



The relationship between knowledge, awareness, perceptions of mses on compliance with the halal process with self-declared as a moderating variable

Emul Mulyana¹, Enjat Sudrajat², Masitoh³, A.Saeful Bahri⁴, Meri Lustianah⁵

¹⁻⁴Department of Accounting and Management, Mathlul Anwar University, Banten, Indonesia

⁵Department of Sharia Economics, Mathlul Anwar University, Banten, Indonesia

ARTICLE INFO

Article history:

Received Sept 07, 2023

Revised Sept 10, 2023

Accepted Sept 12, 2023

Keywords:

Awareness Perception;
Compliance;

Halal Process Product;

Knowledge Relation;

Self Declare.

ABSTRACT

Indonesia is ranked fourth in the world's halal product players, even though Indonesia has the largest Muslim population. The study aims to determine whether there is an effect of knowledge on compliance with the Halal Product Process (PPH) for Micro and Small Enterprises (MSEs). To find out whether awareness affects PPH compliance, does perception affect PPH compliance. Updates in this study include self-declare as a moderating variable on the relationship between knowledge and compliance, as a moderating variable on the relationship between awareness and compliance, as a moderating variable for the influence of perceptions on PPH compliance. The research was conducted on 400 small and medium enterprises (MSEs) in Banten province. This research is a quantitative research with a casual descriptive approach and was processed using PLS software version 4.0, indicating a positive effect of knowledge on PPH compliance. There is a positive influence between awareness on PPH compliance. There is a positive influence on perceptions on PPH compliance. Meanwhile, the self-declared hypothesis which moderates the three relationships above, none of which can be accepted.

This is an open access article under the CC BY-NC license.



Corresponding Author:

Meri Lustianah,

Department of Sharia Economics,

Mathlul Anwar University,

Labuan Road, KM.23 Cikaliung, Saketi, Pandeglang Regency 4227, Banten, Indonesia.

Email: merilustianah27@gmail.com

1. INTRODUCTION

Currently the world's Muslim population has reached 1.8 billion people and will continue to grow until it reaches 2.2 billion people in 2030. In Indonesia, the percentage of the population who is Muslim is 86.9% of ± 275.77 million people. In 2019, *the State of the Global Islamic Report* stated that if the world's Muslim population spends around USD 2.2 trillion to consume various kinds of halal products, this is predicted to increase to USD 2.4 trillion in 2024 (ISEF, 2022). With this large demographic aspect, Indonesia has so much market potential, because the majority of the Muslim population is in Indonesia. Seeing the enormous market potential both from within and outside the country, repositioning needs to be done so that Indonesia is not only a target market, but also able to encourage increased production of halal products. For that, development. The halal industry will continue to be accelerated in a sustainable manner in order to meet *demand* from within and outside the country. In this regard, the Government seeks to accelerate the development of the national halal industry and realize Indonesia's vision as the World's Leading Halal Producer.

Currently, Indonesia is *the top spender* in the world's *halal food* industry with transaction numbers reaching USD 173 million, from this figure making Indonesia the second largest consumer in the world. According to *the Global Islamic Economy Indicator (GIEI)* records, in 2020 Indonesia was ranked fourth in the global halal industry, up from the previous year which was ranked fifth, and shifted from being ranked 10th in 2018. One of the factors driving the increase in this rating was the creation of the Indonesian Sharia Economic Master Plan (MEKSI) 2019-2024, which is used as a guideline for the development of the country's sharia industry. halal industrial area in Indonesia. Until now, there have been several Halal Industrial Areas that have been granted IUKIH (Halal Industrial Area Business Permits) such as Halal *Modern Valley* in Banten.

Halal is an Arabic word which means permitted by religion which every Muslim is required to obey, and apply it in daily life (Wahyuni et al., 2022). As an effort to support the acceleration of this halal program, the government together with the DPR have issued Law No. 33 of 2014 with its derivative device in the form of government regulation number 39 of 2021 which requires producers to guarantee certified halal products. This acceleration needs to be supported and supported by business people in the country, especially the small and medium enterprises (MSEs) because almost 99.95% of the total entrepreneurs are owned by SMEs as the grassroots that shape the Indonesian economy (Oemar et al., 2022). However, unfortunately the utilization of Muslim consumer market opportunities by MSEs is still low, only around 10% of all microenterprises in Indonesia that are halal-certified (Sudarmiatin et al., 2020).

One of the causes of the large number of business actors who are not yet halal certified is their ignorance of how the halal production process is good and correct in accordance with the provisions. Mean, (Maksudi et al., 2023) in his research found a lack of knowledge about halal procedures as one of the obstacles for small businesses in processing halal products. However, this is different from the results of research conducted by Sudarmiatin et al., (2020) which states that knowledge has no correlation (relationship) to halal certification. Likewise with the results of research by (Utami et al., 2022) which found that knowledge did not have a significant effect on the willingness of SMEs to take part in halal certification.

Ignorance will be driven by oneself to find out, this internal urge arises from self-awareness. This self-awareness factor causes the reluctance of MSEs to process halal products (Fauziah et al., 2023). However, in contrast to the results of research conducted by (Sudarmiatin et al., 2020) who saw no correlation between awareness of compliance with halal certification, certification efforts tend to be carried out by MSME actors due to pressure from both internal and external such as the desire to have a product that is standardization, pressure from the government and consumer encouragement towards halal products.

However, many MSEs discouraged their desire because of their perception of the difficulty of the halal certification process, as well as the high cost of obtaining a halal certificate. Perception is a process of direct observation of someone who comes from socialization, horizons, and knowledge (Nurkhozin, 2023). With this process it can lead to wrong perceptions resulting in wrong decisions. Santoso et al., (2021) in their research found that many MSEs had the wrong perception about procedures and expensive certification costs. Likewise with the findings from research conducted by (Oemar et al., 2022) who saw an influence on perceptions of the process of halal products. However, it is slightly different from the research conducted by (Normasilla et al., 2021) in which stated that perceptions had little effect on MSEs in the process of halal products.

Based on the background above, this study intends to find out how the relationship between knowledge, awareness and perceptions owned by small and medium business actors towards compliance with carrying out halal product processes. The renewal of this research compared to previous research is by including *self-declare*, namely a statement of the halal status of micro and small business products (MSEs) by the business actors themselves. as a moderating variable because *Self-declare* as a statement by business actors independently has a direct relationship in increasing compliance with the halal production process (Nurdinia et al., 2023).

Based on these problems, the purpose of this study can be formulated Does the knowledge aspect of MSE actors have a positive relationship to Halal Production Process Compliance (PPH), Does the level of awareness of MSE actors have a relationship to Halal Production Process Compliance (PPH), Does the perception of MSE actors have influence on Halal Production Process

Compliance (PPH), Can the Self Declare Mechanism strengthen the relationship between the knowledge of MSEs and Halal Production Process Compliance (PPH), can the Self Declare Mechanism moderate the influence of awareness on the halal product process, can the Self Declare Mechanism moderate the influence of perceptions on the process of halal products.

So this research is entitled, The Effect of Knowledge, Awareness and Perceptions of Micro and Small Enterprises (MSEs) on Compliance with the Halal Production Process (PPH) with *Self Declare* as a Moderation Variable.

2. RESEARCH METHOD

Awareness

Awareness comes from the word conscious which means to feel, understand, be aware, and know (Sudarmiati et al., 2020). Halal awareness is the conscious state of a person who has sharia knowledge regarding the proper halal production process and prioritizes halal food for consumption (Mostafa, 2020). According to (Oemar et al., 2020), the level of understanding of Muslims about halal awareness is their ability to refute rumors about the concept. Understanding halal-based products and the process of producing products that comply with Islamic halal standards is an example of this knowledge.

Awareness on Halal certification compliance plays a role, especially for business actors. Researcher (Sakundiana & Nurhayati, 2022) said that the driving factors for compliance with halal certification among MSMe players were high legal awareness, opportunities for funding halal certification, regulations requiring MSMe actors to have halal certificates, and demand from consumers to consume halal products. In research conducted by (Hasan, 2016), (Battour & Ismail, 2016) (Widyaningrum, 2019) argued that the scope of halal products is not limited to the use of raw materials in the production process but also includes other aspects such as safety and quality, handling, processing equipment processing aids, packaging, storage, transportation, distribution and retail. In this study, the awareness indicators used are as used by Widyaningrum, (2019) which include several things including knowledge of halal raw materials used Religious Obligations, Product Hygiene from Presentation and Packaging, Priority to consume halal products, Product Safety In practice perception is influenced by many things (Sudarmiati et al., 2020) suggests that the level of perception and desire for the halal production process is driven by internal and external factors. Internal factors come from awareness, knowledge and human resources, while external factors come from market demand, government encouragement and level of competition

Perception of SMEs actors

Perception can be said as a process of entering messages or information into the human mind which is transformed through the thoughts, feelings, and experiences of each individual, meaning that perception is a direct response (acceptance) to something (Retnowati et al., 2022). In general, (Nurkhozin, 2023) states that perception is the process of observing someone who comes from direct observation, learning or socialization processes, horizons, and knowledge. Specifically related to halal perceptions, (Zailani et al., 2017) found that perceptions of halal products are interconnected with three things, namely perceptions about the benefits of halal products, integrity, and organizational readiness in adopting halal business. In practice, perception is influenced by many things. Sudarmiati et al., (2020) suggests that the level of perception and desire for the halal production process is driven by internal and external factors. Internal factors come from awareness, knowledge and human resources, while external factors come from market demand, government encouragement and level of competition.

Adopting this, the perceptions of MSE actors regarding the halal production process in this study used the following indicators used by (Widiawati & Ajib Ridlwan, 2020). First, Hope. things that influence individual perceptions in making decisions, whether the decision is in line with expectations or not. Second, Needs. Things that affect attitudes according to both physical and spiritual needs. Third, past experience, which is something that influences individual perceptions because it draws the same conclusions as what has been seen and heard. Fourth, there is legal certainty, namely perceptions based on things that have been regulated by law and have sanctions. Fifth, the

Surrounding Situation, namely the same target or object that is seen but different in the situation will give a different situation

Halal Production Process Compliance

For Muslims, halal and haram are not a simple matter, because this is not only related to aspects of horizontal relations (between humans), but also vertical relations (humans and their God, namely Allah). Currently, there are many production/service processes that are carried out according to Islamic law, but do not have a halal certificate, this is the same as production/service processes that are carried out without Islamic law. To provide the specificity of halal products that are protected by law, a halal certificate is issued. Halal certification is the process of granting recognition of the halalness of a product issued by an authorized body based on a written halal fatwa issued by the MUI. The bodies or institutions authorized to issue halal certificates in Indonesia are LPPOM MUI and BPJPH. The BPJPH referred to here is the Ministry of Religion of the Republic of Indonesia (Khoiri, 2020).

With the existence of halal certification, consumers will have more trust and will not hesitate to consume/use these products, because halal certificates are obtained through several stages of inspection to prove that raw materials, production processes and product halal assurance systems comply with the standards set by LPPOM MUI (Hosen, 2008). Producers must comply and be consistent in carrying out this process, Republic of Indonesia Law No. 33 of 2014 states compliance with the halal production process or PPH is a series of activities to ensure product halalness which includes the provision of materials, processing, storage, packaging, distribution, sales and presentation of products .

In this study, compliance with the halal product process (PPH) focuses more on the extent to which producers know about a number of things, with the following indicators (Purnama Darma Wahana & Syaifulloh, 2020): Knowledge of legal regulations (*law awareness*), Knowledge of the content of legal regulations (*law acquaintance*), Attitude towards legal regulations (*legal attitude*), patterns of legal behavior (*legal behavior*).

Self Declare

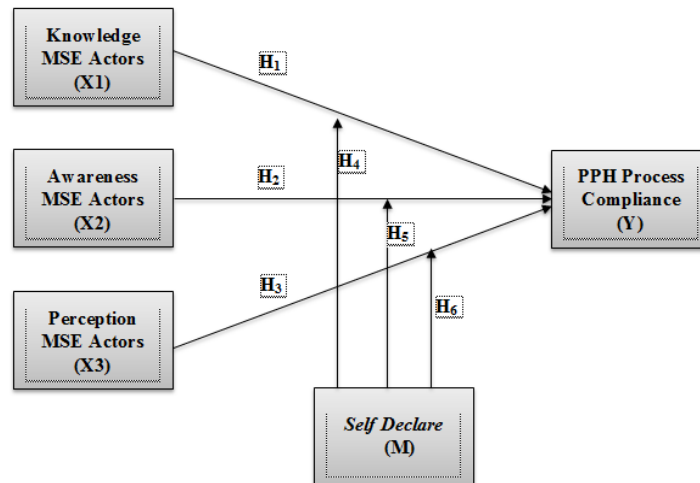
There are many perceptions about halal certification/labels, especially among micro and small entrepreneurs (MSEs), including perceptions about the cost and procedures/processes. In general, MSEs (Micro & Small Enterprises) only know about the regular halal certification process through the Halal inspection agency (LPH). Through this method, not a few MSEs are still confused about how to carry out the halal certification process and the costs that must be incurred, while the demands of the law that all products circulating in Indonesia must be halal certified are no exception for products produced by MSEs. Therefore, BPJPH as the Halal Product Assurance Organizing Body mandated by law provides convenience for MSEs in the halal certification process through the self-declare route. The requirements for an independent statement or self-declaration by UMK are regulated in detail in Minister of Religion Regulation Number 20 of 2021 concerning Halal Certification for Micro and Small Business Actors (Ministry of Religion of the Republic of Indonesia, 2021).

The self-declare indicator is a requirement outlined by the Halal Product Guarantee Agency (BPJPH) which includes (President of The Republic of Indonesia, 2021): Statements in the form of contracts or pledges containing the halal products and materials used, Halal product processes (PPH) are declared to comply halal criteria, there is PPH assistance to ensure that the product meets the declared requirements.

Methodology Research

The research method uses a quantitative approach with the Casual Associative model, according to (Sugiyono, 2019), Associative research is a research problem formulation that asks the relationship between two or more variables. With this research a theory can be built that functions to explain, predict and control a phenomenon. While causal is a relationship caused by a variable (independent) which results in another variable (dependent). In this study, it identified the extent to which the relationship between variable X (Independent) which consisted of Knowledge (X1), Awareness (X2) and Perceptions of MSEs (X3) towards variable Y, namely Compliance with Halal Production

Process (PPH) or (dependent). This study also includes a moderating variable (M), namely the Self Declare mechanism. The purpose of this research is to see what aspects and factors can encourage and hinder the implementation of the halal product process so that later it can be improved and encourage MSEs to be more obedient in carrying out their halal production process. The following is the framework of this research:



Source: Processed from the hypothesis

Figure 1. Framework Research

The problems to be discussed in this study include. First, Does the Knowledge Aspect of MSEs Actors have a positive relationship to Halal Production Process Compliance (PPH). Second, does the level of awareness of MSE actors have a relationship with Halal Production Process Compliance (PPH). Third, does the perception of MSEs performers have a positive relationship to compliance with the Halal Production Process (PPH). Fourth,. Can the Self Declare Mechanism be able to strengthen the relationship between the knowledge of MSEs performers and the compliance of the Halal Production Process (PPH). Fifth, can the self-declare mechanism strengthen the relationship between MSEs' awareness of compliance with the Halal Production Process (PPH). Sixth, can the self-declare mechanism strengthen the relationship between the perceptions of MSEs on compliance with the Halal Production Process (PPH)?

The population in this study are the perpetrators of Micro and Small Enterprises (MSEs) in the food and beverage industry. In this research, the population to be taken is MSEs in 8 (eight) regencies and cities in Banten Province, which is estimated to reach 339,001 units. Meanwhile, to determine the number of samples using the slovin formula $n = N / (1 + (N \times e^2))$ with an error margin of 5% or 0.05, the sample to be used is 399.5 or 400 samples. The data collection method uses the survey method where to collect data researchers distribute questionnaires.

According to (Sugiyono, 2019) quantitative research is defined as a research method based on the philosophy of positivism, used to research certain populations or samples. The collected data was processed using statistical software SEM-PLS version 4.0

3. RESULTS AND DISCUSSIONS

RESULTS

Processing research data using SEM PLS software includes two stages, namely the stage of testing the quality of the data and the stage of testing the hypothesis. Based on the conceptual framework, data quality testing includes testing data validity and reliability. While testing the hypothesis of the Inner Model test results include the output R-Square, Parameter Coefficient and T-Statistics. The following are the results of research that were processed using SEM PLS software in this study.

Validity and Reliability Test

Data quality testing is carried out through Validity and Reliability tests. The validity test is used to assess the state of the data from an instrument that relates one data to another, or measures a measuring instrument for what is being measured. The results of the study are said to be valid if there is a similarity between the data obtained and the data that actually occurs in the object under study, while the reliability test is an instrument adequacy which is believed to be used as a data collection tool because the instrument is considered good (Hernikasari et al., 2022).

The validity test in this study uses a measure of Convergent validity which aims to correlate the item score (*component score*) with the construct score which produces a loading factor value. The general rule is that the prevalence of the loading factor value is said to be high if it has a correlation value of more than 0.70, but if the research is carried out at an early stage of development, a loading factor of 0.5 to 0.6 is considered sufficient (Ghozali, 2017). Convergent validity values that do not meet these limits can be eliminated from the research structure. The Convergent validity test in this study was carried out up to two times of elimination so that a Convergent validity value was obtained which met the requirements to be presented as shown in Figure 2:

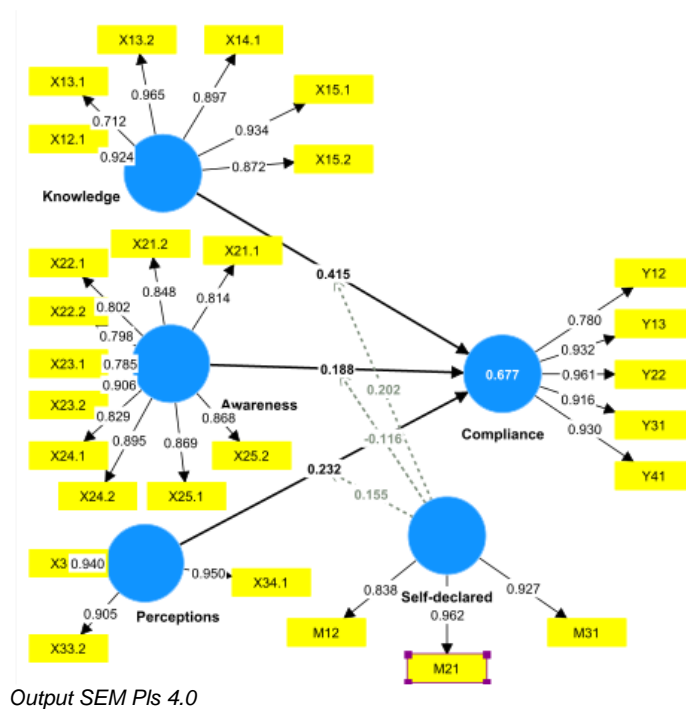


Figure 2. Research Measurement Model

In Figure 2, the lowest construct relationship is 0.712 between the X13.1 instrument and the knowledge variable and the highest is 0.965, namely the X13.2 construct relationship to the knowledge variable, so that from Convergent validity all of the data can be tested further. Validity testing can also be carried out by discriminant validity testing where the aim is to prove whether an indicator of a construct will have the largest loading factor in the construct it forms from loading factor with other constructs, this method is carried out by cross loading. However, due to the large number of structural instruments, in this study discriminant validity analysis was carried out by comparing the correlation between the construct and the Average Variance Extracted (AVE) root, as presented in table 1.

Variabel	Average variance extracted (AVE)
Knowledge	0,788
Awareness	0,710

Perceptions	0,868
Compliance	0,821
Self Declare	0,829

Output SEM Pls 4.0

Based on table 1, the value of all variables has a magnitude of 1,000 or is above a value of 0.5 so that it can be said that the validity from the discriminant side is fulfilled. In the validity test both with Convergent validity and discriminant validity both have valid values or it can be said that the data presented is appropriate for use in this study.

In terms of data quality in this study, both using discriminant validity and convergent validity have a good validity value, while the data quality from the reliability aspect can be seen from the results of the Composite Reliability test as presented in table 2.

Table 2. Composite Reliability

Variabel	Composite Reliability	Description
Knowledge	0,952	high reliability
Awareness	0,965	high reliability
Perceptions	0,946	high reliability
Compliance	0,954	high reliability
Self Declare	0,914	high reliability

Output SEM Pls 4.0

Based on the analysis in table 2, all data has a value above 0.7 or high reliability and the data can be processed further.

Structural Model Evaluation (Inner Model)

After obtaining good data quality, then the structural model test on SEM with PLS was carried out on the R Square (R²) test which in this study is presented in table 3.

Table 3 Inner Model (R-Square) Test

Variabel	R-Square	R-Square Adjusted
COMPLIANCE	0,677	0,644

Output SEM Pls 4.0

From table 3 above it can be seen that the Compliance variable as a Y (endogenous) variable has an R Square value of 0.677 meaning that the Knowledge (X1), Awareness (X2) and perception (X3) variables are able to explain Compliance (Y) of 67.7 percent, while the remaining 32.3 percent is influenced or explained by other variables that were not examined in this study. The structural model test can also be shown from the standardized root mean square residual (SRMSR) value, which is a measure of model fit that looks at the difference between the data correlation matrix and the estimated model correlation matrix. The predicted value of SRMSR does not exceed the value of 0.102, while in this study the SRMSR is 0.073 or below 0.102 so that it can be said that this study has a good structural value.

Analysis of Hypothesis Test Results

In this study, the proposed hypothesis must be tested on the basis of the results of the Inner Model test which includes the output R-Square, Parameter Coefficient and T-Statistics. The rule of thumb or rule of thumb for a hypothesis is accepted or rejected by taking into account the significance values between constructs, T-statistics, and p-values. The hypothesis is accepted if the T-statistic value is greater (>) than 1.96. With a significance level of 5%, the value of the P-value should not exceed 0.05 (5%). In processing the research data, each component has a value as presented in table 4 below.

Table 4 Analysis of Hypothesis Test

Variable Relations Study	T Statistik	P Value	Remark
--------------------------	-------------	---------	--------

Knowledge -> Compliance PPH	3,713	0,000	H1. Accepted
Awareness -> Compliance PPH	2,257	0,024	H2. Accepted
Perception -> Compliance PPH	2,079	0,038	H3. Accepted
Self Declare x Knowledge->Compliance PPH	1,647	0,100	H4. Rejected
Self Declare x Awareness ->Compliance PPH	1,719	0,086	H5. Rejected
Self Declare x Perceptions ->Compliance PPH	1,100	0,271	H6. Rejected

Based on table 4 the results of the hypothesis test above, it can be interpreted as follows:

Hypothesis test results 1st

The T-statistic value is 3.713 or greater than 1.96, and the p_value is 0.000 or less than 0.005. From the results of the two hypothesis tests, it can be said that there is an effect of knowledge on compliance in the MSEs halal product process. Thus hypothesis 1 is accepted

Hypothesis test results 2nd

A T-statistic value of 2.257 or greater than 1.96 is obtained, and a p_value of 0.024 or less than 0.005. From the results of the two hypothesis tests, it can be said that there is an influence of awareness on compliance in the MSEs halal product process. Thus hypothesis 2 is accepted

Hypothesis test results 3rd

From the results by SEM-PIs, a T-statistic value of 2.079 or greater than 1.96 is obtained, and a p_value of 0.038 or less than 0.005. From the results of the two hypothesis tests, it can be said that there is an influence of perceptions on compliance in the MSEs halal product process. Thus hypothesis 3 is accepted

Hypothesis test results 4th

Hasil uji h The results of the hypothesis test by including Self Declare as a variable that moderates the effect of knowledge on PPH compliance have a T-statistic value of 1.647 or less than 1.96, and a p_value of 0.100 or greater than 0.005. Thus the fourth hypothesis is rejected.

Hypothesis test results 5th

The results of the hypothesis test by including Self Declare as a variable that moderates the effect of awareness on PPH compliance have a T-statistic value of 1.719 or less than 1.96, and a p_value of 0.86 or greater than 0.005. Thus the fifth hypothesis is rejected.

Hypothesis test results 6th.

The results of the hypothesis test by including Self Declare as a variable that moderates the effect of perceptions on PPH compliance have a T-statistic value of 1.100 or less than 1.96, and a p_value of 0.271 or greater than 0.005. Thus the 6th hypothesis is rejected.

DISCUSSIONS

The Effect of Knowledge on MSMe PPH Compliance

The first hypothesis analysis shows that there is an influence between knowledge on MSE compliance in carrying out the Halal production process (PPH). This shows the efforts made by MSEs in seeking knowledge and socialization by the government to encourage MSEs to have halal certificates have received a positive response. This is in line with the research conducted by (Maksudi et al., 2023) who in his research found that the less knowledge about halal procedures, the more inhibited the process of halal products. This is different from the results of research conducted by (Sudarmiatin et al., 2020) and research by (Utami et al., 2022) which found that knowledge has no correlation (relationship) to MSEs' efforts to obtain halal certification.

The Effect of Awareness on MSMe PPH Compliance

The second hypothesis shows that there is an influence between awareness on MSE compliance in carrying out the Halal production process (PPH). This means that the higher the awareness of MSEs, the greater the interest of MSEs in obtaining halal certificates. This means that the various encouragements and motivations of MSEs in an effort to obtain halal certificates, mostly arise from self-awareness, this shows that efforts driven by the government to create halal product areas in the world have stuck among MSEs. This is in line with the research results of (Fauziah et al., 2023) who stated that the lack of compliance by small entrepreneurs in carrying out the halal production process was due to the low level of awareness of the producers themselves.

However, it is different from the results of research conducted by (Sudarmiati et al., 2020), who saw no correlation between awareness of compliance with halal certification. This was more due to pressure from the government and encouragement of consumers towards halal products, in obtaining halal certification.

The Influence of Perceptions on MSEs PPH Compliance

In the test of the three hypotheses, it was found that there was an influence between perceptions of MSE compliance in carrying out the Halal production process (PPH). This means that the higher one's perception, the greater the interest of MSEs in obtaining halal certificates. This means that encouragement from within oneself about the perception of halal products gives motivation to MSEs to try to obtain halal certificates. This is in accordance with the findings of (Santoso et al., 2021) and research conducted by (Oemar et al., 2022) which found an influence between perceptions of the process of halal products. However, it is slightly different from the research conducted by (Reza & Fahrimal, 2021) which found perceptions had less influence on MSEs in the process of halal products.

Effect of self-declaring in moderating the relationship between knowledge and MSEs PPH compliance

The results of the fourth hypothesis test show that self-declare is not able to moderate the effect of knowledge on MSEs compliance in processing halal products. So that the influence that occurs between knowledge on PPH MSEs compliance is a direct relationship. Self declare does not encourage knowledge in obedience.

The Effect of self-declaring in Moderating the Relationship of Awareness to MSEs PPH Compliance

The results of the fifth hypothesis test show that self-declare is not able to moderate the effect of awareness on MSE compliance in processing halal products. So that the influence that occurs between awareness of PPH MSEs compliance is a direct relationship and is not influenced by self-declare.

Effect of self-declare in moderating the relationship between perceptions of MSEs PPH compliance

The sixth hypothesis shows that self-declare is not able to moderate the effect of perceptions on MSEs compliance in processing halal products. So that the influence that occurs between perceptions of PPH MSEs compliance is a direct relationship and is not influenced by self-declare.

4. CONCLUSION

Based on the research process that has been carried out, the research objectives have been answered which include six things. First, based on the results of hypothesis testing by paying attention to the T-value and P-value, it was found that there was a positive and significant influence between knowledge and compliance with MSE actors in carrying out the halal production process. Second, there is a positive and significant influence between MSE actors' awareness of compliance in carrying out the Halal production process (PPH). This means that the higher the awareness of MSEs, the greater the interest of MSEs in carrying out halal production processes. Third, based on the results of the analysis in the third hypothesis, the calculated t-value and p-value were obtained which tested the relationship between perception and PPH compliance, it was found that there was

a positive and significant influence between the two variables studied. This means that the higher the perception of MSEs, the greater their interest in carrying out halal production processes. This means that encouragement from within oneself regarding the perception of halal products provides motivation for MSEs to strive to make each of their activities prioritize halal. Fourth, in the fourth hypothesis test, the results were found that the self-declare variable was not able to moderate the relationship between knowledge and PPH UMK compliance. Likewise, in the results of the fifth hypothesis test, it was obtained that the t-value and p-value in the fifth hypothesis test showed that the self-declare variable was not able to moderate the relationship between MSE actors' awareness of compliance with the halal production process. Sixth, there is no influence of the self-declare variable in moderating MSE actors' perceptions of compliance with the halal production process. So the influence that occurs between perceptions of PPH UMK compliance is a direct relationship and is not influenced by self-declaration. Thus, the self-declaration activity, apart from ensuring the halalness of the products of MSEs, can also help in the process of applying for halal certificates for their business activities. Apart from that, self-declaration is held in order to prove real benefits for the MSE category even though the knowledge, awareness and perception of MSE actors has become the most important and inseparable part in carrying out the halal production process (PPH). Not just for administration, but the halal production process (PPH) for MSEs that can be carried out more consistently now and in the future.

ACKNOWLEDGEMENTS

We thank the Accounting students at Mathlalul Anwar University, Banten, who have helped distribute the questionnaires to the people who are spread across the Banten region. Thank you also to LPPM Unma Banten for providing input and suggestions for this research. We also do not forget to thank IJAFIBS for facilitating the publication of our research

REFERENCES

- Battour, M., & Ismail, M. N. (2016). Halal tourism: Concepts, practises, challenges and future. *Tourism Management Perspectives*, 19, 150–154. <https://doi.org/10.1016/j.tmp.2015.12.008>
- Fauziah, A., Diana, N., & Diah Fakhriyah, D. (2023). The Influence Of Halal Awareness, Convenience, Business Prospects, And Manufacturer's Attitude On Msmes' Halal Certification Compliance In Malang City. *Islamic Economic and Finance Journal*, 4(1), 161–173.
- Ghozali, I. (2017). *Structural Equation Model of Concepts and Applications with the AMOS Program 24*. Diponegoro University Publishing Agency.
- Hasan, H. (2016). a Study on Awareness and Perception Towards Halal Foods Among Muslim Students in Kota Kinabalu , Sabah. *Proceedings of the Australia-Middle East Conference on Business and Social Sciences 2016, Dubai, April 2016*, 803–811.
- Hernikasari, I., Ali, H., & Hadita, H. (2022). Brand Image Model Through Customer Satisfaction Bear Brand: Price and Product Quality. *Journal of Applied Management Science*, 3(3), 329–346. <https://doi.org/10.31933/jimt.v3i3.837>
- Hosen, M. N. (2008). General Guide to the Halal Guarantee System. In *LPPOM*. LPPOM MUI.
- ISEF. (2022). *Seeing the Potential of the Global Halal Industry*. Indonesia Sharia Economic Festival. <https://isef.co.id/id/artikel/memahami-pasar-halal-di-tingkat-global/>
- Khoiri. (2020). *Understanding Halal Certification and Its Urgency*. Khoiri.Com. <https://www.khoiri.com/2020/10/pengertian-sertifikasi-halal-dan-urgensinya.html.html>
- Maksudi, Bahrudin, & Nasruddin. (2023). Factors Influencing Halal Certification in Efforts to Fulfill Consumer Satisfaction. *Scientific Journal of Islamic Economics*, 9(01), 825–840.
- Ministry of Religion of the Republic of Indonesia. (2021). Minister of Religion Regulation Number 20 of 2021 concerning Halal Certification for Micro and Small Business Actors. In *Regulasi* (pp. 1–16). <https://jdih.kemenag.go.id/regulation/read?id=3651&t=Peraturan+Menteri+Agama+Nomor+20+Tahun+2021+Tentan#:~:text=Peraturan Menteri Agama Nomor 20,Pelaku Usaha Mikro Dan Kecil>
- Mostafa, M. M. (2020). A knowledge domain visualization review of thirty years of halal food research. *Trends in Food Science and Technology*, 99(December 2019), 660–677. <https://doi.org/10.1016/j.tifs.2020.03.022>
- Normasilla, N. S., Hakim, A., & Sugihantoro, H. (2021). Knowledge, Perceptions, and Attitudes of Muslim Communities in Magetan Regency Toward Halal Medicines. *Journal of Islamic Pharmacy*, 7(1), 132. <https://doi.org/10.18860/jip.v7i1.14739>

- Nurdinia, R., Enggrani Fitri, L., & Ridhwan. (2023). Analysis of Assistance Strategy for Halal Product Process (PPH) Self Declare Line in Micro and Small Enterprises (UMK) in Jambi Province. *Journal of Sharia Economics*, 5(1), 153–168.
- Nurkhozin. (2023). Halal certification according to the perception of micro, small and medium business entrepreneurs in the city of Pekan Baru. *Jurnal IndraTech*, 4(1), 59–67.
- Oemar, H., Achiraeniwati, E., Rejeki, Y. S., Septiani, A., & Amrullah, E. (2020). *Improving the Awareness of Providing Halal Food Among Street Vendors*. 409(SoRes 2019), 17–20. <https://doi.org/10.2991/assehr.k.200225.005>
- Oemar, H., Prasetyaningsih, E., Bakar, S. Z. A., Djamaludin, D., & Septiani, A. (2022). Awareness and intention to register halal certification of micro and small-scale food enterprises. *F1000Research*, 11(May), 1–53. <https://doi.org/10.12688/f1000research.75968.2>
- President of The Republic of Indonesia. (2021). Government Regulation of the Republic of Indonesia Number 39 of 2021 concerning Implementation of the Field of Halal Product Guarantee. *Government of The Republic of Indonesia*, 086085, 1–110. http://www.halalmui.org/images/stories/kebijakan-halal-di-indonesia/PP_Nomor_39_Tahun_2021.pdf
- Purnama Darma Wahana, A. N., & Syaifulloh, M. (2020). Implementation of the Islamic Economics in the Traditional Market of Brebes Regency. *Journal of Sosial Science*, 1(3), 36–40. <https://doi.org/10.46799/jsss.v1i3.36>
- Retnowati, W., Bisma, I. D. G., Hilmiati, H., & Permadi, L. A. (2022). Tourists Perception Toward Kembang Kuning Rural Destination Attractiveness. *Jurnal Sosial Ekonomi Dan Humaniora*, 8(2), 249–255. <https://doi.org/10.29303/jseh.v8i2.101>
- Reza, M., & Fahrimal, Y. (2021). Communication Process for Culinary Entrepreneurs in Obtaining Halal Certification in the City of Banda Aceh. *Jurnal Penelitian Sosial Ilmu Komunikasi*, 5(2), 91–97. <https://doi.org/10.33751/jpsik.v5i2.4432>
- Sakundiana, V. D., & Nurhayati, I. (2022). The Effectiveness of Halal Product Guarantee Regulations on the Implementation of Halal Certification for Micro and Small Business Actors After the Entry into force of the Job Creation Law in the Special Region of Yogyakarta. *Electronic Theses & Dissertations*, 23(2), 5–24.
- Santoso, S., Alfarisah, S., Fatmawati, A. A., & Ubaidillah, R. (2021). Correlation Analysis of the Halal Certification Process and Perceptions of the Cost of Halal Certification with the Intentions of Food and Beverage SMEs Actors. *Religious: Jurnal Studi Agama-Agama Dan Lintas Budaya*, 5(2), 297–308. <https://doi.org/10.15575/rjsalb.v5i2.11627>
- Sudarmiatin, S., Khoirul Anam, F., & Wafaretta, V. (2020). The Intention of Halal Certification by Micro Business. *KnE Social Sciences*, 2020, 141–155. <https://doi.org/10.18502/kss.v4i9.7322>
- Sugiyono, D. (2019). *Quantitative Qualitative Research Methods and R&D*. Alfabeta.
- Utami, C. B., Hazmi, F., Aulia, R., & Zahro, B. M. (2022). Antecedent of Knowledge, Awareness and Willingness of SMEs Actors to Register for Halal Self Declare Certification. *Iqtishodia: Jurnal Ekonomi Syariah*, 7(2), 29–35. <https://doi.org/10.35897/iqtishodia.v7i2.846>
- Wahyuni, T., Yarmunida, M., & Arisandi, D. (2022). Community Halal Awareness of MSME Food Products in Bengkulu City. *Jurnal Ilmiah Universitas Batanghari Jambi*, 22(3), 1376. <https://doi.org/10.33087/jiubj.v22i3.2473>
- Widiawati, & Ajib Ridlwan, A. (2020). Muslim Consumers' Perceptions of Food Products. *Jurnal JESKaPe*, 4(2), 205–228.
- Widyaningrum, P. W. (2019). The Influence of Halal Labels, Halal Awareness, Advertising, and Celebrity Endorsers on Intention to Purchase Cosmetics through the Perception variable as Mediator. *Capital: Jurnal Ekonomi Dan Manajemen*, 2(2), 74. <https://doi.org/10.25273/capital.v2i2.3984>
- Zailani, S., Iranmanesh, M., Aziz, A. A., & Kanopathy, K. (2017). Halal logistics opportunities and challenges. *Journal of Islamic Marketing*, 8(1), 127–139. <https://doi.org/10.1108/JIMA-04-2015-0028>