

The Implementation of Shariah Compliance Concept Hotel: De Palma Hotel Ampang, Malaysia

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Abstract. Tourism is a sector that has been recognized by the Malaysian government as an economic catalyst for the country. Currently, the tourism industry is the second highest contributor to Malaysia's Gross Domestic Product (GDP) after manufacturing. This paper briefly discusses issues which focus on the implementation of Shariah compliant hotel concept at De Palma hotel Ampang, Malaysia recently. De Palma hotel, Ampang, is an Islamic concept hotel where the facilities, operation, design and also the financial system of the hotel complies to Shariah rules and principles. The implementation of these features is to provide Muslim-friendly services to Muslim travelers. Data collection to find out about the implementation of Shariah compliance at De Palma hotel was carried out through an interview with the management of the hotel. As a conclusion, the existence of Muslim-friendly services in the hotel shows that the hotel is trying to enhance the Shariah compliant environment in order to cater the needs of Muslim travelers in Malaysia.

Keywords: Tourism industry, Hotel, Shariah compliant hotel, Islamic concept

1. Introduction

This paper is based on a preliminary study of the concept Shariah compliant hotel. Meanwhile the tourism and hospitality industry have shown a rapid growth in generating large income and opportunities in many countries. According to World Tourism Organization (WTO), the international tourism receipts are estimated to reach US\$ 919 billion worldwide in 2010, an increase from US\$ 851 billion in 2009. Furthermore, international tourist arrivals grew by nearly 7% in 2010 to 940 million. Metelka (1990, p. 73), states that tourism is also defined as an "umbrella term for variety of product and services offered and desired by people while away from home". World Tourism Organization describes tourists as people "who travel to and stay in places outside their usual environment for more than twenty-four (24) hours and not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited" (1995, p. 1). However, Goeldner (2009) defines tourism as the processes, activities and outcomes from the relationships occurring among tourists, tourism suppliers, local government and the surrounding environment. The tourism and hospitality industry usually offers a range of products and services under different sectors which simultaneously supports the industry as a whole (Yuhanis et al., 2009). The various products and services offered includes accommodation, food services, transportation, place of attractions and other related sectors to the hospitality service.

2. Tourism Industry in Malaysia

In Malaysia, tourism is recognized as a major economic and social significance that contributes to the creation of wealth. As reported in the 9th Malaysian Plan, the tourism sector has been identified as a driver of economic activity that will contribute towards the growth and development of the economy. Due to this

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reason the government has granted various facilities to tourism agencies to develop other potential areas in the tourism industry such as Eco-tourism, Edu-tourism, Islamic tourism, Homestay and many more. Besides that, the government has also recognized tourism as a significant contributor to the country through foreign exchange and currently it is the second largest contributor to Malaysia's GDP after the manufacturing sector. Total tourist arrivals in Malaysia have increased from 10.2 million in 2000 to 24.5 million in 2010. Tourist receipts have also showed a great and consistent growth from RM17, 335.4 million in 2000 to RM56, 492.5 million in 2010. Table 1 shows tourist arrivals and receipts for Malaysia. (US\$ 1= RM2.97)

Year	Tourist Arrivals	Tourist Receipts (RM / Million)
2000	10,221,582	17,335.4
2001	12,775,073	24,221.5
2002	13,292,010	25,781.1
2003	10,567,915	21,291.1
2004	15,703,406	29,651.4
2005	16,431,055	31,954.1
2006	17,546,863	36,271.7
2007	20,972,822	46,070.0
2008	22,052,488	49,561.2
2009	23,646,191	53,367.7
2010	24,577,196	56,492.5

Source: Malaysia Immigration Department & Division Visitor Survey (DVS), Tourism Malaysia (2010)

Table 1: Tourist Arrivals and Receipts in Malaysia 2000-2010

Parallel with the increase of tourist arrivals and receipts, the major foreign earnings have also increased. As stated by Central Bank of Malaysia the tourism sector has shown a positive growth that contributes to the major foreign earnings from 2006 to 2010 with RM37.6 billion in (2006) and RM56.5 billion in (2010) (Malaysia Tourism Indicators, 2009). The consistent contribution of tourism sector towards foreign earning has lead the Tourism Ministry to put various strategies to generate more income for the country as this sector is seen as an important source of economic growth to the country (Zainudin & Norul, 2010). Table 2 shows the major foreign earnings in tourism sector.

Sector	RM/ billion				
	2006	2007	2008	2009	2010
Manufacturing Goods	473.2	474.7	491.9	430.6	486.7
Tourism	37.6	46.1	50.2	55.0	56.5
Palm Oil	21.6	31.9	46.0	36.4	45.6
LNG	23.3	26.2	40.7	31.2	38.1
Crude Oil	30.8	31.8	43.0	25.4	30.8

Source: Central Bank of Malaysia (2010)

Table 2: Major Foreign Earning by Sector From 2006 – 2010

3. Hotel Sector

A hotel is an establishment that provides services such as accommodation, food and drinks for guest or temporary residents who intend to stay at the hotel (Medlik and Ingram, 2000). As stated by Jones and Lockwood (1989) the hotel sector is commonly known as lodging sector because hotels provide overnight accommodation to the guests. Furthermore, the hotels are also defined as an operation that provides accommodation and ancillary services to the people that are away from home. Hotels also contribute to the economy of the country. This is because when the guests stay at the hotels they will spend on the hotel services and buys products from the local shops thus contributing to the local economy. In Malaysia, the hotel sector has continued to grow since 1994 (Yuhanis, 2007). Continuous growth of tourism industry in Malaysia has increased the number of hotels in Malaysia. The number of new hotels being opened has grown due to increase tourist arrivals and increase demand for accommodation services while they are travelling or attending certain event. For instance, the demand for hotel rooms increased significantly for Visit Malaysia Year 1990 Campaign and also Commonwealth Games in 1998 (Ching, 2008). Table 3 shows the Hotel and room supply from 2008 to 2009.

Source: Tourism Malaysia

Hotel & Room Supply	2008	2009	Change (%)
Number of Hotels	2,373	2,373	0.0
Number of Rooms	165,739	168,844	1.9

Source: Tourism Malaysia (2009)

Table 3 :Hotel & Room Supply At 2008-2009

From the table above, there are about 2,373 number of hotels listed in 2008 and 2009. The number of hotels remained the same but the number of room supply in the hotel increased from 165,739 in 2008 to 168,844 in 2009 (Tourism Malaysia, 2009). Furthermore, as stated by Ministry of Finance in 2004 the hotel industry contributed approximately 14.6 per cent from the service sector contribution to the nation’s real GDP which makes the service sector especially the hotel industry as one of the most promising industry in Malaysia (Khairil et al., 2008). This is because accommodation service remains the main component of total tourist expenditure and this component is showing positive growth from year to year. Tourists expenditure towards accommodation services is consistently increasing from 2007- 2009 compared to other services such as food, shopping or transportation. According to the Departing Visitor Survey by Tourism Malaysia (2009) the components of tourist expenditure towards accommodation was RM 14,235.6 Million in 2007, RM 15,463.1 Million in 2008 and RM 16,573.8 Million in 2009.

4. The Concept of Shariah Compliant Hotel

Shariah is an Arabic word which means the path that should be followed by Muslims (Doi, 1984). Moreover, Shariah also means the totality of Allah’s commands which regulate life for every Muslim in all aspect. The lodging sector consists of all the hotels business that provides accommodation service to the guest. Hotel sector is defined as the establishments which provide sleeping rooms or other various service facilities to the guest (Hayes and Ninemeir, 2007). Meanwhile, Shariah compliant hotel can be defined as a hotel that provides services in accordance to the Shariah principles (Shamim, 2009). The Shariah compliant hotel is not only limited to serve halal food and drink but the operation throughout the hotel would also be managed based on Shariah principles. There are a few requirements a hotel must meet in order to be a Shariah compliant hotel. It is important to note in order to be considered a Shariah compliant hotel, it should ensure that the operation, design of the hotel and also the financial system of the hotel complies to Shariah rules and principles. The hotel facilities should be operated based on Shariah principles. For example, the facilities such as spa, gym facilities, swimming pool, guest and function room for male and female should be separated (Rosenberg and Choufany, 2009). Besides facilities, a Shariah compliant hotel should not serve any alcoholic beverage and there should not be a minibar in the premises. This will create a Halal environment for the hotel and provide a safe and healthy living environment for the guest. According to Henderson (2010), the industry practitioners and analyst have comes out with a set of Shariah compliant hotel attributes. Figure 1 shows the attributes of Shariah Compliant Hotel.



Fig. 1: Attributes of Shariah Compliant hotel

Adopted by: Choufany (2009) and Henderson (2010)

5. Methodology

The objective of this study is to explore the Islamic religious features that have been implemented in De Palma hotel. In order to achieve this objective, an in-depth interview was conducted with the management and this was followed up with observation to study whether the activities, features and facilities in the hotel are Shariah compliant. Semi-structured questions were designed for the purpose of conducting an in-depth interview with the participant. The preliminary result was obtained through an interview with the Room Division Manager of De Palma, Ampang to identify the Shariah compliance concept in the hotel.

6. Background of De Palma Hotel Ampang, Malaysia

De Palma hotel, Ampang is one of the hotels that comply with the Islamic concept. De Palma Group hotel is wholly owned by the Selangor State development Corporation and it is managed by Biztel Sdn Bhd. Currently there are 5 outlets of De Palma hotel which are located in several cities such as Ampang, Shah Alam, Kuala Selangor, Sepang and Kuching. De Palma Ampang is chosen because it is the first hotel to offer services that conform to Shariah principles. This hotel was launched in 1996 and located at Ampang, Selangor. It is close to Kuala Lumpur which is the capital city of Malaysia. De Palma hotel Ampang has 204 rooms and suites equipped and decorated with modern features. It also has Islamic floor on level 6, businesses floor on level 7,8,9,10,11. Besides, it also offers 5 types of rooms include Superior, Business, Junior, Suite, and Executive Suite. Then the Islamic floor at level 6 has specific Islamic room type that has been open for service since 2010. On April 2011, the Halal Journal Award 2011 awarded the recognition to the hotel as “The pioneer Hotel in Shariah Compliant”.

7. The Characteristics of Muslim-Friendly Service at De Palma Hotel, Ampang

Pursuant to this, De Palma Hotel has developed and enhanced their hotel as a Shariah compliant hotel by providing Muslim-friendly services. According to the Room Division Manager, the reason for bringing the Islamic concept into the hotel is because it is important to cater the needs of Muslim travelers who always faced the difficulty in obtaining hotels that suit their lifestyle. As such, De Palma Ampang has embarked to be the pioneer for Shariah compliant hotel in Malaysia. The Islamic floor at level 6 is mainly dedicated for Muslim guests and it characterizes Muslim-friendly service offered to Muslim travelers. On this floor, Muslim-friendly services offered include prayer room, direction of Qiblat in each room, prayer veils, Quran, Yassin and hand bidet in the toilet for ablution. Every prayer time the *Azan* will also be heard in the rooms. In addition, this hotel has a large prayer room with a full-time Imam to lead daily prayers and Friday prayers. De Palma hotel Ampang is the only hotel which is allowed to conduct Friday prayers. The prayer rooms accommodate a congregation of 1200- 2000 people includes staff and also joined by public. For the Muslim female staff, it is compulsory for them to wear Muslim costumes which cover the *aurat*. It is also compulsory for all the Muslim staff to pray during prayer time. As a Muslim-friendly service hotel, De Palma also provides halal food in their hotel restaurants and the restaurants are certified halal by Selangor Islamic Religious Department. In addition, the hotel also provides services for conference and business meeting package that comply with halal requirements such as offering the *doa* recital by the Iman and provision of *zam-zam* water and dates at the opening of meetings. Moreover, the hotel also conducts special religious classes on Al-Quran recital, *Qiamullail* and *Tazkirah* programs for hotel guest and staff in order to improve their religious knowledge.

8. Conclusion

The elements of Muslim-friendly services provided and implemented in De Palma hotel Ampang. As it is shown this hotel is currently implementing Shariah compliant features in their services and facilities. The hotel was the first hotel in Malaysia was recognized as a Shariah compliant hotel in the Malaysian hotel industry. The existence of Shariah compliant environment and Muslim-friendly services offer in the hotel therefore would cater the needs of Muslim travelers in Malaysia and this will further stipulates the tourism industry of the country.

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