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Institutional Support as a Boundary Condition in Halal Entrepreneurship: Evidence from Halal-Certified Food and Beverage SMEs in Indonesia

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Abstract: The halal economy is expanding rapidly, but halal-certified small and medium-sized enterprises (SMEs) still face uneven capacity to sustain and expand halal-oriented business practices. This study examines the determinants of halal business continuation and expansion intention among halal-certified food and beverage SMEs in Riau Province, Indonesia. Drawing on the Theory of Planned Behavior (TPB), the model integrates attitude, subjective norms, perceived behavioral control, entrepreneurial self-efficacy, and institutional support. A face-to-face survey was administered to 146 halal-certified SMEs selected proportionately from six regencies and cities in Riau Province. Data were analyzed using partial least squares structural equation modeling (PLS-SEM). The results show that attitude (beta = 0.201, p = 0.002), subjective norms (beta = 0.155, p = 0.010), perceived behavioral control (beta = 0.185, p = 0.008), and entrepreneurial self-efficacy (beta = 0.149, p = 0.014) positively influence halal business continuation and expansion intention. Institutional support negatively moderates the effect of perceived behavioral control (beta = -0.146, p = 0.024), suggesting that institutional support operates as a context-bound boundary condition rather than as an unconditional facilitator. The model explains 25.1% of the variance in the endogenous construct. The findings contribute to TPB-based halal entrepreneurship research by showing that support mechanisms may be less enabling when certified SMEs already perceive themselves as capable but experience institutional support as uneven, procedural, or insufficiently aligned with their operational needs.

Keywords: Entrepreneurial Self-Efficacy, Halal-Certified Smes, Halal Entrepreneurship, Institutional Support, Theory of Planned Behavior

1. Introduction

The halal economy has moved from a niche religious market to a global economic ecosystem involving food, pharmaceuticals, cosmetics, modest fashion, travel, media, recreation, and Islamic finance. DinarStandard's State of the Global Islamic Economy Report 2024/25 reported that Muslim consumer spending across the main halal economy sectors reached US$2.43 trillion in 2023 and is projected to rise to US$3.36 trillion by 2028 (DinarStandard, 2025). This expansion gives halal entrepreneurship strategic relevance because it connects religious compliance, product quality, consumer trust, and market competitiveness.

Indonesia is a particularly important setting for this issue. Law Number 33 of 2014 on Halal Product Assurance defines halal certification as legal assurance of product halalness and requires products entering, circulating, and traded in Indonesia to be halal-certified (Republic of Indonesia, 2014). BPJPH later confirmed the implementation of the first mandatory phase from October 2024 for medium and large businesses in food, beverages, raw materials, additives, and slaughter-related products, while micro and small enterprises were given a later deadline (BPJPH, 2024). In parallel, Indonesian SMEs remain central to the national economy, contributing approximately 61% of GDP and absorbing around 97% of national employment (Coordinating Ministry for Economic Affairs, 2023). These conditions make halal-certified SMEs a critical population for understanding the future of halal entrepreneurship.

Despite the policy momentum, halal entrepreneurship should not be treated simply as a matter of certification adoption. For firms that are already halal-certified, the more relevant behavioral question is whether they intend to sustain, deepen, and expand halal-compliant operations. This distinction is important because a certified firm has passed a formal adoption stage, but it may still vary in its commitment to product development, quality improvement, adaptation to halal standards, and long-term participation in the halal ecosystem. Therefore, this revised study conceptualizes the dependent construct as halal business continuation and expansion intention rather than a pre-adoption willingness to become halal entrepreneurs.

The Theory of Planned Behavior (TPB) provides a useful basis for explaining this intention. According to Ajzen (1991), intention is shaped by attitude toward the behavior, subjective norms, and perceived behavioral control. In entrepreneurship research, TPB has been widely applied because it links cognitive evaluation, social influence, and perceived feasibility to entrepreneurial action (Krueger *et al.,* 2000). In halal entrepreneurship, attitude reflects the perceived value of halal business, subjective norms capture social and market expectations, and perceived behavioral control captures owners' perceptions of resources, knowledge, and feasibility. Prior halalpreneurship studies similarly show that attitudes, social support, halal awareness, perceived desirability, and perceived feasibility are central to halal entrepreneurial propensity and certification-related intention among MSME entrepreneurs (Anwari & Hati, 2020; Ashraf, 2020; Ihsan *et al.,* 2022; Sudarmiatin *et al.,* 2020).

This study extends the TPB by adding entrepreneurial self-efficacy and institutional support. Entrepreneurial self-efficacy captures business owners' belief in their ability to innovate, manage resources, and respond to challenges in halal business. This is theoretically distinct from perceived behavioral control because self-efficacy focuses on personal entrepreneurial competence, whereas perceived behavioral control includes both internal capability and external feasibility. Institutional support is added as a contextual moderator because halal business continuation does not depend only on owners' motivation; it also depends on whether government programs, associations, certification bodies, and financial institutions provide support that is accessible, transparent, and aligned with SME needs (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Welter, 2011). Previous halal business studies show that knowledge, attitude, human capital, halal certification capability, and finance-related literacy shape halal business readiness and performance (Fatah Yasin *et al.,* 2020; Katuk *et al*., 2020; Othman *et al.,* 2015; Rafiki & Abdul Wahab, 2016; Salaheldeen *et al.,* 2023).

The study contributes to the literature in three ways. First, it repositions the outcome construct for halal-certified SMEs by focusing on continuation and expansion rather than initial adoption. Second, it integrates TPB with entrepreneurial self-efficacy and institutional support in the context of halal-certified food and beverage SMEs. Third, it provides evidence that institutional support may function as a boundary condition: it can weaken, rather than strengthen, the perceived behavioral control-intention link when support mechanisms are experienced as procedural, uneven, or insufficiently aligned with SME operating realities. This contribution is intentionally framed as context-bound and sector-specific rather than as a universal reversal of institutional support effects.

2. Literature Review and Hypothesis Development

2.1 Theory of Planned Behavior in Halal Entrepreneurship

TPB argues that behavioral intention is the immediate antecedent of action and that intention is shaped by attitude, subjective norms, and perceived behavioral control (Ajzen, 1991). In entrepreneurial settings, attitude reflects the perceived desirability of entrepreneurship, subjective norms reflect social approval or pressure, and perceived behavioral control reflects the perceived feasibility of acting (Krueger *et al.,* 2000). Halal entrepreneurship adds a value-based dimension to this logic because business decisions are evaluated not only through profitability but also through compliance, trust, and responsibility to consumers.

For halal-certified SMEs, the relevant intention is not merely whether owners want to become halal entrepreneurs, but whether they intend to continue and expand halal-compliant practices. This includes willingness to develop halal products, improve halal quality, adapt to standards, and maintain pride and satisfaction in halal certification. This framing aligns the construct with the actual sample because all respondents were already halal-certified food and beverage SMEs.

2.2 Attitude and Halal Business Continuation and Expansion Intention

Attitude refers to the degree to which SME owners evaluate halal-compliant business practices positively. A favorable attitude may arise when owners believe that halal standards improve consumer trust, product credibility, and long-term competitiveness. Previous work on halalpreneurs shows that halal awareness, intrinsic motivation, perceived desirability, and relative advantage can shape halal entrepreneurial propensity (Anwari & Hati, 2020). In a similar way, certified SMEs that perceive halal business as valuable are expected to show stronger continuation and expansion intention. Therefore, the first hypothesis is proposed:

H1: Attitude positively influences halal business continuation and expansion intention among halal-certified food and beverage SMEs.

2.3 Subjective Norms and Halal Business Continuation and Expansion Intention

Subjective norms refer to perceived expectations from significant others, including consumers, family, communities, business networks, and local institutions. In halal markets, normative pressure may come from Muslim consumers' expectations, community demands for certified products, and business partners' preference for halal-compliant supply chains. Prior halal entrepreneurship research suggests that family support and social influence can affect halalpreneurial propensity and halal-related behavior (Anwari & Hati, 2020; Ihsan *et al.,* 2022). Thus, certified SMEs embedded in supportive social and market environments are expected to be more willing to continue and expand halal-compliant operations.

H2: Subjective norms positively influence halal business continuation and expansion intention among halal-certified food and beverage SMEs.

2.4 Perceived Behavioral Control and Halal Business Continuation and Expansion Intention

Perceived behavioral control reflects owners' perception that they possess the knowledge, skills, resources, and external access needed to implement halal business practices. For certified SMEs, this includes confidence in managing halal production, understanding halal standards, accessing information, and obtaining technical support. TPB predicts that when actors perceive stronger control over a behavior, they develop stronger intention to perform it (Ajzen, 1991). In halal entrepreneurship, perceived feasibility has also been found to influence halalpreneurial propensity (Anwari & Hati, 2020). Accordingly, perceived behavioral control should strengthen certified SMEs' intention to maintain and expand halal operations.

H3: Perceived behavioral control positively influences halal business continuation and expansion intention among halal-certified food and beverage SMEs.

2.5 Entrepreneurial Self-Efficacy and Halal Business Continuation and Expansion Intention

Entrepreneurial self-efficacy refers to owners' belief that they can perform entrepreneurial tasks such as identifying opportunities, developing products, managing resources, building networks, and handling business risks. In halal-certified SMEs, self-efficacy is important because maintaining halal operations requires both technical compliance and entrepreneurial adaptation. Evidence from halalpreneurship research indicates that human capital and capability-oriented factors are associated with halalpreneurs' desire and halal awareness (Ihsan *et al.,* 2022), while entrepreneurial self-efficacy is widely recognized as a predictor of entrepreneurial intention and performance (McGee & Peterson, 2019). Therefore, owners with stronger self-efficacy are expected to be more willing to expand halal-compliant business practices.

H4: Entrepreneurial self-efficacy positively influences halal business continuation and expansion intention among halal-certified food and beverage SMEs.

2.6 Institutional Support as a Moderator

Institutional support refers to the perceived contribution of government agencies, business associations, certification-related institutions, and financial institutions in providing access to resources, information, training, facilitation, networking, and financing. Institutional theory suggests that organizations operate within regulatory, normative, and cognitive environments that shape behavior and legitimacy (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). In halal entrepreneurship, institutional support is expected to matter because certification and halal business development require regulatory knowledge, procedural access, and financial or technical assistance.

This study theorizes institutional support as a moderator of the perceived behavioral control-intention relationship rather than as a moderator of all TPB paths. The reason is conceptual alignment: perceived behavioral control is specifically concerned with feasibility, resources, constraints, and perceived ease or difficulty. Institutional support directly affects these feasibility judgments by shaping access to training, certification assistance, association networks, and financing. By contrast, attitude is more evaluative, subjective norms are more social, and entrepreneurial self-efficacy is more person-centered. Therefore, the strongest theoretical fit is between institutional support and perceived behavioral control.

However, institutional support may not always strengthen the relationship. Support can become less enabling when programs are fragmented, administrative procedures are difficult to access, financing processes are perceived as opaque, or training and association support do not match the needs of small firms. This does not mean that institutions are harmful in general; rather, it means that their effect may depend on perceived accessibility and fit. Hence, the moderation is tested without assuming that the direction must be positive.

H5: Institutional support moderates the relationship between perceived behavioral control and halal business continuation and expansion intention among halal-certified food and beverage SMEs.

Figure 1 presents the proposed research framework and shows how attitude, subjective norms, perceived behavioral control, and entrepreneurial self-efficacy are linked to halal business continuation and expansion intention, with institutional support positioned as a moderator of the perceived behavioral control-intention relationship.

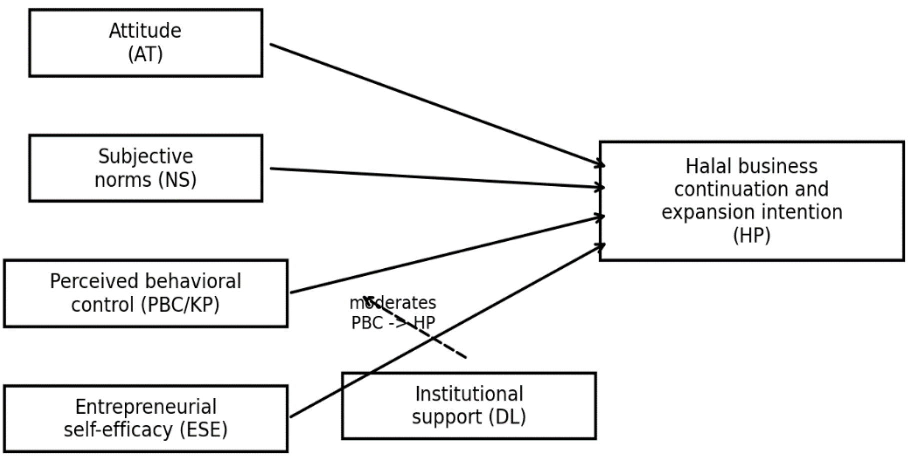

Figure 1. Research framework

3. Methodology

3.1 Research Design and Setting

This study used a quantitative cross-sectional survey design. The design is appropriate because the study tests theoretically specified relationships among latent constructs at one point in time. The study was conducted among halal-certified food and beverage SMEs in six regencies and cities of Riau Province, Indonesia: Pekanbaru, Dumai, Kampar, Kuantan Singingi, Bengkalis, and Siak. These areas represent urban, inland, and coastal contexts within the province.

The unit of analysis was the SME owner or manager. All respondents operated food and beverage businesses that had obtained halal certification. Because the firms were already certified, the dependent construct was interpreted as halal business continuation and expansion intention. This definition better reflects the sample than wording that suggests a pre-certification decision.

3.2 Sampling and Data Collection

The sampling frame was constructed from BPJPH records for halal-certified SMEs in the selected six regencies and cities. The six-cluster frame contained 1,349 certified SMEs: Pekanbaru (723), Dumai (125), Kampar (89), Kuantan Singingi (184), Bengkalis (164), and Siak (64). Proportionate cluster allocation was used to obtain 146 respondents: Pekanbaru (78), Dumai (14), Kampar (10), Kuantan Singingi (20), Bengkalis (17), and Siak (7).

The minimum sample size was assessed using G*Power with six predictors, an alpha level of 0.05, statistical power of 0.95, and a medium effect size assumption (f2 = 0.15), producing a required sample of 146. Questionnaires were administered face to face to reduce misunderstanding and to ensure that respondents completed the items. The final dataset consisted of 146 usable questionnaires. Because fieldwork followed a direct visit procedure until the predetermined cluster allocation was completed, a conventional mail-survey response rate was not calculated; this limitation is acknowledged in the final section.

Table 1 presents the respondent profile after recalculating the demographic categories against the corrected dataset of 146 halal-certified food and beverage SMEs.

Table 1. Respondent profile (n = 146)

Characteristic	Category	n	%
Gender	Male	98	67.12
Gender	Female	48	32.88
Age	< 25 years	10	6.85
Age	25-34 years	32	21.92
Age	35-44 years	54	36.99
Age	45-54 years	36	24.65
Age	>= 55 years	14	9.59
Education	Elementary/junior high school	0	0.00
Education	Senior high/vocational school	74	50.68
Education	Diploma (D1-D3)	43	29.45
Education	Bachelor/master degree	29	19.86
Business age	1-3 years	21	14.38
Business age	4-6 years	53	36.30
Business age	7-10 years	45	30.82
Business age	> 10 years	27	18.50
Business location	Pekanbaru	78	53.42
Business location	Dumai	14	9.59
Business location	Kampar	10	6.85
Business location	Kuantan Singingi	20	13.70
Business location	Bengkalis	17	11.64
Business location	Siak	7	4.79
Number of employees	Up to 5 employees	87	59.59
Number of employees	6-10 employees	46	31.51
Number of employees	> 10 employees	13	8.90
Monthly sales	IDR 25-210 million	125	85.62
Monthly sales	> IDR 210 million	21	14.38

3.3 Measurement

The questionnaire measured six latent constructs: attitude (AT), subjective norms (NS), perceived behavioral control (KP), entrepreneurial self-efficacy (ESE), institutional support (DL), and halal business continuation and expansion intention (HP). The constructs were adapted from TPB-based entrepreneurship research and halal entrepreneurship studies (Ajzen, 1991; Anwari & Hati, 2020; Ihsan *et al.,* 2022; Salaheldeen *et al.,* 2023). Higher scores indicated stronger agreement. The questionnaire was reviewed through a pre-test involving academics and practitioners to improve clarity and contextual appropriateness for SME respondents.

Institutional support was operationalized through three dimensions. Government support covered halal training, accessibility of the halal certification process, and incentives. Association support covered technical assistance, business networking, and regular halal training. Financial-institution support covered access to financing, financial assistance, and transparency of halal financing procedures. Therefore, the moderator captured perceived support availability and accessibility, not administrative burden directly. This distinction is important for interpreting the negative moderation result.

Table 2 summarizes the constructs, operational definitions, measurement scope, and initial number of questionnaire items used in the study.

Table 2. Constructs and measurement scope

Construct	Definition in this study	Measurement scope	Initial items
Attitude (AT)	Affective, cognitive, and conative evaluation of halal business	Pride and satisfaction in halal business; perceived benefits of certification; knowledge of halal principles; investment and learning commitment	9
Subjective norms (NS)	Perceived social and market expectations	Consumer and community expectations; family and community support; government, association, and Islamic finance influence	9
Perceived behavioral control (KP)	Perceived capability and feasibility of halal business operation	Halal production capability; knowledge; implementation skills; capital; training access; certification support	6
Entrepreneurial self-efficacy (ESE)	Belief in entrepreneurial task capability	Market identification; product and packaging creativity; network development; resource and risk management	6
Institutional support (DL)	Perceived institutional facilitation for halal business development	Government training, access, incentives; association mentoring, networking, training; financial access, assistance, transparency	9
Halal business continuation and expansion intention (HP)	Certified SMEs intention to sustain and expand halal operations	Development of halal products; quality improvement; standard adaptation; pride and satisfaction with halal certification	6

3.4 Data Analysis

Data were analyzed using SmartPLS 4.0.8.3. The PLS-SEM approach was selected because the model includes multiple latent variables and a moderation effect, and because the study focuses on prediction and theory extension rather than covariance-based model confirmation (Hair *et al.,* 2021). The analysis followed the two-stage procedure recommended for PLS-SEM: assessment of the measurement model followed by assessment of the structural model.

Measurement quality was evaluated using outer loadings, average variance extracted (AVE), Cronbach's alpha, rho_A, composite reliability, HTMT, and the Fornell-Larcker criterion. Structural assessment used path coefficients, t-statistics, p-values, confidence intervals, VIF, f2, and R2. Following common method recommendations, common method bias was addressed procedurally by using clear item wording, anonymity, pre-testing, and separated questionnaire sections (Podsakoff *et al.,* 2003). As an additional diagnostic, all reported VIF values in the structural model were below the conservative threshold of 3.3 suggested for collinearity-based common method checks (Kock, 2015).

4. Results

4.1 Measurement model

The measurement model results are presented in Table 3. Indicators with very low loadings were removed during measurement purification when their deletion improved construct quality without undermining content coverage. The retained indicators generally exceeded the recommended loading threshold of 0.708. Some indicators were marginal but still acceptable in exploratory PLS-SEM when AVE and composite reliability remain adequate (Hair *et al.,* 2021). Specifically, KP5 (0.628), HP1 (0.674), HP3 (0.688), and HP5 (0.672) were retained because they represent theoretically important dimensions of resource access, willingness, adaptation, and satisfaction in halal business continuation. Their retention did not compromise convergent validity because the AVE values for KP (0.521) and HP (0.572) exceeded 0.50 and composite reliabilities were above 0.70.

All constructs met internal consistency criteria. Composite reliability ranged from 0.811 to 0.929, rho_A ranged from 0.722 to 0.935, and AVE values ranged from 0.515 to 0.607. These results indicate satisfactory convergent validity and reliability.

Table 3. Convergent validity and internal consistency reliability

Construct	Retained outer loadings	AVE	Cronbach alpha	rho_A	CR/rho_c
AT	AT1 = 0.784; AT2 = 0.778; AT3 = 0.799; AT4 = 0.805; AT5 = 0.773; AT6 = 0.717; AT7 = 0.750; AT8 = 0.714; AT9 = 0.786	0.590	0.916	0.935	0.928
NS	NS1 = 0.731; NS2 = 0.789; NS3 = 0.769; NS4 = 0.750; NS5 = 0.755; NS6 = 0.748; NS7 = 0.801; NS8 = 0.793; NS9 = 0.787	0.592	0.915	0.926	0.929
KP	KP2 = 0.747; KP4 = 0.674; KP5 = 0.628; KP6 = 0.823	0.521	0.695	0.722	0.811
ESE	ESE1 = 0.773; ESE2 = 0.739; ESE3 = 0.794; ESE4 = 0.719; ESE5 = 0.841; ESE6 = 0.803	0.607	0.872	0.908	0.902
DL	DL2 = 0.763; DL4 = 0.733; DL5 = 0.704; DL6 = 0.695; DL7 = 0.701; DL8 = 0.709	0.515	0.815	0.831	0.864
HP	HP1 = 0.674; HP2 = 0.742; HP3 = 0.688; HP4 = 0.866; HP5 = 0.672; HP6 = 0.869	0.572	0.849	0.873	0.888

Discriminant validity was also satisfactory. As shown in Table 4, all HTMT values were well below 0.85 and 0.90 thresholds, indicating that the constructs are empirically distinct (Henseler *et al.,* 2015). Table 5 shows that the square root of AVE for each construct exceeded its correlations with other constructs, further supporting discriminant validity.

Table 4. Discriminant validity: Heterotrait-Monotrait ratio (HTMT)

	AT	DL	ESE	HP	KP	NS	DL x KP
AT							
DL	0.136						
ESE	0.112	0.196					
HP	0.229	0.301	0.275				
KP	0.096	0.205	0.293	0.291			
NS	0.148	0.163	0.275	0.276	0.123		
DL x KP	0.081	0.129	0.076	0.180	0.104	0.074	

Table 5. Discriminant validity: Fornell-Larcker criterion

	AT	DL	ESE	HP	KP	NS
AT	**0.768**					
DL	-0.007	**0.718**				
ESE	-0.030	0.146	**0.779**			
HP	0.235	0.271	0.253	**0.757**		
KP	0.026	0.136	0.221	0.237	**0.722**	
NS	0.145	0.135	0.237	0.251	-0.004	**0.770**

Note. Diagonal values are the square roots of AVE; off-diagonal values are correlations

4.2 Structural Model and Hypothesis Testing

The structural model explains 25.1% of the variance in halal business continuation and expansion intention (R2 = 0.251; adjusted R2 = 0.219). This level of explanatory power should be interpreted as modest-to-moderate in a behavioral model of SMEs, indicating that TPB variables and entrepreneurial self-efficacy explain a meaningful but incomplete portion of the dependent construct. The remaining variance may be associated with other factors such as halal literacy, digital capability, access to halal financing, market competition, and local business ecosystem conditions.

The hypothesis testing results are shown in Table 6. Attitude, subjective norms, perceived behavioral control, and entrepreneurial self-efficacy all positively and significantly influenced halal business continuation and expansion intention. Institutional support significantly moderated the perceived behavioral control-intention link in a negative direction. Thus, H5 was supported in terms of the presence of moderation, but the direction indicates weakening rather than strengthening.

Table 6. Hypothesis Testing Results

Hyp.	Path	Beta	SE	t	p	95% CI	VIF	f2	Decision
H1	AT -> HP	0.201	0.071	2.817	0.002	0.054, 0.282	1.036	0.052	Supported
H2	NS -> HP	0.155	0.067	2.322	0.010	0.045, 0.264	1.105	0.029	Supported
H3	KP -> HP	0.185	0.077	2.402	0.008	0.050, 0.298	1.080	0.042	Supported
H4	ESE -> HP	0.149	0.068	2.186	0.014	0.026, 0.247	1.135	0.026	Supported
H5	DL x KP -> HP	-0.146	0.074	1.981	0.024	-0.265, -0.022	1.016	0.035	Supported (negative)

Note. PLS-SEM bootstrapping results. p-values are based on a one-tailed test. R2 for HP = 0.251; adjusted R2 = 0.219.

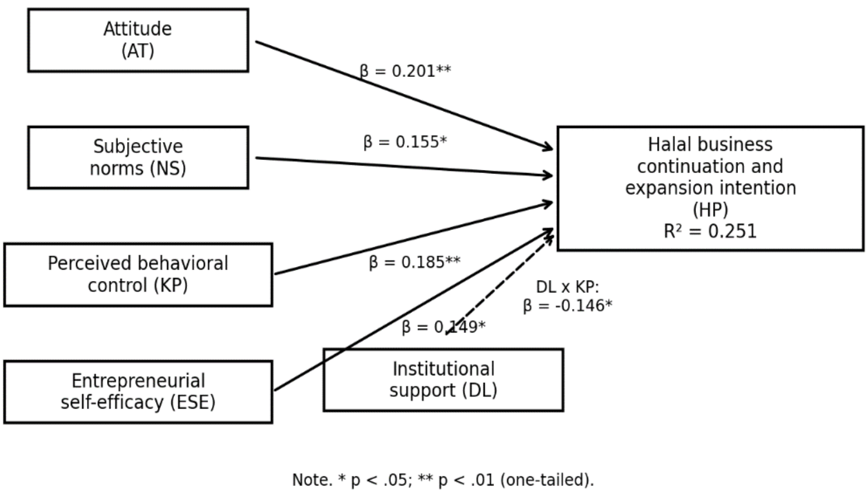

Figure 2. Structural model with standardized path coefficients

4.3 Moderation Interpretation

The negative interaction coefficient (beta = -0.146, p = 0.024) indicates that institutional support weakens the positive effect of perceived behavioral control on halal business continuation and expansion intention. To interpret this result, a simple-slope pattern was calculated using the standardized PBC coefficient and interaction coefficient. When institutional support is low (-1 SD), the implied slope of PBC is stronger (0.331). At the mean of institutional support, the slope is 0.185. When institutional support is high (+1 SD), the slope becomes very small (0.039). Therefore, certified SMEs with high perceived control appear to rely less on formal support when institutional support is perceived as stronger or more procedural.

This result should not be overstated as proof of a universal institutional paradox. The effect size is small (f2 = 0.035) and the model explains 25.1% of the variance. A more cautious interpretation is that institutional support constitutes a context-bound boundary condition. In this sample, institutional support does not automatically convert perceived capability into stronger intention; rather, it may reduce the incremental effect of perceived control when support is not sufficiently practical, transparent, or aligned with SMEs' operating realities.

Table 7 summarizes the simple-slope interpretation of the interaction effect at low, mean, and high levels of institutional support.

Table 7. Simple-slope interpretation of the interaction effect

Moderator level	Simple slope of PBC	Interpretation
Low institutional support (-1 SD)	0.331	Strong positive PBC-intention link
Mean institutional support	0.185	Moderate positive PBC-intention link
High institutional support (+1 SD)	0.039	Very weak PBC-intention link

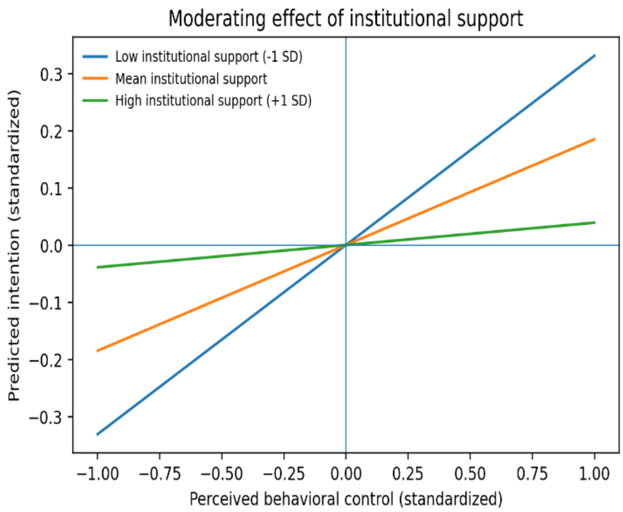

Figure 3. Interaction plot of institutional support and perceived behavioral control.

Figure 3 visualizes the moderation pattern and shows that the slope of perceived behavioral control becomes weaker when institutional support is higher.

5. Discussion

The findings confirm that TPB remains relevant for explaining halal business continuation and expansion intention among halal-certified food and beverage SMEs. Attitude has a positive effect, meaning that owners who evaluate halal business as beneficial and meaningful are more inclined to sustain and expand halal-compliant operations. This supports the TPB argument that favorable behavioral evaluation contributes to stronger intention

(Ajzen, 1991) and is consistent with halalpreneurship evidence showing the importance of halal awareness, perceived desirability, and relative advantage (Anwari & Hati, 2020).

Subjective norms also positively influence intention. This suggests that expectations from consumers, society, family, business communities, and local environments matter even after certification. Halal-certified SMEs do not operate in isolation; their decisions are embedded in markets where halal credibility is socially and commercially valued. The result supports prior work that social influence and support can shape halalpreneurial propensity and halal-related business choices (Anwari & Hati, 2020; Ihsan *et al.,* 2022).

Perceived behavioral control positively influences halal business continuation and expansion intention. Owners who feel capable of managing halal production, understanding standards, accessing training, and obtaining technical support are more likely to expand halal-compliant operations. This reinforces the TPB proposition that feasibility perceptions are essential to intention formation (Ajzen, 1991; Krueger *et al.,* 2000). In the SME context, capability and resource access are especially important because the maintenance of halal standards requires day-to-day operational discipline, documentation, and adaptation.

Entrepreneurial self-efficacy also has a positive effect. This result shows that halal continuation intention is not purely a compliance matter but also an entrepreneurial capability issue. Owners who believe they can innovate, build networks, manage resources, and handle risk are better positioned to use halal certification as a platform for business growth. This finding is consistent with research linking capability-oriented factors and human capital to halalpreneurs' desire and halal awareness (Ihsan *et al.,* 2022) and with broader entrepreneurship literature on self-efficacy (McGee & Peterson, 2019).

The most important revision concerns the moderation result. Institutional support negatively moderates the perceived behavioral control-intention relationship. The institutional-support measure in this study captures training, certification access, incentives, association assistance, networking, financing access, assistance, and transparency. These items reflect the availability and accessibility of support, not administrative burden directly. Therefore, the result should be interpreted cautiously: it suggests that formal support does not necessarily strengthen the motivational role of perceived capability among certified SMEs. One possible explanation is a substitution effect: when owners already feel capable, additional institutional mechanisms may add little incremental motivation. Another explanation is a perceived-fit problem: support may be present but not sufficiently tailored to the operational needs, timing, or administrative realities of SMEs.

This interpretation refines the earlier claim of an institutional paradox. Rather than claiming that institutional support generally backfires, the study shows a boundary condition in which support is less enabling than expected in a specific population of halal-certified food and beverage SMEs in one Indonesian province. The modest R2 and small f2 of the interaction mean that institutional support should be discussed as one contextual factor among several, not as the dominant explanation of halal entrepreneurial intention.

6. Conclusion

This study investigated halal business continuation and expansion intention among 146 halal-certified food and beverage SMEs in Riau Province, Indonesia. By reframing the dependent construct around continuation and expansion, the study aligns the model with the actual status of respondents, who had already obtained halal certification. The results show that attitude, subjective norms, perceived behavioral control, and entrepreneurial self-efficacy positively influence intention. Institutional support significantly moderates the perceived behavioral control-intention relationship in a negative direction.

The findings contribute to halal entrepreneurship research by integrating TPB, entrepreneurial self-efficacy, and institutional support in a certified-SME context. The study demonstrates that institutional support should not be assumed to be uniformly enabling. Its role depends on how accessible, transparent, practical, and well aligned the support is with SMEs' actual business needs. For policy makers, the implication is that halal support programs should move beyond formal availability and focus on usability: simpler procedures, locally embedded mentoring, transparent financing mechanisms, and sustained association-based support.

6.1 Theoretical Implications

Theoretically, the study extends TPB-based halal entrepreneurship research by clarifying that certified SMEs require a post-adoption intention construct. It also shows that institutional support is best positioned as a feasibility-related boundary condition rather than as a universal antecedent of intention. This distinction is useful for future research that seeks to explain why support policies sometimes produce uneven behavioral responses across SME groups.

6.2 Practical Implications

Practically, the findings suggest that government agencies, halal certification bodies, associations, and financial institutions should design support that directly addresses SMEs' operational constraints. Training should be needs-based and continuous, certification assistance should be simple and transparent, association networks should facilitate practical mentoring and market access, and Islamic financial institutions should improve accessibility and clarity of financing products for halal-certified SMEs.

6.3 Limitations and Future Research

This study has limitations. First, it was conducted only among halal-certified food and beverage SMEs in Riau Province; therefore, the findings should not be generalized to all sectors or regions. Second, the cross-sectional design cannot establish causal change over time. Third, the study used a single-source survey, although procedural and collinearity-based diagnostics were applied to reduce common method concerns. Fourth, the response rate could not be calculated using a conventional denominator because respondents were recruited through direct visits until the proportional cluster target was met. Future studies should use longitudinal data, multi-source measures, and direct indicators of administrative burden, procedural complexity, and compliance pressure to test the mechanism behind the negative moderation more precisely.

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Yes

Conflict of Interest

The authors have no conflicts of interest to declare. There is also no financial interest to report. The author certifies that the submission is original work and is not under review at any other publication.

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