

An Analysis of Gen Z Entrepreneurs' Interest in Halal Certification

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Abstract

This research aims to assess the interest of Gen Z entrepreneurs in halal certification and evaluate the literacy level regarding its significance, particularly in the food sector. The study uses a quantitative research method, collecting primary data through structured questionnaires distributed to Gen Z entrepreneurs in the food and beverage industry. The study investigates the relationship between halal certification literacy, the attitudes of entrepreneurs, and their interest in obtaining the certification. Using the Theory of Planned Behavior (TPB) as the theoretical framework, the research explores how knowledge and awareness of halal certification influence attitudes, and how these attitudes affect interest in pursuing certification. The findings are expected to provide insights into how well-informed Gen Z entrepreneurs are about halal certification, and how their attitudes shaped by this knowledge impact their business decisions. By understanding these dynamics, the study offers valuable recommendations for policymakers and institutions responsible for promoting halal certification, focusing on facilitating the process and enhancing awareness among young entrepreneurs. The research further highlights the importance of improving literacy on halal certification, as it plays a significant role in encouraging entrepreneurs to pursue certification, ultimately contributing to broader compliance within the food industry.

Keywords: Gen Z Entrepreneurs, Halal Certification, Literacy, Attitude, Interest

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1. INTRODUCTION

In 2030, Indonesia will receive a demographic bonus with the opportunity to achieve Golden Indonesia to become a developed country with an income of 50 per capita (Nur Anisa, 2023). Micro, Small, and Medium Enterprises (MSMEs) are important in realizing this by improving the quality and services provided. The impact of increasingly tight business competition supported by global interactions between business actors consumers, and producers, especially in Southeast Asia. Generation Z is an important factor in realizing a Golden Indonesia.

Karl Mannheim's book entitled "The Problem of Generation" introduces the generation theory which states that every human being will influence each other and form characters that tend to be the same (Kristyowati, 2021) so that population demographics are divided into several groups, namely PreBaby Boom (born in 1945 and before), The Baby Boom

(born between 1946 during 1965), The Baby Bust or generation 1998-2009), and Generation Alpha (born in 2010). The characteristics of Gen Z are that they are technologically fluent in interacting with social media, expressive, and tend to be tolerant and multitasking (Laturette et al., 2021).

In recent years, interest in halal food certification has increased, especially with the implication of halal certification obligations no later than October 17 2024 by Law No. 33 of 2014 and PP No. 39 of 2021 with three product groups (Alfarizi, 2023). Firstly food and beverage products, secondly raw materials, food additives and auxiliary materials for food products, and third slaughtered products and slaughtering services (Charity, 2017). Behavioral theory explains that a person's behavior is influenced by the environment and is the result of a person's observation of other people's behavior which is then imitated into behavior when receiving the same stimulus.

The behavioral theory developed by Ajzen & Fishbein, namely the theory of planned behavior (TPB), is a theory that has been proven to be able to predict behavior in various attitudinal and behavioral domains (Ajzen & Schmidt, 2020), both methodologically and theoretically (La Barbera & Ajzen, 2021). The TPB begins with an explicit definition of the behavior of interest in terms of the target, the actions involved, the context in which it occurs, and the time frame. Behavioral intention explained by Ajzen and Fishbein can measure the strength of the goal to carry out a certain action (Persulessy, et al, 2020). In short, the TPB contains three main elements, namely behavioral interest, subjective norms, and behavioral attitudes. The stronger the positive attitude towards behavior and social norms towards behavior, the stronger the interest in behaving. If there is high interest, individuals tend to carry out certain behaviors (Adiyanto & Amaniyah, 2023).). In this case, an in-depth analysis is needed regarding the interest of Gen Z entrepreneurs in halal certification. Thus, this research aims to measure the literacy level of Gen Z entrepreneurs in the food sector regarding the importance of having a halal certificate and see its influence on the attitudes and interests of business actors in having a halal certificate.

2. RESEARCH METHODS

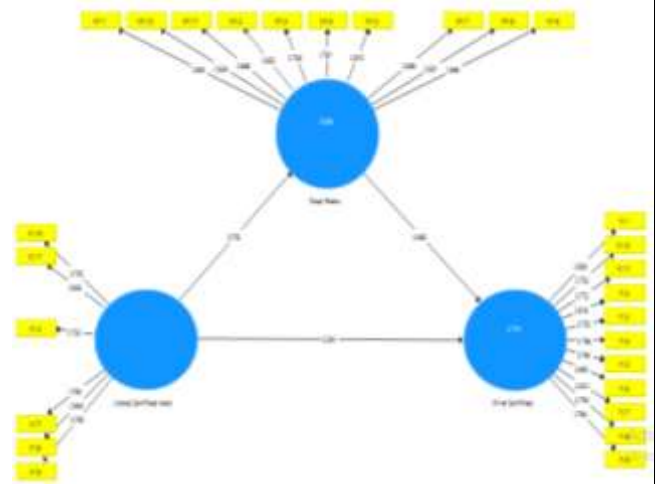
The population of this study is Gen Z food entrepreneurs who take part in the Off-Campus Entrepreneurship Study Program, and who live in Jombang Regency. This research sample applies a probability sample, meaning that all Gen Z Entrepreneurs (KDLK Entrepreneurship Participants) have the opportunity to be part of the research sample. The total sample used was 90 people, all of whom had businesses in the food and beverage sector. The data collection procedure used in this research is structured data collection, namely data collection through submitting a formal questionnaire. This research model uses a structural model, namely an equation model that applies multivariate statistical techniques which is a combination of factor analysis and regression (correlation) analysis, which aims to test the relationships between variables in a model, be it between indicators and their constructs, or relationships between constructs. Data analysis was

carried out using the direct influence test and mediation effect test using the software program Partial Least Squares (PLS) 3.2.9.

3. RESULTS AND DISCUSSION

3.1. Results

Evaluation of Measurement Model atau Outer Model



Convergent validity aims to see how far the positive correlation is with alternative measures of the same variable. To determine convergent validity, it is necessary to consider the outer loadings value of the indicator, which exceeds 0.7 so that the table above meets and is declared valid.

Table 1. AVE Test Results

Variable	AVE	Information
Literacy Halal Certification	0,634	accepted
Perpetrator's Attitude	0,625	accepted
Interest in Certification	0,684	accepted

From the table above it can be interpreted that the average variance extracted or AVE has a value above 0.7, which means that all valid items are also reliable. Discriminant validity can be assessed through cross loading analysis on each variable indicator, where the minimum expected value is 0.7. In addition, the relationship between variable indicators must be stronger for the variables they form compared to other variable indicators. Based on the research results, each indicator has the highest cross loading value for the variable it forms, compared to the values for other variables. Therefore, it can be concluded that the indicators in this research have shown good discriminant validity in forming their respective variables.

Table 2. Construct Reability Test

Variable	Composite	Cronbach's Alpha	Information
Literacy Halal Certification	0,912	0,884	accepted
Perpetrator's Attitude	0,948	0,940	accepted
Perpetrator's Attitude	0,956	0,948	accepted

The reliability test results show that the Cronbach's Alpha value meets the requirements, namely more than 0.7. Likewise with the Composite Reliability value which also meets the specified criteria. Thus, the data has adequate reliability and can be proceed to the inner model testing stage to evaluate the influence of the relationship between variables.

Evaluation of Structural Model atau Inner Model

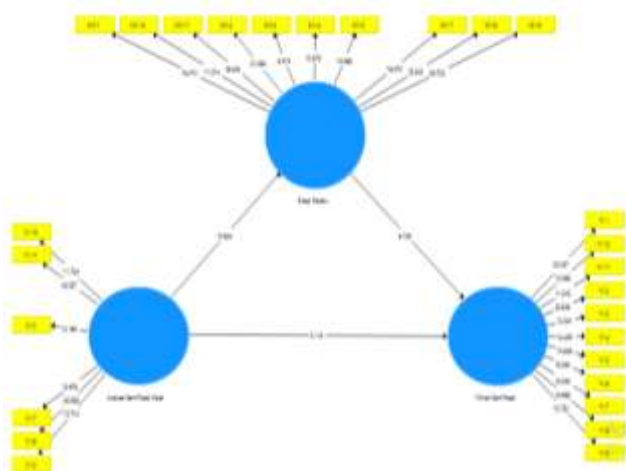


Table 3. R- Square Test

Variable	R Square	R Square Adjusted
Prepetrator's Attitude	0,774	0,769
Interest in Certification	0,566	0,561

The R-Square value of 0.774 or 77.4% indicates that halal certification literacy has a significant influence on the attitudes of Gen Z business actors, with the remaining 22.6% influenced by other factors not included in this research variable. This result is included in the strong model category because the R-Square value is above 0.7. In addition, an R-Square value of 0.566 or 56.6% was found for the influence of halal certification literacy on certification interest, with the remaining 44.4% influenced by other factors not studied. This result is included in the medium model category because the R-Square value is more than 0.5.

Table 4. Direct Effect Test

Direct Connection	Original Sampel	T statistic	P value
Halal Certification Literacy --> Interest in Certification	0,240	2,114	0,035
Halal Certification Literacy --> Actor's Attitude	0,752	10,924	0,000
Actor's Attitude --> Interest in Certification	0,685	6,154	0,000

- The relationship between the halal certification literacy variable on certification interest, halal certification literacy on the perpetrator's attitude, and the perpetrator's attitude towards certification interest is positive and significant. This is because the p-value of each variable is less than 0.05, which indicates a significant influence. Judging from the t- statistic approach, the influence between variables is considered significant if the t-statistic value is > 1.96 . From the test results, it was obtained:
- Halal certification literacy on certification interest has a t-statistic value of 2.114 (> 1.96), so the effect is significant.
- Halal certification literacy on the perpetrator's attitude has a t-statistic value of 10.924 (> 1.96), which also shows a significant influence.
- The perpetrator's attitude towards interest in certification has a t-statistic value of 6.154 (> 1.96), which also shows a significant influence.

Table 6. Indirect Effect Test

Hubungan Tidak Langsung	Original Sample	T statistic	P value
Indirect Relationships Original Sample T statistic P value			
Literacy Halal certification --> Attitude Actor --> Interest in Certification	0,516	5,653	0,000

The relationship between variables is considered significant and positive if the p-value is less than 0.05 and the T-statistic is more than 1.96. Based on the results obtained, the attitude variable of business actors acts as a mediator in the relationship between halal certification literacy and certification interest. This is proven by a p-value of 0.000 (<0.05) and a T-statistic value of 5.653 (>1.96), which shows that the attitude of business actors significantly mediates the influence of halal certification literacy on certification interest.

3.2. Pembahasan

The research results show that halal certification literacy has a significant influence on interest in halal certification. This indicates that a good understanding of halal certification can increase interest in obtaining halal certification among Gen Z student entrepreneurs. This is supported by research by Nirmala, Wulandari (2024) and (Fatmawati et al., 2023) which shows that halal literacy, has a positive and significant effect on interest in halal certification. Apart from that, halal certification and the halal logo are considered to be the result of awareness of the importance of the halal concept (halal awareness) (Zuhira & Sulaiman, 2023). Both for entrepreneurs to produce a product and for Muslim consumers in terms of consuming a product (Izza, 2022).

Halal certification literacy includes various aspects, such as awareness, knowledge and understanding of the importance of halal certification in business. The indicator with the highest value is halal awareness. This shows that Gen Z student entrepreneurs have a high awareness of the halal concept and the importance of halal certification in business. They understand that halal certification is not just a label, but also reflects a commitment to sharia principles in business activities. This awareness may be influenced by their education, information, or personal experiences related to halal. On the other hand, the indicator with the lowest value is knowledge about halal certification. This means that although Gen Z student entrepreneurs have a high awareness of the importance of halal certification, their knowledge of the process and benefits of halal certification is still lacking. This could be caused by a lack of available information or education regarding the practical steps and specific benefits of the halal certification process, thus influencing interest in halal certification.

The results of further research show that halal certification literacy has a significant influence on the attitudes of Gen Z student entrepreneurs in carrying out halal certification. This attitude reflects the feelings, views and intentions of the entrepreneur within adopting halal certification for Gen Z entrepreneurs' products. The higher the entrepreneur's literacy towards halal certification, the more positive their attitude is towards the importance of implementing halal certification in Gen Z entrepreneurs' businesses. Several studies that support this result are (Md Nawi et al., 2023), (Bhutto et al., 2023), (Sholihah & Setiawan, 2022) and (Tarigan & Z, 2023) whose research results also show that halal certification literacy influences the attitudes of entrepreneurs towards carrying out halal certification.

Meanwhile, the results of the next hypothesis of this research show that the more positive the attitude of business actors, the higher their interest in obtaining halal certification. This is because a good attitude influences entrepreneurs' confidence and motivation in understanding the importance and benefits of halal certification. This is supported by research (Imtiyahanah, 2022), (Anggraeni & Anwar, 2023) and (Basarudin et al., 2022) that the attitude of business actors influences interest in halal certification. The attitude of business actors has an important role in shaping their interest in certification. halal. This attitude consists of three components: cognitive (knowledge), affective (feelings or emotions), and action tendencies (intention or tendency to act) (Sholihah & Setiawan, 2022).

The three components of attitude—cognitive, affective, and action tendencies—together shape the views and decisions of business actors regarding halal certification. In general, a positive attitude towards halal certification will increase interest in obtaining this certification. If a Gen Z student entrepreneur has a good understanding (cognitive component), feels confident that halal certification is useful and important (affective component), and has the intention and tendency to act (action tendency component), then their interest in carrying out halal certification will increase. big. However, the gap between high affective components and low action tendencies can reduce interest. This means that even though they have a positive emotional attitude, their interest in carrying out halal certification will remain low if they are not motivated to act.

Based on research results, halal certification literacy positively and significantly influences interest in having halal certification through the attitudes of Gen Z entrepreneurs. This research is supported by previous research (Nik Abdullah et al., 2024), (Letsoin & Riorini, 2023), and (Rofiah et al., 2024). However, in research (Adiyanto & Amaniyah, 2023) the attitude of MSEs did not play a mediating role in the influence of the literacy level of MSEs in the culinary sector on the interest of MSEs on Madura Island in owning a halal certificate.

This shows that halal certification literacy indirectly influences the interest of Gen Z student entrepreneurs in having halal certification through their attitudes. High literacy increases positive attitudes, both cognitively and affectively, which in turn strengthens their interests. Without a positive attitude, even if business actors have good literacy, their interest in carrying out certification may not be strong. Attitude plays an important role in transforming knowledge (literacy) into desire and intention to act (interest). Therefore, increasing halal certification literacy among Gen Z student entrepreneurs must be accompanied by efforts to strengthen their positive attitudes toward the process.

4. CONCLUSION

The results of this research confirm that halal certification literacy influences interest in halal certification, both directly and through the attitudes of business actors. Good literacy increases positive attitudes towards halal certification, which ultimately strengthens the interest of Gen Z student entrepreneurs to undergo the halal certification process. By increasing understanding and knowledge about halal certification, entrepreneurs will become better prepared and interested in taking concrete steps to obtain this certification. Attitude is an important mediating factor that transforms literacy into interest and action.

Based on the conclusions above, future research can dig deeper into other factors, such as culture, social influence, or environmental awareness, which also influence the interest of Gen Z business actors in obtaining halal certification. Meanwhile, Gen Z student entrepreneurs can start actively participating in training, seminars or webinars organized by halal institutions or the government. This activity is important to increase understanding of the process and benefits of halal certification for businesses and

student entrepreneurs need to proactively seek information regarding the steps required to obtain halal certification. This can be done through the official website of a certification body such as MUI or BPJPH, or by joining a halal business community to get practical guidance.

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