

# DETERMINANT FACTORS OF THE OPERATIONAL MANAGEMENT FOR MALAYSIAN UMRAH PACKAGE

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**Abstract**

*Umrah package operations have recorded a significant increase every year in Malaysia. Muslims need to make various preparations before leaving for umrah including travelling, operational preparations and and the ibadah preparation. Until now, the maintenance of umrah operations is according to USSM. However, this management manual still fails to produce quality management standards in monitoring the entire operation of umrah packages in Malaysia. Some problems still occur such as misuse of operating licenses, taking excessive profits, and handling of unregistered packages. Due to this, the study focuses on the management problems of umrah package operations in Malaysia. Using qualitative methods, the findings of the study found that most companies do not have problems while conducting business related to umrah operations. This is because the companies involved have used USSM as the main guide in the operations of umrah. However, two main issues that need to be improved in the USSM, which are related to women's pilgrimage and comprehensive assistance to umrah company operators. Therefore, it is hoped that the proposed improvements will make USSM more effective and can be a model applicable not only in Malaysia but also in other countries. There are only two main issues that need to be improved in the USSM, namely related to the women's congregation and comprehensive assistance to umrah company operators. Therefore, it is hoped that the improvements as proposed will make the USSM more effective and can be applied not only in Malaysia but also able to be a model of umrah operation to other countries.*

**Keywords:** umrah, qualitative, USSM, Malaysia, JAWHAR

## INTRODUCTION

Umrah and Hajj are the religious obligation by Allah SWT which contains various secrets and wisdom. Among the wisdoms that can be immersed is to train Muslims to be united in improving the syiar of Islam, work together to uphold the religion of Allah SWT so that the relationship between the Muslim communities is closer, friendlier regardless of skin color, spoken language, customs and culture [1].

Umrah is performed specifically in the land of Mecca. Muslims from distant countries who wish to perform umrah need to prepare in terms of travel, operation, ibadah and so on that complete the umrah. Therefore, the existence of a service that provides umrah operation package is very necessary for the convenience and perfection of the ibadah to Muslims.

In the Malaysian context, for more efficient maintenance, the Umrah Service Management Manual (USSM) has been prepared as a guideline for the management of umrah services. This manual will assist private travel agencies in organizing umrah services for Malaysian pilgrims. In addition, the preparation of this Manual also aims to provide an explanation to the reader about the orderly and systematic process in the administration and management of umrah. The publication of this Manual is also a step by the Department of Wakaf, Zakat and Hajj (JAWHAR) to ensure that the umrah management process can be carried out professionally and best for Muslims.

Thus, this study will look at the management of umrah packages implemented in Kedah covering the management and operation of the company as well as packages and facilities offered to umrah pilgrims.

Umrah package operations have recorded a significant increase every year in Malaysia. Muslims need to prepare before leaving from various angles including travelling, operations and the ibadah itself. Until now, the maintenance of umrah operations is according to USSM. However, this management manual still fails to produce quality management standards in monitoring the entire operation of umrah packages in Malaysia. Some problems still occur such as misuse of operating licenses, taking excessive profits, and handling of unregistered packages.

Based on this study, it can be concluded that several factors have led to the problem. The first is from the aspect of confusion in the registration process as an umrah organizing agency. The second refers to the unclear contract between the umrah organizing agency and the Embassy of Saudi Arabia and the third factor refers to the weaknesses in the management which include the issuance of illegal visas as well as the problem of middlemen in the management. The fourth is related to the issue where USSM only provides general guidance to establish travel companies to get approval from the authorities, without any guidelines on the transparent operation and management to handle umrah pilgrims starting from their departure to the holy land until their return to the home country. Therefore, this study will focus on the management problems of umrah package operations in Malaysia.

## Literature Review

A study regarding hajj and umrah as a lifestyle by [2], found that the practice of hajj and umrah continues to grow and has become a widespread practice in society for at least the past ten years. The high economic growth and an increase in religious lifestyles have been the context in which these practices emerged and were developed in Makassar.

The tourism sector involving umrah operators has further boosted the supply and demand of umrah packages in the market. Each umrah operator company competes to promote the advantages of their respective companies to attract more customers who are the umrah candidates [3].

Based on the information from the Ministry of Tourism, Arts and Culture Malaysia (MOTAC) there are 606 companies registered and operating for the management of umrah packages in Malaysia and the operation of these registered companies is in

accordance with the USSM guidelines provided by JAWHAR which has been mandated by government.

Nonetheless, there are many issues and problems involving the operations of the company and umrah packages that have been reported in news media. Among them, a report from Astro [4] stated that these agencies had not performed their operations responsibly and 10 umrah package agents were alleged to be the scapegoat. The agency is said to be based in Johor with a branch in Sungai Petani, Kedah which has only been operating for three months starting October 1, 2017. The victim, who is also an agent at the agency, revealed this as he fears that more pilgrims will be deceived and will become stranded in the Holy Land.

Meanwhile, there are umrah package agencies accused of deceiving 15 prospective pilgrims, causing them to be stranded at the Kuala Lumpur International Airport (KLIA) and the agencies were found not registered with the Ministry of Tourism and Culture [5].

Apart from that, there is also a syndicate offering cheap umrah packages which is a scam by using the statement "servant of Allah offers umrah package", where the pilgrims were asked to pay only RM3,000 while the individual promised to sponsor the remaining costs calling themselves 'Servants of Allah' [6].

Further, there is a report that a total of 35 individuals have lost RM1.6 million, scammed by a travel agency based in Shah Alam, Selangor, through the VIP Hajj Package using Furada visas. All the victims who were supposed to leave for the Holy Land last August were reportedly stranded due to visa problems and flight issues. It was also reported that the agency involved was found not to have a pilgrimage organizer license and an umrah license [6].

In addition, about 200 pilgrims scheduled to depart for umrah, were stranded at KLIA after their flights were delayed due to landing permits not being obtained by special charter airlines to carry the delegation [7].

A total of 250 Umrah pilgrims from the country were reported stranded at a hotel in Mecca after allegedly facing technical problems with the airline, Mega Maldives Air. The pilgrims, who were mostly from Johor, left for umrah on December 11 and were supposed to board a flight back to Malaysia on December 23 [8].

MOTAC is the only body that acts to receive complaints related to umrah. Among the types of complaints received are delays and no action, unfair action, misconduct of members of the public, failure to follow established procedures, failure of enforcement and unsatisfactory quality of services [4].

Statistics and analysis of the number of tourism scheme scams issued by the Ministry of Domestic Trade and Consumer Affairs (MDTCA), Ministry of Tourism Malaysia, Arts and Culture Malaysia and the National Consumer Complaints Center (NCCC) have proven the existence of violations of consumer rights. Among the complaints and summons that have been made by the public or consumers include cases of fraud involving umrah packages [9]. This can be seen based on the total losses and claims which reached almost RM25 million involving about 3,800 cases.

Referring to the various cases published in the mass media, it can be concluded that various modus operandi was used by the irresponsible umrah management companies in deceiving the victims. According to [10] three main forms of fraud often committed by irresponsible companies are fraud with intent, services provided not as per offered and using influential people for promotional purposes. In the excitement of promotional activities, there are irresponsible parties who are taking advantage of the community's negligence by offering umrah packages that are irrelevant and detrimental to umrah candidates [11].

### Methodology

The sampling method used for this study is based on purposive sampling method. Purposive sampling method is specially used to obtain responses from companies or travel agencies that offer hajj and umrah packages in Malaysia.

Face -to -face interviews were conducted. Small sample is required which is between five to 25 people. [12] suggested that in qualitative research, mostly sample size relies on the idea of 'saturation'. Further, they recognized that most research initiatives in which the purpose is to understand shared perceptions and experiences among a homogeneous group, six to twelve interviews are sufficient. Therefore, interviews were conducted with 12 owners of travel companies or agencies that offer Hajj and Umrah packages in Malaysia. The 12 companies interviewed are as follows:

Table 1

List of Informants

Bil	Company name	state
1	Fadlim Travel & Tours Sdn Bhd	Kedah
2	Dasree Travel & Tours Sdn Bhd	Kedah
3	Widad Tours & Travel Sdn. Bhd	Kedah
4	Al-Muneer Travel	Pahang
5	Ibrahim Holidays Travel Sdn Bhd	Terengganu
6	Amani Travel	Negeri Sembilan
7	Mahabaten Travel and Tours Sdn Bhd	Selangor
8	Titim Travel Sdn Bhd	Malacca
9	Salju Travel Sdn Bhd	Johor
10	TRA Holidays Sdn Bhd	Penang
11	Yaskin Tourism Company Sdn Bhd	Kelantan
12	Ajaq Global Travel and Tours Sdn Bhd.	Perak

### Findings and Discussions

The results of the interviews reveal that travel agencies related to umrah in Malaysia are divided into two categories, namely large and small. Table II and Table III show the companies that fall into the large and small categories.

Table 2

Large Company Category for Travel Agencies

Bil	Big Company	Year of Operation
1	Fadlim Travel & Tours Sdn Bhd	2015
2	Al-Muneer Travel	2017
3	Ibrahim Holidays Travel Sdn Bhd	2000
4	Mahabaten Travel and Tours Sdn Bhd	2016
5	Salju Travel Sdn Bhd	2019
6	TRA Holidays Sdn Bhd	2019

Table 3

**Small Company Category Travel Agency**

Bil	Small Company	Year of Operation
1	Dasree Travel & Tours Sdn Bhd	1994
2	Widad Tours & Travel Sdn. Bhd	2015
3	Amani Travel Sdn Bhd	2013
4	Titim Travel Sdn Bhd	2005
5	Yaskin Tourism Company Sdn Bhd	2017
6	Ajaq Global Travel and Tours Sdn Bhd	2016

Management of umrah package operations under the USSM is divided into three main parts, namely:

- a) Part 1: Umrah Organiser Registration Procedure
- b) Part 2: Umrah Visa Management Procedures
- c) Part 3: Umrah Pilgrimage Procedures

**4.1 Part 1: Umrah Organiser Registration Procedure**

The first part focuses on the registration procedure of umrah organizers which is divided into three processes, namely:

- a) Travel agency registration process with the Ministry of Tourism Malaysia (MOTAC)
- b) Travel agency registration process with Malaysia Association of Tour & Travel Agents (MATTA)
- c) Travel agency registration process with the Embassy of Saudi Arabia

With regards to the registration of umrah organisers, it is found that there are still staff or employees of travel companies who do not know, or are not sure of the process that should be done to qualify as an umrah organiser, as shown in the interviews with representatives from Dasree Travel & Tours Sdn Bhd.

"... I don't know much about the company registration matters... all are done in the HQ. We only manage the documentations for the pilgrims".

**4.1 Part 2: Umrah Visa Management Procedures**

Subsequently, Part 2 focuses on the umrah visa management procedure, which is the visa application process by umrah pilgrims. However, Amir, a representative from Al-Muneer Travel and Hj Wan Hassan, the manager from Syarikat Pelancongan Yaskin Sdn Bhd, stated that they have no problem in managing the pilgrims' visa. Only a minor problem that often exists such as incomplete documents.

"... 99.0 percent of the pilgrims' umrah visa management are not problematic. Only documentation management. However, if there is a problem, it is only in terms of documents, such as incomplete documents".

This is because the management of Umrah documents is easy and can be done by the staff. This opinion is as expressed by Ibrahim (Manager, Ibrahim Holidays Travel Sdn Bhd), Wan Muhammad Meor Azman (Amani Travel Sdn. Bhd) and representatives from Dasree Travel & Tours Sdn Bhd and TRA Holidays Sdn Bhd.

"The umrah visa management is not difficult, it only involves document management. If the documentation is complete... they will get a visa. If there is a problem, HQ will take care of it".

In addition, Muhammad Salim (Salju Travel Sdn Bhd), Hajah Khairani (Manager, Mahabaten Travel and Tours Sdn Bhd) and representatives from Titim Travel Sdn Bhd and Widad Tours & Travel Sdn. Bhd stated that the management of Jemaah umrah documents is easier than the registration process as an umrah organiser.

"Even ordinary staff can manage the umrah pilgrims' documents, not like the management of registration as an umrah organiser".

#### **4.1 Part 3: Umrah Pilgrimage Procedures**

This section is to discuss the findings for the operation of umrah that is by focusing on the journey of umrah of the pilgrims from leaving the homeland, while pursuing umrah until the pilgrims safely return to the homeland. Therefore, there are three aspects that are discussed, namely:

##### **4.1.1 Prior Umrah Management (management in the homeland)**

###### **a) The process of preparing guidance courses and reference materials**

The findings are consistent with those obtained from interviews from Hj Abdul Jabbar (Ajaq Global Travel and Tours Sdn Bhd) and representatives from Titim Travel Sdn Bhd, Fadlim Travel & Tours Sdn Bhd and Widad Tours & Travel Sdn. Bhd.

"Before leaving, that is, during or after the management of documents or visas, each Umrah pilgrim will be required to follow a training course and reference materials are provided so that the pilgrims can use them as a guide while performing Umrah".

Amir (Manager, Al-Muneer Travel), Hajah Khairani (Manager, Mahabaten Travel and Tours Sdn Bhd), Hj Wan Hassan (Manager, Yaskin Travel Company Sdn Bhd) and representatives from Dasree Travel & Tours Sdn Bhd and TRA Holidays Sdn Bhd opined that during the training course, it is necessary for the umrah company to provide sessions for question and answer.

Ibrahim (Manager, Ibrahim Holidays Travel Sdn Bhd) and representatives from TRA Holidays Sdn Bhd, Titim Travel Sdn Bhd and Widad Tours & Travel Sdn. Bhd. meanwhile stated that their company offer a special question and answer session for the women pilgrims. However, it was found that umrah companies do not focus on this special question and answer session for women pilgrims.

"... We provide special female staff for the women pilgrims for related matters".

###### **b) The process of preparing staff or training officers.**

To launch the Umrah pilgrimage management process, representatives from Fadlim Travel & Tours Sdn Bhd, Dasree Travel & Tours Sdn Bhd and Widad Tours & Travel Sdn. Bhd stated that their company has different staff or training officers, for each process, while conducting preparations before departure, while performing umrah and when returning home.

"... We provide different staff in managing the operation of umrah, firstly while in the country, while doing umrah and when returning home".

###### **c) The process of checking the documents for the pilgrims.**

To ensure that there are no problems with pilgrims' documents and visas, Ibrahim (Manager, Ibrahim Holidays Travel Sdn Bhd), Hj Wan Hassan (Yaskin Tourism Company Sdn Bhd) and representatives from TRA Holidays Sdn Bhd and Widad Tours & Travel Sdn. Bhd stated that it is important that the Jemaah documents are checked from time to time.

"... The checking process is done at three stages, before leaving, during the umrah and before leaving for home. This is to ensure that the documents are not lost or being left behind".

Due to that, Hj Abdul Jabbar (CEO, Ajaq Global Travel and Tours Sdn Bhd.), Hajah Khairani (Manager, Mahabaten Travel and Tours Sdn Bhd.), Wan Muhammad Meor Azman (Amani Travel Sdn Bhd) and representatives from Fadlim Travel & Tours Sdn. Bhd and Dasree Travel & Tours Sdn Bhd. added that documents checking is essential so that the pilgrims are always alert and care for their documents.

"Regarding this document, before leaving, during umrah and before leaving for home, the management always reminds the pilgrims not to be careless".

#### 4.1 Issues related to the Management and Operation of Umrah

Issues or constraints encountered are common things that need to be faced in running a business. In short, the main issues faced by umrah management companies are pilgrims and the Covid-19 pandemic.

Hajah Khairani (Manager, Mahabaten Travel and Tours Sdn Bhd) and Hj Abdul Jabbar (CEO, Ajaq Global Travel and Tours Sdn Bhd) opined that the main factor influencing the smooth running of the umrah is the pilgrims themselves.

"During the operation of umrah, the main problems come from the pilgrims themselves. Some do not follow the instructions of mutawwif... This main problem is the stubbornness of the pilgrims".

Amir (Manager, Al-Muneer Travel) and representatives from Fadlim Travel & Tours Sdn Bhd, Dasree Travel & Tours Sdn Bhd, TRA Holidays Sdn Bhd and Titim Travel Sdn Bhd stressed that the use of USSM by umrah organising companies can indirectly reduce the problems.

"... Overall, there is no problem in implementing the company's operations and umrah packages based on the Umrah Service Management Manual (USSM). The issue now is Covid-19, where business has had to be stopped temporarily".

However, Covid-19 was found to have a major impact on business. Wan Muhammad Meor Azman (Amani Travels Sdn Bhd), Muhammad Salim (Salju Travel & Tours Sdn. Bhd) and representatives from Dasree Travel & Tours Sdn Bhd and Widad Tours & Travel Sdn. Bhd stated that they had to reduce costs to ensure business continuity.

"...Alhamdulillah, there are no problems in the operation of the company and the umrah package. The company is still running, we only needed to reduce employees or staff and mutawwif. Despite having to stop operations for tourism and umrah, the company is still able to cover the company's costs".

"I have opened a consultant company before but when Covid hit, I had to close".

"... Before there was no problem but now, we are affected by Covid".

"... We are affected because there is no income. Not only we have no income but we also have to pay rent and also employee salaries".

The same opinion was also expressed by representatives from TRA Holidays Sdn Bhd, Titim Travel Sdn Bhd, Fadlim Travel & Tours Sdn Bhd and Daurah Travel & Tour.

"... There is no problem if there is a checklist and follow the USSM. From the document management level until the pilgrims return home. The only issue now is the operation that had to be stopped due to Covid-19".

Overall, Hj Wan Hassan (Manager, Yaskin Travel Company Sdn Bhd), Hj Abdul Jabbar (CEO, Ajaq Global Travel and Tours Sdn Bhd) and representatives from Widad Tours & Travel Sdn. Bhd., Titim Travel Sdn Bhd and Amani Travel are of the opinion that the management and operation of umrah does not pose a big problem to the company.

"with the savings made and the intention to help fellow Muslims to perform umrah, Alhamdulillah, the company can still survive despite having to face the Covid-19 pandemic. In short, there is no problems in terms of company operations and umrah packages ... Everything is running smoothly... Alhamdulillah".

Overall, this pandemic has had a major impact on the company's operations. All companies were found to have ceased their operations. Companies cannot run their business even by using online or offline methods. This is because the main thrust of this business is the movement of individuals from one place to another. As a result, sales performance during the MCO period was among the worst.

### Conclusion

Since Covid-19 hit the world, most countries have experienced adverse effects on their economy. The Covid-19 crisis followed by the closure of borders and countries has shocked economies and labor markets around the world which had affected production as well as demand [13].

As a result, the Covid-19 pandemic had adverse implications for all aspects of community life, either directly or indirectly, when people start to get ill, then social restrictions by the government which resulted the discontinuation of economic activities affecting household and business income [14].

According to the President of the Sabah Tunas Entrepreneurs Association, Azizul Julirin, business activities could not operate as usual due to limited operating hours and the absence of employees during the MCO period. This situation mostly affects tourism-related businesses such as travel companies that are unable to operate fully due to lockdowns and the closure of national borders [15].

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