
Halal Product Acceptance towards Intrapreneur Development

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Abstract: - The acceptance of halal product is common in Indonesia. Dominated by the Muslim people, Indonesia become one of the larger countries that provide halal product. Situation relatively getting interesting when the halal product not only become one product to be consumed, but also how the intrapreneur involved in it. Intrapreneur needs to know the potential consumer and product. The research study about the acceptance halal product towards the intrapreneur development. This study conducted in Central Java Indonesia, with survey respondents. The result shows that the acceptance halal product has effect to intrapreneur development.

Key-words: Halal product, intrapreneur, Central Java.

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1. Introduction

As the first organization to provide halal food *certifications* in 1974 [5], the Research Center of the Islamic Affairs Division of the Office of the Prime Minister and Religious Affairs of the Islamic Development Department of Malaysia were the originators of the term. Halal is now a standard and is receiving significant attention in local, global, and international commercial markets as well as as a growing frontier in product innovation, manufacturing, supply chain management, and halal logistics, as well as in new fields for study and publishing. As a result, the halal

principles are no longer just seen as a religious practice; they have also helped to establish a new way of thinking about global issues like

sustainability, environmental awareness, food safety, and animal welfare, as well as how food is processed, transported, and distributed [1].

To achieve the shared objective of educating customers about the significance of consuming halal food, each party must fulfill their respective tasks [8]. It is intended that as they become more knowledgeable and aware of superior halal goods and services, they will have more purchasing power and will

eventually pressure uncertified businesses to obtain halal certification. Not only for large companies but also startups and small businesses or MSMEs with the theme of halal products.

In their first three years of operation, startups and MSMEs must overcome legislative problems in addition to those related to financing, marketing, technology, production, operations, and management [6]. These difficulties, particularly the issuing of halal laws faced by new food SMEs, might have an impact on the expansion and survival of businesses, as is the case in Malaysia. In Indonesia, consumers check whether a product is halal. These firms may become unsure as a result of the issues' varying degrees of intensity. When internal variables are taken into account, the failure rate for small- and medium-sized businesses can be quite high.

Some challenges faced will be facilitated by the existence of support. One of the supports is the existence of a relevant business form. There are many forms of business with professional business goals. One of them is with intrapreneurs. Intrapreneurship or known as corporate entrepreneurship and venture companies [3].

Internal venture entrepreneurship, also known as intrapreneurship, needs the venture creator to possess an entrepreneurial spirit, the capacity to seize on rare chances, and the capacity to make changes inside the preexisting corporate framework. People who start new businesses or creative ideas within established firms are known as intrapreneurs[2]. Therefore, carrying out a combination of binding halal products to intrapreneurs is an alternative to developing halal products.

2. Literature Review

The word "halal" is widely used in today's corporate sector [5]. When Malaysia's Religious Development Department and the Prime Minister's Office pioneered the granting of Halal food certification in 1974, Halal first arose from those organizations. In

addition to receiving significant attention in local, global, and international commercial markets, halal is also becoming a standing rule and represents a new frontier in product innovation, manufacturing, supply chain management, halal logistics, as well as in new fields of study and publishing. The halal principles, which include food processing, transportation, and distribution, are increasingly seen as more than just a religious rite in the context of contemporary global challenges including sustainability, environmental awareness, food safety, and animal welfare [1]. After thereafter, the halal principles spread to Indonesia and other nations. In Indonesia, a country where Muslims make up the majority of the population, halal products are in high demand and are expanding.

Consumers will become more knowledgeable and capable of making educated judgments regarding their intake of food and services if ongoing efforts are made to spread information about the newest Halal products and services [5]. It is intended, he said, that their knowledge of and comprehension of halal goods and services would also boost their purchasing power, which will in turn encourage businesses that are not certified to apply for certification.

Studies by [5] attempts to evaluate earlier research on the elements that affect consumers' decisions to purchase food goods, regardless of whether such products are already halal certified. Studies that have been reviewed indicate that marketing strategies and educational initiatives are the main means of ensuring the success of the halal business. A greater grasp of the halal production process, from choosing components to having the product ready for consumption, is necessary for both customers and business owners. There are several ways to expand their knowledge, including public service announcements, training sessions on price, and product marketing that encourages entrepreneurs to concentrate on appealing product features.

Generally, business makers own these characteristics: visionary, passionate, daring to take risks, and toughness [2]. These characteristics are also owned by

intrapreneurs. Despite being in corporate culture, but highly value high aspirations and ambition to achieve goals. Like entrepreneurs, intrapreneurs also always display strong motivation for doing something creative.

Intrapreneurs are practical and show a strong dedication to seeing their ideas through to completion. Intrapreneurs must learn the art of managing organizational processes, unlike entrepreneurs. They must have a thorough understanding of the external world, utilize organizational resources and positions wisely, and stay clear of traps and barriers that are buried deep within the company [2].

The phrase "intrapreneur" was first used by Pinchot in his 1986 book *Intrapreneuring* [4], in which he argued that businesses must innovate to compete with their more sophisticated rivals and to enable internal self-renewal. Intrapreneurship by [3] or what is known as corporate entrepreneurship and venture companies. Internal venture entrepreneurship, also known as intrapreneurship, needs the venture creator to possess an entrepreneurial spirit, the capacity to seize on rare chances, and the capacity to make changes inside the preexisting corporate framework. People who start new businesses or creative ideas within established firms are known as intrapreneurs [2].

3. Research Method

The research was conducted using 50 entrepreneurial respondents in the Central Java region. This research uses the PLS-SEM analysis tool. Acceptance halal product used awareness and safety. Intrapreneur

development used creativity, knowledge, commitmen

4. Result and Discussion

This research uses the variables...

Table 1. Outer Loadings

	Acceptance	Intrapreneur
Awareness	0.883	
Commitment		0.914
Creativity		0.806
Knowledge		0.842
Safety	0.937	

Table 2. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Acceptance	0.797	0.847	0.906	0.829
Intrapreneur	0.817	0.845	0.891	0.732

The outer loading results show a value above 0.70, which translates to a satisfactory degree of dependability for the indication. (Hair et al., 2022). The validity test was carried out related to convergent validity and discriminant validity. The indicator

employed is Average Variance Extracted (AVE), also known as convergent validity, which measures the distribution of variance between a concept and its indicators. If the construct has an AVE with a minimum

threshold of 0.5, convergence validity is fulfilled. (Hair et al., 2022).

A higher number for the composite reliability criterion denotes a better degree of dependability (Hair et al. 2022). All variables

exhibit strong reliability, with a composite reliability score greater than 0.70. A Cronbach's Alpha score better than 0.70 indicates that the constructs are internally consistent, as shown by Hair et al. (2010).

Table 3. Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Acceptance -> Intrapreneur	0.738	0.746	0.057	12.909	0.000

Table 4. R Square

	R Square	R Square Adjusted
Intrapreneur	0.545	0.535

Table 5. F Square

	Acceptance	Intrapreneur
Acceptance		1.195
Intrapreneur		

Acceptance to Intra has a significant influence and the coefficient for Intra is 0.738 indicating a positive influence. The independent variable may account for 53.5% of the influence on the dependent variable, according to the adjusted R Square value of 0.535.

The effect size values, which correspond to modest, medium, and large effects of exogenous latent variables, were 0.02, 0.15, and 0.35, respectively. Acceptance of Intrapreneur has a rating of 1.195, indicating a significant impact.

Consumers will surely become more knowledgeable and capable of making educated judgments regarding their intake of food and services if ongoing efforts are made to spread information about the most recent Halal products and services [5]. He said that it is anticipated that their knowledge of halal goods and services will boost their purchasing power, compelling uncertified businesses to acquire halal certification.

Studies by [5] attempts to evaluate earlier research on the elements that affect consumers' decisions to purchase food goods,

regardless of whether such products are already halal certified. Studies that have been reviewed indicate that marketing strategies and educational initiatives are the main means of ensuring the success of the halal business. Both business owners and customers need to learn more about halal principles and the halal production process, from choosing ingredients through the point at which the product is ready for consumption. There are several ways to expand their knowledge, including public service announcements, training sessions on price, and product marketing that encourages entrepreneurs to concentrate on appealing product features.

Generally, there are several things that are owned as characteristics of business makers, namely visionary, passionate, daring to take risks, and toughness [2]. These characteristics are also owned by intrapreneurs. Despite being in corporate culture, but highly value high aspirations and ambition to achieve goals. Like entrepreneurs, intrapreneurs also always display strong motivation for doing something creative.

Intrapreneurs are practical and show a strong dedication to seeing their ideas through to completion. However, intrapreneurs must learn the fine skill of controlling organizational processes, unlike entrepreneurs. They must have a thorough understanding of the external world, utilize organizational resources and positions wisely, and stay clear of traps and barriers that are buried deep within the company [2].

The phrase "intrapreneur" was first used by Pinchot in his 1986 book *Intrapreneuring* [4], in which he argued that businesses must innovate to compete with their more sophisticated rivals and to enable internal self-renewal. Intrapreneurship by [3] or what is known as corporate entrepreneurship and venture companies. Internal venture enterprise, or intrapreneurship, calls for the venture creator to possess an entrepreneurial spirit and the capacity to seize rare chances and execute changes within the confines of the already-existing company structure. People who start new businesses or creative

ideas within established firms are known as intrapreneurs. [2].

The intrapreneur's extrinsic motivation is more tentative to take the financial risk at the risk of own assets. The intrinsic motivation is the driving force: Control One's Destiny, Exploration of the Entrepreneurial Experience, Driven Force: Challenging Circumstances, Desire to Achieve, Team-Oriented, Horizontal and Vertical Relationship Building, Influence of Role Models, Praise and Recognition for Good Work Done, Driven Force: Taking on New Challenges, Driven Force Desire to Achieve, Avoids Bureaucratic, Learning from Wide Exposure to Other B (varying degrees with 1 exception) [7].

Therefore, as an alternative form of business with halal products that have a lot of demand in Indonesia, efforts are made to develop them. Besides, it can be a way to use halal products by adapting them.

5. Conclusion

Reviews of these halal products associated with intrapreneurs are expected to provide insight into an alternative form of business

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