


# PRODUCTS QUALITY RELIGIOUS-ETHNICAL REQUIREMENTS AND CERTIFICATION

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## Abstract

The orientation towards the value of quality is a new trend of modern quality management sciences. The quality value orientations (national, social, religious, government bodies, market participants, and consumers) and quality culture are rather important in the global economical collaboration and trade, as well as in the international communication on the business, scientific or personal level. The orientations towards the value of quality are manifested in different aspects, such as customer preferences, the use of different management methods and systems, product and service consumption, assortment of goods, business lunch traditions, etc.

The sphere where the relationship between the religion and quality is more than obvious – it is religious-ethnic quality, hygiene, ethical and certification control regulation of the Muslim *halal* products and Jewish *kosher* products. Unfortunately, the majority of European quality sciences textbooks and scientific articles do not baselessly include religious-ethnic products, quality and certification aspects. Quality sciences and quality academics must always be pioneers in innovations of management measures for business practice and society. Today this quality field is very important for business development of all European countries. This sort of certification can be directed to both products and their manufacturers.

The article analyzes particularly one of the fastest growing products certification – halal certification. *The main purpose* of this study is to analyze the requirements for products manufactured for religious markets and also to prepare a working system to help manufacturers fit the requirements of halal certification. *Methods.* Analysis and comparison of halal certification requirements and quality assurance guidelines from different countries and institutions; analysis of scientific literature surveying the field of halal certification; the investigation; survey of halal certificated Lithuanian companies and questioning of the consumers.

Author's analysis shows that religious-ethnic requirements considering hygiene and product safety are mostly compatible with corresponding "elite" requirements. The importance of the halal product business is proved by the well-known international organization of quality and ethics of agricultural products and food standardization "Codex Alimentarius", which belongs to World Health Organization (WHO) and Food and Agriculture Organization (FAO) since 1997, it dedicates part of its developments to Muslim and Jewish products mentioned above. Unfortunately, the specific quality and certification requirements of halal and kosher products are little known by the majority of European businessmen. This fact, in our opinion, has a negative impact on the development and competitiveness of this business niche. Several Lithuanian companies already manufacture and export kosher products (veal, strong alcohol drinks, and flour products) and halal products (milk powder, starch, flour products, pharmaceutical herbs, etc.). The system of the halal certification preparation, implementation and support is presented, analyzed and discussed in the article. The results of a study that aimed to reveal realization and development prospects of halal products in such non-Muslim country as Lithuania are given here as well.

*Keywords:* quality, religious-ethnic requirements, certification, halal, haram, kosher.

*JEL Classification:* D24, M11, L66, P42, P46, Q18.

## Introduction

Religious faith has a significant impact on personal and societal cognition, behaviour and consumption culture (McDaniel & Burnett, 1990). That is why it is important to consider and critically appraise its influence on consumer behaviour. In this context religion is commonly related with food and beverage consumption restrictions (Fam *et al.*, 2004). Many people are concerned about their consumption habits. For instance, Muslims want to be sure that their food conform halal quality, Jews – kosher one, while Hindus, Buddhists and some other religious groups are concerned about consumption of vegetarian products. Global religious-ethnic diversity found in both globe in general and individual countries has stimulated food and beverage industry to produce the products that are suitable for different consumer segments. The market of halal products that satisfy the requirements of Islamic law is known to be one of the most profitable and influential markets in the contemporary world. Certification and marking of halal products is an official confirmation for a consumer about the product suitability to be consumed by Muslims. However, the concept of halal is broader: It defines everything that is legitimate or permissible by Allah.

The importance and prospects of halal business could be further elaborated knowing the fact that Codex Alimentarius Commission (CAC), founded by World Health Organization (WHO) and Food and Agriculture Organization (FAO), from 1997 started to cover halal and kosher regulatory aspects as a part of

their activity (General, 1997). Halal religious-ethnic regulation covers wide range of fields including company activities, accreditation of certification bodies, safety and quality of foods and beverages, quality of cosmetics, perfumeries, personal hygiene products, genuine leather goods and some other products. Thus, it could be seen that halal certification could be relevant not just for the companies that produce and export foods, but also for business that operate in other industries. It is important to highlight that halal regulations have started to expand in other, service-based, areas such as Islamic banking, transactions of deposits and liabilities, tourism, supply chain and logistics, catering service, education and other fields as well. Thus, it could be concluded that halal business is a global and rapidly growing phenomenon that is becoming more and more important for business environment and societies of different countries. Interrelations between worldwide religions and business, consumption, quality value orientations as well as influence of national cultures and religion to the using effectiveness of modern management methods demand more profound further scientific researches.

*Scientific problem.* Although religious certification is becoming more and more popular among different companies based in various countries, including Lithuania, in the literature it can be noticed a lack of conceptual papers that seek to structure and summarise its scientific core. The similar trend can be observed in empirical context: little is still known about integration of religious certification requirements in the overall management systems in different enterprises as well as development opportunities of products having religious certification in non-Muslim countries. Unfortunately, the majority of European quality sciences textbooks and scholarly articles do not baselessly include religious-ethnic products, quality and certification aspects. Quality sciences and quality academics must always be pioneers in innovations of management measures for business practice and society.

The *aim of this paper* is to explore religious-ethnic quality requirements for different products, to discuss halal quality conformity assessment peculiarities as well as to reveal realization and development prospects of halal products in non-Muslim regions. *Methodology:* analysis and comparison of halal certification requirements and quality assurance guidelines from different countries and institutions; analysis of scientific literature surveying the field of halal certification; the investigation; survey and questioning of the consumers.

### **Consumers' religious-ethnic value orientation and quality**

Choice and consumption behaviour of food products are influenced by social norms (Bonne & Verbele, 2008a; 2008b). More over, religious faith is known to have a significant impact on personal and societal cognition, behaviour and consumption culture in general (McDaniel & Burnett, 1990; Mokhlis, 1999). Culture is defined as set of values, norms, believes rituals and symbols that are common for a certain group or community. Although religion is an important constituent of a culture, it could be noticed a tendency that majority of studies focuses on other cultural aspects as nationality, value system, etc. as an important factors influencing consumer behaviour (Ruževičiūtė & Ruževičius, 2011). Religion, on the other hand, impacts development of certain values and principles that in turn conditions human behaviour as well. A. Lindridge (2005) claims that ethical frame of religion that plays an important role in believers' lives, and thus, also determines consumption decisions and behaviour.

It is important to highlight that even same products are used all over the world the reasons for consumption reasons can be various and this trend are highly influenced by national, religious or ethnical values. For example luxury goods, in some countries can be used as a symbol of status, in others as an allusion to success and achievement, whereas for some segments it would mean an acquisition of membership in mainstream society. More over, not just the perceived value inequality exists among the nations. Other differences cover direct regulatory restrictions in a consumption of certain categories. Religious prohibitions are the most prevalent cases there. In business context the most prevalent religious prohibitions issues are related with Jewish Halakhic and Islamic law, related to kosher and halal products (Ruževičiūtė & Ruževičius, 2011).

Halal market is becoming one of the most important marketplaces in the contemporary world. The change in people products quality perception is one of the major factors for latter trend. Halal food products have existed for more man 1400 years, though only recently halal certification and marking practice have started to evolve (Muhammad *et al.*, 2009). Halal labels that are nowadays associated with safety, health, quality and even exotic (Alserhan, 2010, Fischer, 2005, Riaz & Chandry, 2004) result in occurrence of broader target market (not just 1.5 billion members having Muslim community) that is looking for fresh and pure food.

The spread of such a contagious infections as birds' flu or prion disease have also contributed towards positive image development of halal certification related with product safety, quality and hygiene

(Muhammad *et al.*, 2009). The growing perception of wellness importance, the better understanding about hygiene, the increasing concerns about animal well-being and slaughtering and even developed tastes have also influenced the increasing attention towards halal and kosher products (Treena, 2008). Big global corporations such as *McDonald's*, *Nestle Unilever*, *L'Oreal*, *Colgate*, *Baskin Robbins*, *Campbell Soup*, *Tesco* or *Sainsbury's* as well as some airlines and other industries try to conform to the Muslim society needs while producing certain halal product ranges meeting halal conformity. According to the experts of 2011 World Halal Forum, the global halal food market value was approximately 661 billion USA dollars in 2011 with expectations of the trend to increase in the following years (Kamaruzaman, 2010, Ruževičius & Žilinskaitė, 2011).

Notably, approximately 80% of halal food products are produced in non-Islamic countries, for instance three quarters of the exported French poultry meet the halal standards. Interestingly, one third of the halal products are consumed by non-Muslim consumers that perceive the halal certificate as a symbol of quality, ecology, health and ethics. This conception could be reasonably justified since halal standards raise comparatively high requirements for the ethics, quality and safety of the product. Apart from purely religious requirements, Islamic law also sets a strict regulation on animal well-being, health, slaughtering ways and means, hygiene, etc. Particular attention here is paid to humane slaughtering in order to cause as little pain and stress as possible to animal experience during butchering. That is why halal certification laboratories have particular technological devices that help to indicate not just the meat components prohibited by law, but also to estimate stress hormone levels (Riaz & Chandry, 2004, Ruževičiūtė & Ruževičius, 2011). It is important to note that several companies in Lithuania have recently started to produce the products that conform to halal and kosher requirements (Ruževičius & Žilinskaitė, 2011).

Contemporary certification system of products, organisations and employees is summarised in the model given in Figure 1. Certification of halal products is attributed to religious-ethnic certification subgroup. It covers both certifications of product quality and organizational process activities. In more detail, halal religious-ethnic regulation covers a wide range of fields including company activities, accreditation of certification bodies, the safety and quality of foods and beverages, the quality of cosmetics, perfumeries, personal hygiene products, genuine leather goods and some other products. Thus, one can see that halal certification could be relevant not just for the companies that produce and export foods, but also for businesses that operate in other industries. Halal regulations have started to expand in other service-based areas such as Islamic banking, transactions of deposits and liabilities, tourism, supply chain and logistics, catering service, education and other fields. Thus, it could be concluded that the halal business is a global and rapidly growing phenomenon which is becoming more and more important for the scholarly community, business environment and societies of different countries. On the other hand, halal certification becomes significant for manufacturers and service providers based in non-Muslim countries such as Lithuania.

### **Halal products quality assurance system**

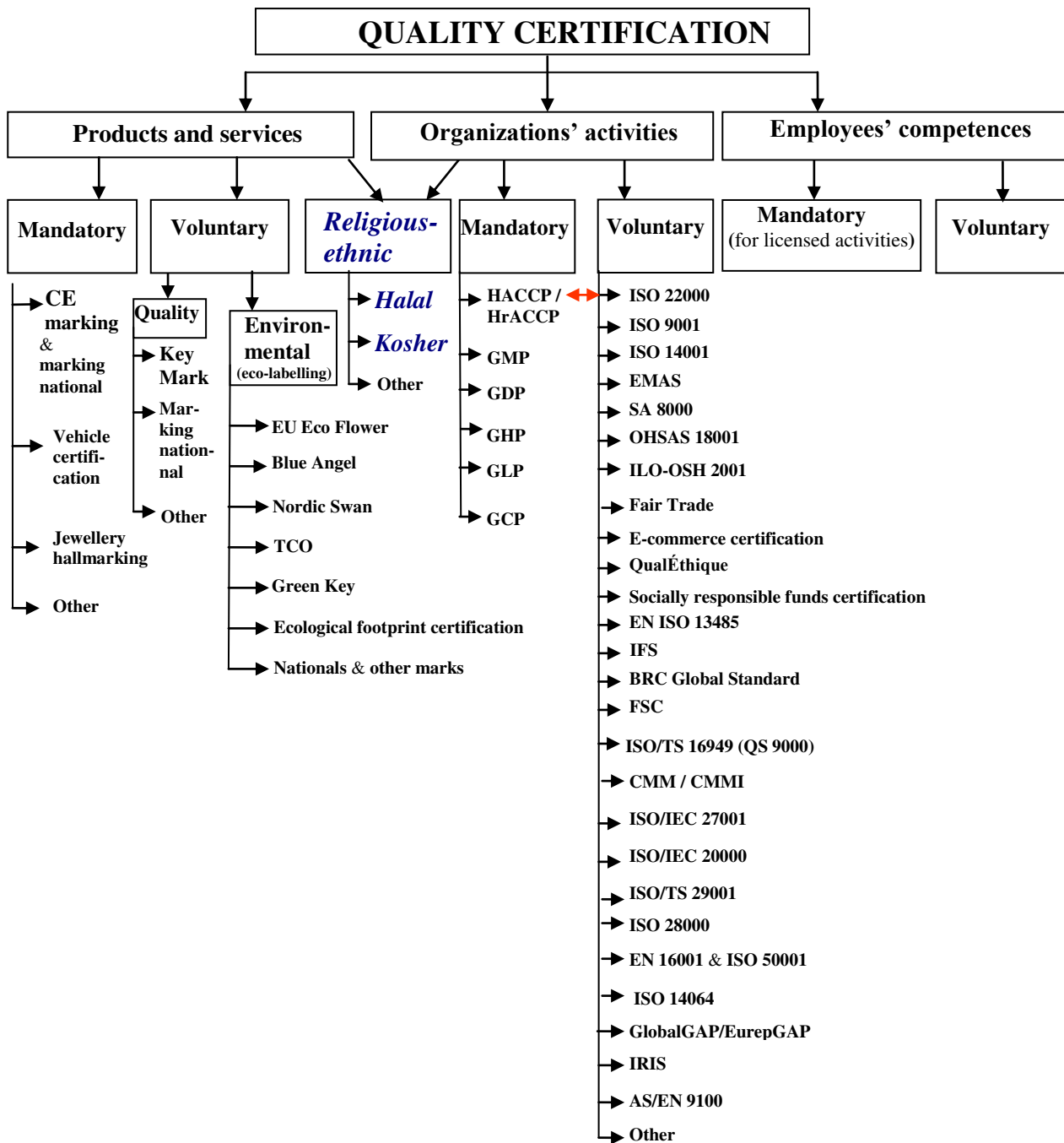
The halal certificate verifies product's conformity with Islamic Dietary Laws that cover two main principles: the absence of prohibited substances and assurance of high hygiene and safety level of a product. The core products that are forbidden in Islam are pork and alcohol, as well as other goods that had any interaction with the latter substances. The halal products are marked with an individual symbol that has a Lithuanian version since 2011 as well (see Figure 2). In contrast, it is important to note that products that conform to Jewish kosher requirements are marked with various and distinct certification marks.

With regard to the guidelines for halal certification CAC/GL 24-1997 developed by Codex Alimentarius Commission (General, 1997) and standardization for halal food (Standardization, 2004), 3 major requirements could be highlighted:

1. The product should contain any of the prohibited haram substances. Haram hazard is any kind of risk to be in contact with product forbidden in Islam (as mentioned before, the major ones are pork, alcohol, blood residue, etc.) as well as risk to contravene hygiene and safety requirements.
2. Animal slaughter should conform general hygiene as well as specific norms defined by Islamic laws
3. The absence of interaction with the prohibited substances (haram) should be assured in every stage of supply chain.

The main attributes of quality assurance system for halal products are given in Figure 3. This system should be developed and maintained with regard to E. Deming quality cycle 'Plan-Do-Check-Act' (see Figure 3). First of all, means, necessary for production of halal goods, should be planned, followed by

implementation and constant inspection of actual outcomes that in a case of incongruity should be corrected. The major element of halal quality assurance system should be production requirements for Halal products as well as their implementation. Codex Alimentarius commission guidelines that were mentioned above are the most widely applied ones in this context. More over, particular attention should be paid to the HrACCP (Haram Analysis Critical Control Points) that are known to be a sub-system of haram hazard as well. HrACCP are management points of halal quality that indicate where haram hazards are likely to occur. Due to the great significance, they should be also managed with regard to the HACCP system principles. It is also worth to highlight that the great importance should fall on the definition of main steps found in the development of halal quality assurance system – from initial decision to adopt halal certification to the actual production and supervision of the overall system (see Figure 3).



**Figure 1.** Contemporary international quality certification system  
(Source: developed by the author, using Ruževičius, 2008; 2010)



Figure 2. Halal products international certification marks

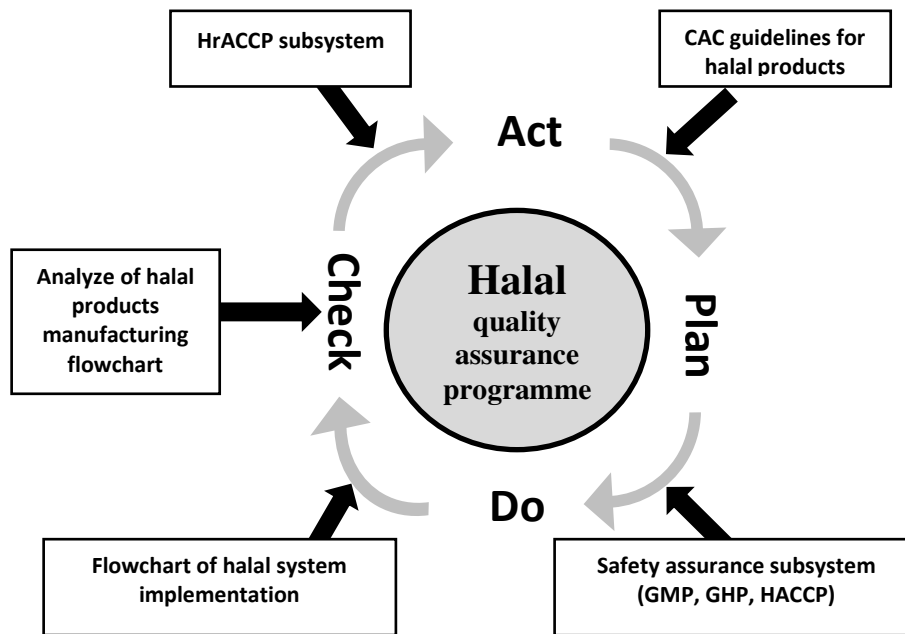


Figure 3. Halal quality assurance system  
(Source: Ruževičius & Žilinskaitė, 2011)

**Key:** CAC – Codex Alimentarius Commission; GMP – Good Manufacturing Practice; GHP – Good Hygiene Practice; HACCP – Hazard Analyzes Critical Control Points; HrACCP – Haram Analyzes Critical Control Points

There are number of potential obstacles to be met in the integration process of halal quality assurance system (Talib *et al.*, 2010; Ruževičius & Žilinskaitė, 2011):

1. Institutional obstacles: complex integration procedures or too strict certification process.
2. Economic obstacles: there are two major costs found in production of halal goods – direct costs and costs related with halal certification
3. Organisational obstacles: these obstacles, such as marketing strategy, technology, corporate culture, etc., are related with implementation of organisational changes.
4. Information obstacles: latter difficulties usually occur in the information, related with halal quality requirements, exchange process. Transition from general to halal production orientation requires specific system that covers both internal and external information flows.

### The research on realization and development prospect of halal quality products in Lithuania

The knowledge on halal products and their quality peculiarities is still very vague among consumers in Lithuania. Only recently this topic has started to attract an increasing mass media as well as business practitioners' attention resulting in the growth of enterprises having religious-ethnic certification or

conformity their production range to the halal requirements due to the export expansion intentions. However, the consumption rates of the products that meet different religious-ethnic quality requirement could be successfully fostered among the local non-Muslim consumer as well, if appropriate information and media tools were adopted. This fact could be based on experience of foreign countries: It is estimated that 30% of the halal products are consumed by non-Muslims that perceive the halal certificate as a symbol of quality, ecology, health and ethics (Riaz & Chandry, 2004; Ruževičiūtė & Ruževičius, 2011).

It could be noted that even in such a small country as Lithuania, where Muslim and Jewish communities compounds less than 1% religious community, local entrepreneurs are commencing to conform their businesses to the standards of halal and kosher requirements. It is important to note that some local and foreign halal products could be already found in some supermarkets in Lithuania, for instance 'Prisma' (Vilnius). As mentioned earlier, relatively high volume of halal products are consumed by non-Muslim consumers. This fact suggests an assumption about positive halal market prospects in Lithuania as well. In order to justify the latter statement and analyse realization opportunities of halal production in non-Muslim countries better, the author of this paper carried out the study in the 5 biggest cities in Lithuania (Vilnius, Kaunas, Klaipėda, Šiauliai ir Panevėžys). The research aimed to reveal the level of consumer knowledge on halal products, their quality and potential consumption intentions. In total 526 respondents, aged between 18 and 65, participated in this study based on questionnaire survey. The sample and the structure of survey provide 90% reliability of the research results. There were no statistically significant differences between the responses of respondents from different cities. That way below is summarizes the results of the respondents survey from all cities.

The majority (89.5%) of Lithuanian residents of large cities surveyed did not know what halal food products are. When recognizing the halal consumers, they note these products as more environmental friendly, without genetically modified organisms and synthetic food additives covered by the letter E. Nearly a third of respondents note the halal products as healthy. More than two-thirds of study participants would agree on concept of religious-ethnic department (e.g. halal, kosher, etc.) establishment in the major supermarkets in Lithuania, while the vast majority (90%) of the respondents would like to get more classified information about halal products and their quality. Earlier study showed that the halal certificate enabled all surveyed Lithuanian enterprises to extend their trade into new markets, and not only for export to Muslim countries (such as Malaysia, Indonesia, Saudi Arabia, African countries Azerbaijan, Afghanistan, Iraq), but also to closer countries such as France, Holland, Denmark, Germany, Sweden, and countries of America (Ruževičius & Žilinskaitė, 2011). All this and this article author's survey results suggest that through the consumers' education and with halal-marketing tools by a long time can expect the development of those products realization in Lithuania – in non-Muslim country.

## Conclusions

The orientation towards the value of quality is a new trend of modern quality management sciences. The orientation towards the value of quality (national, social, religious, government bodies, market participants, and consumers) and quality culture are rather important in the global economical collaboration and trade, as well as in the international communication on the business, scientific or personal level. The orientations towards the value of quality are manifested in different aspects, such as customer preferences, the use of different management methods and systems, product and service consumption, assortment of goods, business lunch traditions, etc.

Halal market is becoming one of the most profitable and influential marketplaces in the world. This economic and social phenomenon is strongly influenced by increasing trends of globalisation, self-awareness growth among members of Muslim community as well as developing sense of exclusivity and uniqueness. Halal quality certification becomes important for non-Muslim countries such as Lithuania, as well, since global practice shows increasing trends of halal products consumption in mass society and the growth in their production in non-Islamic regions. It is important to note, that the results of survey carried out under the framework of this paper have also confirmed the latter statement. Halal standards raise comparatively high requirements for the ethics, quality and safety of the product. Apart from purely religious requirements, Islamic law also sets a strict regulation on animal well-being, health, slaughtering ways and means, hygiene in the overall supply chain of the products.

The religious-ethnic quality regulation includes the following spheres and products:

- activities of enterprises manufacturing products and enterprises of the whole support chain for those products;

- terms of growing, selecting and killing animals;
- requirements to the personnel;
- hygienic requirements;
- religious requirements;
- accreditation of certifying organizations;
- quality of food and ingredients;
- quality of perfume-cosmetics products and their ingredients;
- quality of self-hygiene products;
- quality of drugs, medicaments and their ingredients;
- quality of services (banking, hotels, travelling, etc.).

The author suggests using the quality management system ISO 9001 as a base of a systemic approach to quality control that is highly required in halal certification. Haram hazards can be managed by the principles of HACCP. Other hygiene and sanitation requirements can be fit by an internal manufacturer's food quality system. The effective application of traditional food safety and quality standards, for instance HACCP, GMP, GHP, ISO 22000, could contribute towards efficient halal production integration in the overall management system of a company.

Consumers of Lithuania are still vaguely advised about halal food products and their peculiarities. However, survey results show that the need for such knowledge exists. More than two-thirds of study participants would agree on concept of religious-ethnic department establishment in the major supermarkets in Lithuania, while the vast majority of the respondents would like to get more classified information about halal products and their quality. These facts lead towards assumption about positive development and realization prospects of halal products in non-Muslim countries if appropriate mass media and halal-marketing tools were employed.

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