

Authorities Perspectives Towards the Implementation of Shariah-Compliant Hotel in Malaysia

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Abstract

Islamic products and services have high contribution to the economy recently. This contribution has inspired Malaysia to set its mission to become a global halal hub. Halal hub generally relies on the level of awareness among Muslim particularly the authority in understanding the main concept of Shariah-compliant products and services. This paper will principally discuss on Shariah-compliant hotel industry by elaborating the important criteria from the perspectives of the authority in achieving the Shariah-Compliant hotel status in Malaysia. Focusing on qualitative method, this study used in-depth and open-ended interviews with the authorities namely JAKIM and JAHEAIK. Interviews were recorded, transcribed and analyzed. It is found that JAKIM and JAHEAIK stated very limited criteria to specify a Shariah-compliant hotel. However, through interviews, JAKIM and JAHEAIK have provided some insights on how to fully achieve the Shariah-compliant attributes. This paper is important as it can significantly provide much needed feedback from the authority perspectives for the use of interested industry players.

Keywords: authorities, shariah-compliant, Malaysia

1. Introduction

The development of the tourism industry shows annual improvements. It contributed 7 per cent of the approximately RM 8.5 trillion per year to the Malaysian economy. With this healthy development, Malaysia should take initiative to discover and control the market needs for this industry. Malaysia nowadays has been leading the Halal tourism industry. Thus, Shariah-compliant hotel is one of the products which can be further developed to cater this growing market. In Malaysia, at federal level, the framework for halal food has been established by authority Malaysian Islamic Development Department (Jabatan Kemajuan Islam Malaysia - JAKIM) and in state level, by state Islamic religious Department such as Islamic Religious Matters of Kelantan (Jabatan Hal Ehwal Agama Islam Negeri Kelantan - JAHEAIK) and these have been accepted locally and internationally. However, despite this global acceptance, a proper framework of Shariah-compliant hotel is not in place and has not been emphasized as a guideline for hoteliers. As at 2015, over 300 hoteliers have taken initiatives to comply with JAKIM Halal certificate scheme. This figure amounted to only 7% of the total number of hotels in Malaysia. Despite the high demands from Muslim tourists, this tiny percentage definitely represents an under supply. Therefore, it is important to identify from the authority's perspective the criteria in achieving the Shariah-compliant hotel status.

2. Review of Literature

2.1 Global Travel Market for Muslim Tourist

The Shariah-compliant hotels are one of the newest editions in the conceptual hotel market trend nowadays. According to Azmin, Azhani, Khalifah, Ismail, Salleh & Zafir (2015), Shariah-compliant hotel is a new innovative and creative services offered by hotels around the world. By looking at the current scenario, Muslims cover 29% of the world's population, most living in the Middle East. This means that there are around 2 billion potential guests that will be attracted to enjoy the benefit from Shariah-compliant hotels. In the meantime, Halal is the fastest growing industry in Malaysia as well as in other regions whereby consumers looking for the type of travelling that will fulfil their needs and wants which is in accordance with Shariah attributes (Idris & Wahab, 2015; Aslan Efe & Efe 2018). Moreover, Mohamad, Yahya, Azer & Hamzah (2013) highlighted that Malaysia is a safe destination for

Muslim travellers because it can cater for their special needs. We put a great concern on halal food, halal manufacturers, halal pharmaceuticals, halal cosmetics, halal packaging, halal logistics as well as halal services from all over the world (Idris and Wahab, 2015; Samori and Rahman, 2013; Atici, 2018). In addition, the trend is currently moving towards travelling activities (Salleh, Hamid, Hashim & Omain, 2014; Artha & Mulyana 2018) by which Halal friendly travel is becoming one of the fastest growing segments within the travel industry, subsequently Halal friendly facilities are now in growing demand (Samori & Sabtu, 2014; Salleh, Hamid, Hashim & Omain, 2014; Bosupeng, 2018).

2.2 Shariah-Compliant Hotel Concept and Practices

Shariah-compliant hotel (SCH) is a relatively new concept by which it is known as Islamic hotels that provide services in accordance with Shariah principles (Azmat, Skully & Brown, 2014; Andrade & Fiamenghi-Jr 2018). Shariah-compliant hotel can be defined as a hotel that provides services and makes financial transactions based on completely Shariah principles, not limited to serving halal food and beverages but also for health, safety, environment and the benefits on economic aspects of everyone, regardless race, faith or culture (Jurattanasan & Jaroenwisan, 2014).

In response to the formation of Shariah-compliant hotel in Malaysia, there exist some hotels which serve basic facilities to fulfil the Muslim tourists' needs and known as '*Muslim friendly hotel*' (Samori & Sabtu, 2014; Samori & Rahman, 2013). Most of this kind of hotels are located in Kuala Lumpur, Selangor, Kelantan and Terengganu. To name few; PNB Darby Park Hotel and Putra Hotel in Kuala Lumpur, UiTM Hotel and Grand Bluewave Hotel in Shah Alam, Raudah Hotel and Perdana Hotel in Kelantan as well as Tabung Haji Hotel in Terengganu. For instance, De Palma Hotel in Ampang, Kuala Lumpur is one of the hotels that comply with the Islamic concept and positions itself as a Shariah-compliant hotel (Sahida, Rahman, Awang & Man, 2011; Anthony, Osho & Sen 2017). In addition, the influx of Middle East tourists to Malaysia provides immense opportunities for SCH when these hotels are attractive to these tourists for accommodation which in turn will increase the SCH profits (Salleh, Hamid, Hashim & Omain, 2014).

3. Methodology

The objective of this study is to identify the authority perspectives towards the criteria of SCH. In order to achieve this objective, an in-depth interview was conducted with two authorities which are known as Jabatan Kemajuan Islam Malaysia (JAKIM) and Jabatan Hal Ehwal Agama Islam Negeri Kelantan (JAHEAIK). Two respondents were interviewed covered the open-ended questions during the study. The interviews were recorded, transcribed and categorized within a week. Categories based on relevant themes were established after examination of the data. The data were sorted into categories using key words as codes. Several issues were brought up and discussed in the next section.

4. Data Analysis and Results

4.1 Feedback on Shariah-Compliant Hotel by JAHEAIK and JAKIM

From the interviews conducted, several issues were highlighted by the respondents from the authority. The detail information and description are presented in Table 1.

Table 1. Information and description

No.	Scope of discussions	JAHEAIK	JAKIM
1	Functions	Halal Certification Consultation Thorough checks Monitoring Withdraw Halal Certification as an action for Halal non-compliance	Halal certification which includes products from Malaysia, Thailand, Middle East, Australia and New Zealand. Consultation on Shariah-compliant issues to interested companies. Coordinate monitoring for each state to act. Periodic ambush to non-compliant companies based on complaint reports.
2	Directions and	No specific directions and instructions received	No specific directions and instructions received

Instructions			
3	Law and Acts	<i>Akta Perihal Dalam Negeri</i> on halal and prohibition of abusing the Halal logo.	KPDNKK Enactment
4	Maqasid Shariah	Maqasid Shariah, particularly in protecting life and lineage by prohibiting cases such as murder, rape and adultery in the hotel is identified as main guide in structuring Shariah-Compliant hotel.	-
5	Attributes of Shariah-Compliant Hotel	Halal Kitchen – no pork, alcohol and etc. Praying gears in hotel room (mat, Al-Quran, Kiblat direction) Other facilities to fulfil Muslims' religious needs	Staff has the time and is mandatory to perform Friday prayers Availability of Islamic knowledge courses and the requirement for staff to attend Staff has to cover themselves properly, so the staff has to be Muslim. Staff can perform fasting ritual. The financial investment must be monitored to take into account the lawful terms of the transaction. Playing of music is replaced with playing of Al-Quran recitation. Small percentage on Shariah non-compliant investment is allowable but not on food preparation. The Shariah-compliant hospital attributes can also be adopted for hotels.
6	Guidelines and Framework	No official guidelines No official framework However, currently, periodic checking and monitoring of hotel rooms for non married couples activities and halal kitchens are already in practice.	No official guidelines No official framework Requirement to appoint Shariah advisory panel for hotels Provide criteria guidelines on certain aspects: organisation, finance, architecture, Kiblat and washrooms. Then, SIRIM will be called to do thorough checks. Adoption of SIRIM Standard (Ten Critical Point) for 'Muslim Friendly' Food to Shariah-compliant hotel standard. Hotels are not forced to follow the Shariah-compliant requirements, but once applied, they must fully comply.
7	Current Status	Certification of Halal Kitchen to 19 hotels in Kelantan as Halal Kitchen is identified as the major attribute of Shariah-Compliant Hotel. Self-proclaimed Shariah-Compliant hotels include:Perdana Hotel (Kelantan), Grand Blue Wave Hotel (Selangor), De Palma Hotel (Kuala Lumpur) and Tabung Haji Hotel (Terengganu). Tabung Haji Hotel's Shariah Compliant status is certified by	Dismantling the problems in terms of legislation is in progress to provide enlightenment on Shariah- compliant to the industry. The function to certify Shariah-compliant hotel status has been given to the state's Islamic councils, but states do not implement officially. Due to restricted functionality and authority, JAKIM has presented proposal to enlarge its jurisdictions and functionality to Vice Prime Minister in order to take action to Shariah

		Tabung Haji as a special case.	non-compliant service providers. The issues surrounding the law have also been presented to the AG, to formulate and define Shariah-compliant, and the manner that JAKIM can enforce the law without intruding the states' Islamic jurisdictions.
8	Issues	Some hotels do not agree with the attributes of Shariah-Compliant Hotel It is impossible for the hotels to obtain Shariah-Compliant status as majority of the hotels are not complying. Difficulties in awarding Halal Food and Halal Kitchen certifications Shariah-compliant Hotel certification, if in place, cannot be enforced to all hotels, but only to those that decided to get the certification. Therefore, hotels writing in to obtain Shariah-compliant status, is more suitable. There is no law on Halal to enforce. Halal Act has been proposed but received objections from non-Muslim members in the Parliament.	The implementation of Shariah compliant hotel is under the jurisdiction of the State Islamic Council. Restricted functionality and authority by JAKIM. E.g.: Certification on Shariah-compliant movie cannot be awarded as the function falls within states' Islamic councils For Shariah-compliant hotels, no action can be taken if they do not comply due to no law is provided on this matter.
9	Feedback from hoteliers on Shariah-Compliant hotels	Majority give positive response. However, the implementation initiative is slow or under discussion. Self-initiated actions by the hoteliers include rules that prohibit non-married couples to stay in the same hotel rooms, and create common Islamic facilities to control the Shariah non-compliant activities, not serving alcohol, uniforms that are not revealing the prohibited parts of the body (aurat) and providing transport to the Mosque for morning prayer.	A hotel has its own criteria in creating the Shariah-compliant environment. De Palma Hotel in Ampang and Kelana Beach Resort in Negeri Sembilan are recognized by JAKIM as Shariah-compliant hotels. Halal and Shariah-compliant status has marketing power. Some hotels are not interested because no strong will power to comply and the profitability is not expected to increase dramatically. According to SIRIM record, not many hotels applied for Muslim Friendly status in 2013.
10	Action Plans/ Suggestions	Preparation of Shariah-compliant guidelines for hotels. Official announcement of the guidelines.	Cooperate with Tourism Ministry to include clauses on Shariah-compliant hotel. To propose the Shariah-compliant hotel implementation to states' Muftis.

5. Conclusion

Generally, both JAHEAIK and JAKIM are supporting the implementation of Shariah-compliant hotels. However, their level of jurisdictions and authority are different, of which JAHEAIK consumes more power at the State level, while JAKIM has restricted functionality and authority. Although no official guidelines and frameworks on Shariah-compliant hotels are yet in place, both JAHEAIK and JAKIM have their own ways to monitor and provide consultations to the interested hoteliers. It can be concluded that both the authorities are aware on the demand and interest of some hotels in obtaining Shariah-compliant hotel status. Despite of lacking in law, framework and regulations, the consultation and monitoring are already in place. There are several issues that need to be ironed out before the certifications of Shariah-compliant hotels can be realized officially.

Therefore, recommendations of guidelines and framework for Shariah-compliant hotels are very relevant. Future studies can also include the possibility of providing enabling environment through law and regulations, because it is

very crucial for the smooth implementations of Shariah-compliant hotel. As the implementations of Shariah-compliant hotel is by choice and not forced to every hotels, the effort should not be prevented by non-Muslim community in Malaysia. The awareness, acceptance, level of compliance and will power can also be areas to study, from the perspective of hoteliers and customers.

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