



Received: 2019-08-25

Accepted: 2019-10-30

Published: 2019-11-20

Original Article

## The Concept of Shariah Compliant Hotel Business in Malaysia

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### ABSTRACT

This paper concerned with the concept of Shariah Compliant Hotel (SCH) business which nowadays are widely promoted by Malaysian government to cater the growing of Muslim travelers market. Based from the observation, it can be said that the uniform concept of SCH in Malaysia is still not exist to guide the operation of SCH businesses in Malaysia. Moreover, the suggestion from several past researchers regarding the formation of the standardized concept of SCH business to guide those parties who involved in SCH business in Malaysia make this topic relevant to be discussed further. Therefore, several past research related to the topic of SCH business was reviewed in order to find out the major attributes and requirements to becoming the real SCH business. Hopefully, the information provided by this paper will able to assist in the next action towards formatting the concept of SCH business in Malaysia.

**Keywords:** Shariah Compliant Hotel, Concept, Attributes, Practices

### Introduction

Shariah Compliant Hotel (SCH) or also known as Islamic hotel can be considered as trending concept in hotel business nowadays. According to Jurattanasan & Jaroenwisan (2014); Mohd Yusof & Muhammad (2013) and Yuni & Nor 'Ain (2010), SCH is refer to the hotel that provides services and operates their business in accordance to the Islamic principles. The SCH concept is considered as one of the unique concepts in hospitality industry and this concept said focuses to cater the demand of Islamic tourism market (Che Amat *et al.*, 2015; Henderson, 2010). Moreover, the increasing number of Muslim population globally becoming the major contributor to the growing of SCH concept in the hospitality industry around the world (Samori & Abd Rahman, 2013). In fact, the SCH business has reported by the World Tourism Organization in 2010 representing almost 10% of the global tourism market (Saad *et al.*, 2014).

In Malaysia, the Islamic tourism market has been recognized by the Malaysian government as an economic contributor to the country (Razalli, Abdullah, & Hasan, 2012; Sahida *et al.*, 2011). According to The Sun Daily (2018), Malaysia currently receives US\$600 million in direct tax contribution from the inbound Muslim travel sector which it is almost a quarter (24.4%) of the total collected in Asean. Moreover, the aspiration of Malaysian government to becoming a hub of Islamic tourism and leading the Islamic tourism market shows how great the opportunities created by the Islamic tourism market

Nur Iman Hashim & Nadzirah Mohd Fauzi / *Online Journal of Research in Islamic Studies* 6 (Special Issue) (2019): 73-78 (Kamarulzaman *et al.*, 2012). In addition, Malaysia also was ranked at number one by Mastercard & Crescent Rating in 2015 for Muslim travelers' preferences in the inaugural Global Muslim Travelers Index (Abu Karim *et al.*, 2017).

By referring to above statement, it can be said that the idea of setting up the SCH business is very interesting and it has come into focus in nowadays tourism business. However, several researchers did mention that the level of uncertainty especially pertaining to the concept of SCH business is still considered high (Ahmad *et al.*, 2018; Che Ahmat *et al.*, 2015; Nor Zafir *et al.*, 2014; Mohd Yusof & Muhammad, 2013). Therefore, this paper investigates the attributes of SCH so that it is hopes to provide information and ideas for the next action in the development of a uniformed concept of SCH business in Malaysia.

### **The Concept of Shariah Compliant Hotel**

It is pertinent to note that tourism industry plays an important role in Malaysian economic development. The increasing numbers of local and international travelers traveling to Malaysia creates bright prospect particularly to the hotel business. According to the data provided by CEIC to the Department of Valuation and Property Services, Malaysia, there are in total of 3,182 unit of hotels registered in Malaysia as at Jun 2018. From that figure, few hotels 'claimed' that they are SCH (Othman *et al.*, 2015).

In a positive word it means the SCH business is available and well accepted in the market at this moment. High demand on products and services that follow the Shariah principles seem becoming the pushing factor to boost the trends of SCH business in hospitality industry recently (Nor Zafir *et al.*, 2014). However, there is a lack of consensus about the facets of SCH business exist especially in Malaysia (Saad *et al.*, 2014) and (Razalli, Abdullah, & Hassan, 2012). Moreover, the absence of SCH business standard, policy, concept and it practice becoming the main concern highlighted by several researchers in their study. Referring to the study of Abu Karim *et al.* (2017) and Nor Zafir *et al.* (2014), they found that the confusion with the attributes of the Islamic hotel makes the hotel service providers lower down their interest towards running the SCH business. In addition, Mohd Yusof and Mohammad (2013) stressed that in order to ensure smooth operation of SCH business, the concept should be clear defined and measurable.

In the effort of having formal written requirements and classifications of SCH business, several researchers based on their finding has proposed the attributes of SCH business. The details of the proposed attributes are as shown in *Table 1*.

*Table 1: Findings of Past Literatures*

Researcher	Finding
Saad <i>et al.</i> (2014); Sahida <i>et al.</i> (2011); Henderson (2010); Rosenberg & Choufany (2009)	<ul style="list-style-type: none"> <li>○ No alcohol</li> <li>○ Halal food serving and consuming</li> <li>○ Quran and prayer mats in each room</li> <li>○ Beds and toilet positioned must not facing the direction of Mecca</li> <li>○ Bidets in the bathrooms</li> <li>○ Prayer rooms guest and staff</li> </ul>
	<ul style="list-style-type: none"> <li>○ Appropriate entertainment (no night club)</li> <li>○ Predominant of Muslim staff</li> <li>○ Conservative dress code to staff</li> <li>○ Separate facilities for men and women</li> <li>○ Proper guest dress code</li> <li>○ Islamic sources of business funding</li> </ul>
Battour <i>et al.</i> (2013); Battour <i>et al.</i> (2012); Battour <i>et al.</i> (2011)	<ul style="list-style-type: none"> <li>○ Worship facilities</li> <li>○ Halal food</li> <li>○ Religious environment/intangible attributes</li> <li>○ Islamic entertainments</li> <li>○ Banning of alcohol and gambling</li> <li>○ Islamic dress codes</li> <li>○ Islamic morality</li> </ul>

Shakona (2015); Shakona (2013)	<ul style="list-style-type: none"> <li>○ Forbidding of alcohol</li> <li>○ Halal food</li> <li>○ Forbidding free mixing of the sexes</li> <li>○ Place of worship Prayer</li> <li>○ Women are not allowed to travel alone.</li> <li>○ Forbidding inappropriate and revealing dress.</li> </ul>
Gayatri et al. (2011)	<ul style="list-style-type: none"> <li>○ Attention to Islamic activities</li> <li>○ Halal and Haram</li> <li>○ Honesty</li> <li>○ Modesty</li> <li>○ Humaneness</li> <li>○ Trust</li> </ul>

**Conclusion**

The emergence of SCH business concept in tourism business required the operators to have a clear understanding on SCH practices. Quick formation on standardized and uniformed system of SCH business should be taken into high consideration. Referring to the information in *table 1*, it shows that there are several important attributes and requirements to be fulfilled by the hotel operators in order to ensure them running a proper and real SCH business. On the other hand, the findings also explained the uncertainty of the SCH business attributes. Moreover, *table 1* also shows the continuity of the research pertaining to the SCH business started from 2009 to present. It means, the topic of SCH business is valid and important to be explored further. Hopefully, the system of SCH business will exist soonest and will be able to guide the operation of SCH business especially in Malaysia.

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