030087. <https://doi.org/10.1063/5.0000669>
- Hamid, A., Hirnissa, M. T., & Gani, N. A. (2024). The moral obligation toward adopt halal practices. *International Journal of Religion*, 5(5), 233–237. <https://doi.org/10.61707/zj8gn149>

- Hamzah, S. A. S., Johari, S., Yusof, Y. A., Ramlan, M. A., & Azmi, P. U. B. M. (2024). A structured review: Halal regulatory system. *Journal of Tourism, Hospitality and Environment Management*, 9(38), 259–289. <https://doi.org/10.35631/JTHEM.938018>
- Hasanah, N. U., Safira, M. E., Kurnianingtyas Sri Agung, W., Chotib, M., Nimasari, E. P., & Lahuri, S. Bin. (2021). Regulation of halal and healthy products for small-scaled businesses as consumer protection. *Open Access Macedonian Journal of Medical Sciences*, 9(E), 749–753. <https://doi.org/10.3889/oamjms.2021.6643>
- Hashim, H., Saad, N. M., Khalid, H., & Laluddin, H. (2019). Halal compliance in poultry industry: A review of regulatory system in Malaysia. *International Journal of Academic Research in Business and Social Sciences*, 9(12), 445–452.
- Hong, Q. N., Fàbregues, S., Bartlett, G., Boardman, F., Cargo, M., Dagenais, P., Gagnon, M.-P., Griffiths, F., Nicolau, B., O’Cathain, A., Rousseau, M.-C., Vedel, I., & Pluye, P. (2018). The mixed methods appraisal tool (MMAT) version 2018 for information professionals and researchers. *Education for Information*, 34(4), 285–291. <https://doi.org/10.3233/EFI-180221>
- Islam, M. M., Talib, M. S. A., & Muhamad, N. (2023). Challenges of halal standards and halal certification for islamic marketing. *Muslim Business and Economic Review*, 2(1), 105–124. <https://doi.org/10.56529/mber.v2i1.156>
- Ismail, I. A., Rozar, N. M., Usman, I., Menhat, M., Kamaruddine, S. A., & Razik, M. A. (2023). Challenges faced by halal warehouse during the implementation of Islamic shariah compliance: Malaysian perspective. *Journal of Maritime Research*, 20(2), 135–140.
- Ismail, R. M., Baharuddin, S. A., Dorai, S. D. N., Romle, Abd. R., & Zamani, S. N. M. (2020). The moderating effect of religiosity on halal certification among food manufacturers in Malaysia. *International Journal of Supply Chain Management*, 9, 596–601.
- Jasman, N. A., & Ariffin, N. H. M. (2024). Risk factors analysis in halal supply chain management system. *Journal of Advanced Research in Applied Sciences and Engineering Technology*, 46(2), 213–226. <https://doi.org/10.37934/araset.46.2.213226>
- Kamarulzaman, N. H., Muhamad, N. A., & Mohd Naw, N. (2022). An investigation of adoption intention of halal traceability system among food SMEs. *Journal of Islamic Marketing*, 13(9), 1872–1900. <https://doi.org/10.1108/JIMA-11-2020-0349>
- Manik, H. F. G. G., Indarti, N., & Lukito-Budi, A. S. (2023). Examining network characteristic dynamics of kinship-based families on performance within Indonesian SMEs. *Journal of Enterprising Communities: People and Places in the Global Economy*, 17(1), 72–97. <https://doi.org/10.1108/JEC-03-2020-0021>
- Mayangsari, P. A., & Khasanah, K. (2021). Tinjauan hukum Islam terhadap praktik penggunaan label produk makanan yang menggunakan kata menyeramkan di Pekalongan. *El Hisbah: Journal of Islamic Economic Law*, 1(2), 159–174. https://doi.org/10.28918/el_hisbah.v1i2.4762
- Mustapha, M. R., Ahamad, F., Hazahari, N. Y., & Samsudin, N. (2024). Ethical issues in the halal food supply chain: A systematic bibliometric review. *Journal of Islamic Marketing*, 15(12), 3804–3819. <https://doi.org/10.1108/JIMA-07-2023-0210>
- Najmi, A., Ahmed, W., & Jahangir, S. (2023). Firm’s readiness for halal food standard adoption: Assessing the importance of traceability system. *Journal of Islamic Accounting and Business Research*, 14(8), 1451–1473. <https://doi.org/10.1108/JIABR-09-2020-0293>
- Nawi, N. H. M., Ahmad, P. H. M., Ibrahim, H., & Suki, N. M. (2023). Firms’ commitment to Halal standard practices in the food sector: Impact of knowledge and attitude. *Journal of Islamic Marketing*, 14(5), 1260–1275. <https://doi.org/10.1108/JIMA-10-2021-0333>
- Nurhayati, N., Dimyati, K., Absori, A., Wardiono, K., Iksan, M., Rizka, R., & Harun, H. (2022). Culinary industry health product in Surakarta, Indonesia: Health policy guaranteeing halal and healthy products. *Open Access Macedonian Journal of Medical Sciences*, 10(E), 88–91. <https://doi.org/10.3889/oamjms.2022.7340>
- Page, M. J., McKenzie, J. E., Bossuyt, P. M., Boutron, I., Hoffmann, T. C., Mulrow, C. D., Shamseer, L., Tetzlaff, J. M., Akl, E. A., Brennan, S. E., Chou, R., Glanville, J., Grimshaw, J. M., Hróbjartsson, A., Lalu, M. M., Li, T., Loder, E. W., Mayo-Wilson, E., McDonald, S., ... Moher,

- D. (2021). The PRISMA 2020 statement: An updated guideline for reporting systematic reviews. *PLOS Medicine*, 18(3), e1003583. <https://doi.org/10.1371/journal.pmed.1003583>
- Petticrew, M., & Roberts, H. (2006). *Systematic reviews in the social sciences*. Wiley. <https://doi.org/10.1002/9780470754887>
- Purnomo, I. A. (2023). The impact of halal certification for MSME business: A systematic literature review. *Asian Journal of Economics and Business Management*, 2(2), 273–277. <https://doi.org/10.53402/ajebm.v2i2.344>
- Purwaningsih, P., Mustika, D. A., & Purwoto, A. (2024). Addressing non-compliance with halal product regulations in Indonesia: Safeguarding Muslim consumer rights. *Kanun Jurnal Ilmu Hukum*, 26(2), 232–250. <https://doi.org/10.24815/kanun.v26i2.38402>
- Raimi, L., Abdur-Rauf, I. A., & Olaide Raimi, B. (2025). Interdependence of halal entrepreneurship and Islamic finance for creating a strong halal ecosystem. *Journal of Islamic Marketing*, 16(3), 929–954. <https://doi.org/10.1108/JIMA-05-2023-0162>
- Saima, S. U., Firdaus, R. B. R., & Sarjiyanto, S. (2024). Challenges and ways forward for the Malaysian SMEs in the Halal food industry: a systematic review. *Potravinarstvo Slovak Journal of Food Sciences*, 18, 223–238. <https://doi.org/10.5219/1937>
- Santoso, J., & Mahardika, M. P. (2023). Formulasi gummy candy dari ekstrak etanol kulit nanas madu (*Ananas comosus* L. Merr) sebagai sumber antioksidan. *Parapemikir: Jurnal Ilmiah Farmasi*, 12(2), 201. <https://doi.org/10.30591/pjif.v12i2.5119>
- Santoso, L., & Rachman, A. (2024). Digitalising halal certification: The dynamic of regulations and policies concerning halal certification in Indonesia. *Jurisdictie: Jurnal Hukum Dan Syariah*, 14(2), 265–293. <https://doi.org/10.18860/j.v14i2.24115>
- Sarbani, N. B., Selamat, H. S., Apandi, A. A. A., Ishak, N. N. M., & Ibrahim, I. (2025). Halal logistics without borders: Exploring institutional voids in Malaysia's cross-border halal trade. *International Journal of Research and Innovation in Social Science*, IX(VIII), 2309–2321. <https://doi.org/10.47772/IJRISS.2025.908000191>
- Sari, R. K., Alfarizi, M., & Ab Talib, M. S. (2024). Sustainable strategic planning and management influence on sustainable performance: findings from halal culinary MSMEs in Southeast Asia. *Journal of Modelling in Management*, 19(6), 2034–2060. <https://doi.org/10.1108/JM2-12-2023-0324>
- Sholihin, M. (2024). Developing the halal-sufficiency scale: a preliminary insight. *Quality & Quantity*, 58(4), 3585–3604. <https://doi.org/10.1007/s11135-023-01823-4>
- Solehudin, E., Ahyani, H., & Putra, H. M. (2024). Study on sharia compliance principles in halal tourism business in Bandung Regency: An Implementation of Islamic Business Ethics Principles (Professional Ethics). *Millah: Journal of Religious Studies*, 39–66. <https://doi.org/10.20885/millah.vol23.iss1.art2>
- Vanany, I., Soon, J. M., Maryani, A., & Wibawa, B. M. (2020). Determinants of halal-food consumption in Indonesia. *Journal of Islamic Marketing*, 11(2). <https://doi.org/10.1108/JIMA-09-2018-0177>
- Vanany, I., Tan, K. H., Siswanto, N., Arvitrida, N. I., & Pahlawan, F. M. (2021). Halal six sigma framework for defects reduction. *Journal of Islamic Marketing*, 12(4), 776–793. <https://doi.org/10.1108/JIMA-11-2019-0232>
- Wahyuni, H. C., Masudin, I., Wulandari, T., & Voak, A. (2024). Analysis of interplay between food safety systems and halal standards in Indonesia. *International Food Research Journal*, 31(2), 306–319. <https://doi.org/10.47836/ifrj.31.2.03>
- Wahyuni, H. C., Rosid, M. A., Azara, R., & Voak, A. (2025). Blockchain technology design based on food safety and halal risk analysis in the beef supply chain with FMEA-FTA. *Journal of Engineering Research*, 13(2), 590–595. <https://doi.org/10.1016/j.jer.2024.02.002>
- Widigdo, A. M. N., & Triyanto, A. (2024). Knowledge and compliance: The increasing intention of MSME's halal certification in Indonesia. *International Journal of Business and Society*, 25(1), 128–147. <https://doi.org/10.33736/ijbs.6904.2024>

Zainuddin, A., Ridzwan, S. I., Ridzwan, S. B., & Muda, M. (2021). Retail halal control points - which control process can be applied digitally? *Revista Română de Informatică Și Automatică*, 31(1), 41–52. <https://doi.org/10.33436/v31i1y202103>