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A PRELIMINARY INVESTIGATION: EXAMINING THE UTILISATION OF ISLAMIC FINTECH CREDIT BY ASNAF MICROENTREPRENEURS, THEIR ACCESS TO MICROFINANCE THROUGH ZAKAT INSTITUTIONS, AND ITS IMPACT ON INCOME AND SUBJECTIVE WELL-BEING

FARAH FARHANA JAUHARI
IIUM Institute of Islamic Banking and Finance, International Islamic University Malaysia. Email: 0711816@live.iium.edu.my

SYARAH SYAHIRA MOHD YUSOFF
IIUM Institute of Islamic Banking and Finance, International Islamic University Malaysia. Email: syarahyusoff@iium.edu.my.

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ABSTRACT

This study explores the influence of extended UTAUT2 factors on Islamic FinTech credit adoption amongst Asnaf microentrepreneurs. The paper aims to present the research model and the result of a preliminary study on factors influencing the adoption of one of the two types of Islamic FinTech credit provided by Zakat institutions among Asnaf microentrepreneurs in Selangor. Psychometric testing and assessment were introduced in the research as a mechanism to improve the zakat distribution among entrepreneurs. A pilot study was conducted in which 32 samples were disseminated using an online questionnaire via Teraju Ekonomi Asnaf (TERAS). The pilot study aims to assess the validity and reliability of the instruments intended for the primary research project. The PLS-SEM measurement model was employed to evaluate the reliability and validity of the items in this study. Prior to this, the researchers have sought expert validation and pre-testing were conducted among 30 respondents. The result shows that all 53 measuring instruments are reliable and the data for pilot study indicated strong evidence of rational validity. As a result, based on the preliminary findings, it is recommended for Zakat institutions to

adopt psychometric scoring for an efficient Zakat distribution, perhaps catering towards bigger ticket size applications amidst the positive response of Asnaf on answering psychometric assessment.

Keywords: Islamic Social Finance, Islamic microfinance, Zakat, Asnaf microentrepreneurs, FinTech, psychometric

INTRODUCTION

The largest micro, small, and medium enterprises (MSMEs) establishments are microenterprises, with over 950,000 ventures as of 2021 (Department of Statistics Malaysia, 2022). Generally, based on the national SME definition, this segment produces an annual revenue of less than RM300,000 and hires less than five workers (SME Corp. Malaysia, 2020). Predominantly in the service sector, microenterprises do consist of individual self-employed businesses that might be registered with local authorities or associations, such as petty traders and hawkers' association only or the Bottom 40 (B40) household members, based on eligibility criteria set by the Department of Statistics Malaysia and microfinancing schemes (Bank Rakyat, n.d.; Bank Simpanan Nasional, n.d.; Department of Statistics Malaysia, 2020).

Asnaf microentrepreneurs, on the other hand, refers to Asnaf[1] who are involved in owning a micro business full time, whether registered or unregistered and dependent on the industry as their source of income. Usually operating on a microscopic scale, these Asnaf can be those who already have experience in the trade or a newly start-up ventures without business experience, to uplift their current income. Often left out from traditional financing, lack of access to finance becomes a hurdle for them to grow in the market. In the context of efforts to eradicate poverty, financial aid especially needs to be provided sufficiently and must be seen as a productive resource which has a significant

[1] Asnaf are the rightful recipients of Zakat which are Fakir, Miskin, and Amil who are employed to administer the funds, Muallafatul Qulub, Riqab, Gharimin, Fi Sabilillah and Ibnussabil as ordained by Allah. In this context most of Asnaf microentrepreneurs are amongst Fakir, Miskin and Muallafatul Qulub. Fakir is person who does not have any property or job or receives income from other sources that does not reach 50% of his daily and dependents' basic needs and, does not reach 50% of the living expenses of a person and his dependents who lives modestly. Asnaf Miskin, on the other hand, is slightly better off with jobs or income that only partially meets his basic needs but is not enough to meet his and his dependents' daily needs. Muallafatul Qulub is those who recently converted to Islam.

impact on the lives of the poor and needy. Number of efforts have been made to allocate zakat in the form of capital assistance for these Asnaf microentrepreneurs. On top of that, zakat institutions and Asnaf are expected to utilise the financial technology available to ensure the paramount objective of zakat distribution is achievable. Consequently, Zakat institutions widely employ technology, namely FinTech, to enhance their services for the Asnaf and improve their businesses. (Jauhari et al., 2023).

For technologies to improve productivity and be better utilised, they must be accepted and used by end users. Explaining user acceptance of new technology is often described as one of the most mature research areas in the contemporary information systems (IS) literature (Venkatesh et al., 2003). Research in this area has resulted in several theoretical models with roots in information systems, psychology, and sociology. User acceptance can be termed 'FinTech adoption' to enhance existing technology or formulate a new FinTech or digitalisation strategy. Thus, as evolution takes place, it is equally important to understand the acceptance of the end-user, who will be the ultimate beneficiaries of digitalisation and FinTech through their behaviour intention.

LITERATURE REVIEW

Islamic FinTech Adoption Amongst Microentrepreneurs Based on Extended UTAUT

Technology Acceptance Model (TAM), Theory of Planned Behaviour (TPB), Theory of Reasoned Action (TRA), Diffusion of Innovation (DOI), a model combining the TAM and TPB, Motivational Model (MM), Model of PC Utilisation (MPCU), and Social Cognitive Theory (SCT) are profound theories to predict user adoption of a given technology. Yet, there are a few limitations surrounding these theories, which are more individual-focused than organisation-focused, mainly tested in an academic setting, and involve voluntary usage context compared to mandatory settings that garner more interest in organisations planning to introduce the technology.

Factors influencing Islamic FinTech adoption are examined by 36 articles that mainly employed UTAUT or UTAUT2 due to its comprehensiveness compared to other technology theories based on searches in google scholar. The Google Scholar database is more comprehensive in the sense that it integrates elements across the eight models. There is a lack of

Scopus-indexed literatures or from google scholar, that talk about behaviour intention to adopt Islamic FinTech or FinTech in Islamic finance; thus resulting in the literature gap in general or on individual-centric constructs such as Shariah financial literacy or Shariah compliance. Nevertheless, Shariah financial literacy and trust emerge as authors' choice for extension of technology theories. Some constructs from other theories than UTAUT are also included as they yield similar meanings, such as perceived ease of use and perceived usefulness to performance expectancy (PE) and effort expectancy (EE). Amongst the most tested variables in UTAUT2 which is more than ten, PE arises with the highest percentage of significance, followed by social influence and facilitating condition, while effort expectancy is proven to be less significant in empirical studies for Islamic FinTech adoption. Although only eight literature studies price value, all are significant. Habit and hedonic motivation are significant in all four test attempts. For UTAUT extension, variable trust and Shariah financial literacy also recorded statistical results with 100% significance. One study linked Islamic FinTech adoption with the income sustainability of microenterprises in Malaysia. The detailed results are as follows:

Table 1: UTAUT/UTAUT2/Extended UTAUT variables

Variables	Significance	Tested	(%) of significance
Performance Expectancy	23	25	92%
Social Influence	18	20	90%
Facilitating Condition	14	16	88%
Effort Expectancy	14	20	70%
Price Value	8	8	100%
Trust	8	8	100%
Habit	6	6	100%
Hedonic Motivation	4	4	100%
Sharia Financial Literacy	4	4	100%

In terms of Islamic FinTech segments, mobile money, e-wallet and digital payment topped the list, followed by peer-to-peer lending and crowdfunding. There are also increased interest in examining Islamic FinTech adoption in non-bank institutions such as Zakat and Waqf institutions (Qolbi & Sukmana, 2022; Sulaeman & Sri Yayu Ninglasari, 2020; Bin-Nashwan, 2022;

Destrianti Karmanto et al., 2020). However, it is found that all Zakat studies focus on the Zakat payment part only while ignoring the distribution part, which should be emphasised as it involves Asnaf as the ultimate beneficiaries.

Resource Based View (RBV)

The concept of Resource-Based View was initially introduced by Wernerfelt (1984) to examine organisations' profitability by focusing on the interaction between resources and their impact, rather than solely considering the product aspect. This approach specifically explores the advantages of being a first mover and the resource-product matrix. Tangible resources include all material, financial, and geographic resources, whereas intangible assets include human capital, technology, culture, education, training, knowledge, skills, and social capital. (Ong et al., 2020; Radzi et al., 2017). Additionally, a recent bibliometric analysis quoted that the entrepreneurial and small business field ranked third in the emerging number of publications in Scopus and Web of Science, which will continue in an uptrend and sustainable theme (Zhang et al., 2021).

From the literature, it is observed that on the effect of firms' resources such as financing and technology to income mainly for microentrepreneurs, almost 70% discussed about RBV compared to other similar theories. However, is internal capital sufficient for expansion? Though significantly it improves firms' sustainability via the right mix of family capital, including human, social and financial capital (Chibuzo, 2022), this, however may hinder business expansion. On the other hand, microfinancing or access to external finance has been proven to significantly impact the MSMEs or entrepreneurs' financial performances (Hashim et al., 2023; Jalil et al., 2022; Nakabugo et al., 2022; Nordin & Kamalia, 2019). Technology adoption do influence entrepreneurs' firm performances as well. Islamic microfinancing along with Information and Communication Technology (ICT) positively impact the performance of women microentrepreneurs whereas online platforms offer a valuable resource to improve Social Enterprises' performance including to find funding opportunities (Abedin et al., 2023; Hamdan & Kassim, 2022). Okemwa (2020) stated that SMEs in Nairobi CBD have greatly adopted mobile lending and influenced firm performance positively. These clearly show that technology coupled with finance is more impactful when combined as compared to segregating them into

individual resources. Nevertheless, specific research on the relationship between FinTech financing and performance is scarce.

Subjective Well-being

FinTech represents changes in many aspects, not only on the business but towards well-being perspectives on their lives called well-being as it is the ultimate objective of human being existence (Bhuiyan & Ivlevs, 2019; Rahman et al., 2020). Subjective well-being as a broad concept has been narrowed down into cognitive and affective elements, with the former involving life satisfaction and the latter referring to emotions, moods and feelings (Diener et al., 2009). In Islamic Economics, human well-being is not solely dependent on wealth and consumption but also on satisfying both material and spiritual needs that are met through Islamic teaching socio-economic justice and the well-being of all creatures, not just prayers (M. A. Khan, 2013).

From empirical evidences, digital and FinTech influence subjective well-being. For instance, rural transformation boosts life satisfaction and happiness, especially for those directly involved in new professions, who leverage village knowledge and technology for livelihood strategies (Zul Fahmi & Destila Sari, 2020). This transformation uplifts their lives. While digital finance can affect life satisfaction negatively due to high indebtedness, data used for the study is outdated, taken in 2012 (Meng & Xiao, 2023). Conversely, digital financial inclusion has a significant positive effect on farmers' entrepreneurship, which increase empowerment and ultimately subjective well-being (Chen et al., 2023). Enhancing digital finance can effectively improve subjective well-being, particularly among vulnerable groups such as the elderly population, individuals facing multidimensional poverty, and those residing in rural area or those from low income countries (Bjorkegren et al., 2022; Lei et al., 2023; Rahman et al., 2020).

RESEARCH METHODOLOGY

This study adopts quantitative method that employed first-hand data collection and focused on non-experimental research particularly survey questionnaire. A sample of a population is examined in survey research to provide a quantitative or numerical description of trends, attitudes, or viewpoints. It includes cross-sectional and longitudinal studies that use questionnaires or structured interviews

to collect data with the objective of generalising from a sample to a population (Fowler, 2008).

Measurements Instruments and Sources

An exhaustive literature review was carried out, following which the measurement instruments were identified. The questionnaires mostly in english version, were adapted from (Abbasi et al., 2022; Alfarizi & NgWell-beingun, 2022; Azman et al., 2020; International Well-being Group, 2013; Mansyur & Ali, 2022; Nashwan et al., 2023; Rahman et al., 2020; Venkatesh, 2012). It is also taken partly from Mahamood (2018) for Malay version.

Table 1: Instruments and sources

No	Constructs	Definition	Items adapted from
1	Performance expectancy	The extent to which an individual believes that using the system will help a person to accomplish improvements in job performance	Venkatesh, 2012 Mahamood, 2018
2	Effort expectancy	The level of ease linked with the use of the technology	
3	Social influence	The degree to which a person sees that it is important for others to believe he or she should use the new technolog	
4	Facilitating condition	The degree to which an individual considers that an organisational and technical infrastructure exists to support use of the system.	
5	Price Value	Customer trade-off between cost and benefit of using the technolog	Venkatesh, 2012 Alfarizi & Ngatindriatun, 2022
6	Customer pressure	The degree to which a person sees that it is important for customers to believe he or she should use the new technology	Abbasi et al., 2022
7	Competitive pressure	Describes the speed at which companies adopt innovation due to market competition	
8	Perceived trust	Person's willingness to believe in the words or acts of service providers	Nashwan et. al, 2023
9	Shariah financial literacy	Awareness on fundamental knowledge of Shariah finance	Alfarizi & Ngatindriatun, 2022 Mansyur & Ali, 2022
10	Behaviour intention to use Islamic FinTech Credit	Intention to adopt online financing application and psychometric assessment testing by Zakat institutions	Venkatesh, 2012
11	Islamic FinTech Credit Adoption	Adoption of online financing application and psychometric assessment testing by Zakat institutions	Azman et al., 2020
12	Asnaf micro entrepreneurs' income	Total sales minus cost involved in doing business	Azman et al., 2020
13	Asnaf micro entrepreneurs' subjective well-being	Non-material well-being that encompasses cognitive and affection aspects as part of life qualities	Rahman et al., 2020 International Wellbeing Group, 2013

Questionnaire Designs

The survey is closed-ended questions with instrument-based items, align with variables tested that measure attitudes. A total of 13 questions will be asked with 53 measurement items, segregated into three parts, A, B and C. Part A would be the demographic profile including income bracket whereas part B will be testing extended UTAUT2-TOE theories with nine factors influencing behaviour intention to use Islamic FinTech Credit. Part C dealt with incorporating Asnaf microentrepreneurs' digitalisation adoption towards Islamic FinTech credit adoption and eventually its relation to subjective well-being. A five-point Likert-type scale was used as the majority of literature examining technology theories implemented this instead of a seven-point Likert-type scale, though it is able to produce the maximum result variability and the least bias (Eutsler & Lang, 2015). Due to the nature of respondents that is in our expectation, less FinTech literate and less educated, a five-point Likert scale will reduce respondents' "frustration level" in answering and avoid greater confusion. Thus, increasing survey response rate and response quality (Babakus & Boller, 1992; Devlin et al., 1993).

Pilot Testing

The survey questionnaire was translated into Malay which was then validated by academicians who are experts in the field of microentrepreneurs, FinTech and quantitative analysis with high proficiency levels in both Malay and English languages. On top of that, the industry researcher's opinion was also sought to provide review of the questionnaire, particularly with reference to words selection and questions' clarity. After that, we had our pre-testing up to 30 random samples, incorporating mostly Asnaf microentrepreneurs and the public to gauge their responses though they might not fit the exact criteria. Subsequently, there are certain supplementary modifications and revisions to be made in the questions, aiming to enhance their reflectiveness and make them more accessible to laypersons, based on the responses and remarks provided by Asnaf microentrepreneurs and other individuals.

Subsequently, after further refinement, a pilot study was conducted to evaluate feasibility and implementation, focusing on a smaller scale than a full-scale study, aiming to enhance quality and efficiency (In, 2017). 32 Asnaf microentrepreneurs that have adopted psychometric scoring evaluation prior to financing approval provided by Zakat institution are chosen as respondents.

Distribution of the questionnaires is done via Zakat institution to preserve Personal Data Protection Act 2010 (PDPA) and increase the confidence of respondents to answer the questions. The reliability of the instruments could be confirmed after doing the analysis on the pilot study results via SPSS and SmartPLS.

RESULTS AND ANALYSIS

Results

A normality test was employed to measure the robustness of the model. According to Tabachnick & Fidell (2007), a numerical representative can be accessed through skewness and kurtosis produced by a normality test. The skewness value indicates symmetry, while the kurtosis value provides information about the peak of the distribution; therefore, if the distribution is perfectly normal, it will obtain a skewness value of 0 and a kurtosis value of 3 (Kline, 2015). Although PLS-SEM that supports non-normal data will be used, Hair et al. (2014) advised that it is crucial to ensure that the data are not too far from a normal distribution because very non-normal data present difficulties in determining the relevance of the parameters. Byrne (2010) and Hair et al. (2010) disputed that data is considered to be normal if skewness is between -2 to +2 and kurtosis is between -7 to +7. The values for both skewness and kurtosis in our model were within the recommended levels (see Table 2).

Table 2: Normality Test

	Mean	Std. Deviation	Skewness	Kurtosis
PE1	4.094	1.234	-1.57	1.70
PE2	4.188	1.236	-1.76	2.23
PE3	4.031	1.212	-1.52	1.68
PE4	4.031	1.237	-1.43	1.32
EE1	3.969	1.185	-1.49	1.73
EE2	4.000	1.225	-1.41	1.32
EE3	4.000	1.199	-1.51	1.70
SI1	2.594	1.343	0.49	-0.91
SI2	2.719	1.419	0.19	-1.35
SI3	2.781	1.430	0.21	-1.32
SI4	2.750	1.414	0.26	-1.23
SI5	3.719	1.280	-0.86	-0.20
FC1	3.813	1.158	-1.28	1.28
FC2	3.806	1.157	-1.14	1.10
FC3	3.938	1.171	-1.36	1.56
FC4	3.813	1.210	-1.08	0.62
PV1	3.844	1.228	-1.08	0.55
PV2	3.781	1.268	-0.93	0.03
PV3	3.813	1.261	-1.02	0.21
CUSP1	3.531	1.250	-0.54	-0.48
CUSP2	4.125	1.192	-1.67	2.30
CUSP3	4.188	1.210	-1.74	2.38
COMP1	3.531	1.346	-0.68	-0.67
COMP2	3.313	1.210	-0.32	-0.64
COMP3	3.875	1.293	-1.14	0.26
COMP4	3.938	1.391	-1.22	0.21
COMP5	3.594	1.433	-0.57	-0.99
TR1	3.875	1.317	-0.98	-0.08
TR2	4.000	1.146	-1.19	1.03
TR3	3.969	1.262	-1.23	0.70
SFL1	4.156	1.302	-1.49	1.12
SFL2	4.313	1.210	-2.01	3.23
SFL3	4.219	1.218	-1.78	2.45
BI1	4.188	1.044	-1.81	3.65
BI2	4.125	1.192	-1.67	2.30
BI3	3.813	1.333	-1.06	0.15
IFCA1	3.906	1.355	-1.18	0.31
IFCA2	4.000	1.250	-1.33	0.99
IFCA3	4.063	1.273	-1.38	1.00
INC1	4.188	1.210	-1.74	2.38
INC2	4.125	1.192	-1.67	2.30
INC3	4.125	1.166	-1.77	2.78
INC4	3.969	1.212	-1.28	1.14
SWBIFA1	3.969	1.262	-1.23	0.70
SWBIFA2	3.906	1.208	-1.28	1.07
SWBIFA3	3.938	1.144	-1.47	1.99
SWBIFA4	3.938	1.223	-1.29	1.03
SWBIFA5	4.000	1.173	-1.49	1.88
SWBIFA6	3.875	1.166	-1.25	1.31
SWBIFA7	3.938	1.144	-1.47	1.99
SWBIFA8	3.875	1.166	-1.25	1.31
SWBIFA9	4.031	1.159	-1.60	2.30
SWBIFA10	4.000	1.173	-1.49	1.88

Profile of Respondents

Prior to the PLS analysis, data were imputed into SPSS Statistics 25, checked for missing data which is few and replaced them using mean replacement. Then table frequencies are calculated and the demographic characteristics of the participants is obtained. Gender distribution is quite balanced with 53% of the participants are male, while female constitutes 47% and about 78% of the respondents are from 31 to 49 years. The majority are married (91%) and the remaining are divorced or widowed. It is unsurprising that the majority of Asnaf would possess the highest level of education attained in secondary school. the More than 65% complete secondary school via SPM, followed by form three via PMR, and the remaining 9% acquired certificates or attended vocational colleges. In terms of business experience, nearly 90% have 1 to 10 years' business commencement and more than 60% earned from RM1,000 to RM2,000 per month. Highly concentrated on food & beverages and other services, besides Zakat fund, 24% utilised own fund. Awareness on the Islamic FinTech Credit technology adopted is also quite acceptable as the pool of respondents (63%) in this case have answered they had psychometric assessment instead of online financing process. The latter is not yet offered by the zakat institution in our sample from our discussion with them. The remaining 37% of respondent is perhaps unaware about the psychometric assessment as part of the evaluation process and might have misunderstood that the process of uploading certain documents or communications with Zakat personnel via the internet is considered as online financing. A summary of the demographic characteristics is presented in Table 3.

Table 3: Demographic Characteristics of the Participants

Demographic Respondent	Categories	Frequency	(%)
Gender	Male	17	53.1%
	Female	15	46.9%
Age	20 - 30 years	2	6.3%
	31 – 40 years	11	34.4%
	41 – 49 years	14	43.8%
	50 – 59 years	5	15.6%
Marital Status	Married	29	90.6%

	Divorced/Widowed	3	9.4%
Education	Primary school (UPSR)	1	3.1%
	Secondary School (PMR/SRP)	5	15.6%
	Secondary School (SPM)	21	65.6%
	Certificates/Vocational	3	9.4%
	Diploma	1	3.1%
	Degree	1	3.1%
No. of years in business	Less than 1 year	1	3.1%
	1 - 4 years	17	53.1%
	5 - 10 years	11	34.4%
	More than 10 years	3	9.4%
Monthly income (RM)	Less than RM1,000	6	18.8%
	RM1,000 - RM1,500	15	46.9%
	RM1,501 – RM2,000	5	15.6%
	RM2001 – RM2,500	3	9.4%
Business Sectors	Food & Beverages	24	75.0%
	Other Services	5	15.6%
	Motor Vehicles	1	3.1%
	Agriculture	2	6.3%
Funding sources (Respondents can tick more than 1)	Zakat	32	64.0%
	Own fund	12	24.0%
	Amanah Ikhtiar Malaysia	4	8.0%
	Tekun	1	2.0%
	Ar-Rahnu	1	2.0%

Internal Consistency and Convergent Validity (CV)

Based on the criteria set forth by Hair, Black, Babin, and Anderson (2010), composite reliability (CR), AVE, and factor loadings were utilised to assess the internal consistency. Another alternative measurement is Cronbach alpha expressed as a number between 0 and 1 whereby the higher the better (Cronbach, 1951). The degree to which each item in a test measures the same notion or construct is referred to as internal consistency. Different reports about the acceptable values of alpha, ranging from 0.70 to 0.95 as it is claimed that value exceeding 0.95 shows redundancy (Tavakol & Dennick, 2011).In this research, however, , quite a number of constructs got more than 0.95 as per Table 3. However, expert validation and pre-testing have been done and thus

confirmed that there is no redundancy. Furthermore, Cronbach alpha is measuring consistency, not correlation. According to leading science education journals, alpha up to 0.98 is still acceptable and similar studies on Shariah FinTech utilisation by microentrepreneurs also point out towards CR or alpha of more than 0.95 (Azman et al., 2020).

Next, each item is measured by its factor loading in showing how well an item represents the underlying construct and this needs to be higher than 0.7. (Fornell & Larcker, 1981). As shown in Table 3, it's interesting to note that all item loadings have surpassed the standards of 0.7 respectively and recorded very high numbers. Thus, each item excellently embodies the core constructs chosen.

Table 4: Convergent Validity , Reliability and Loadings

Construct Dimensions	Items	Loadings	Cronbach Alpha	Composite Reliability	AVE
Performance expectancy	PE1	0.964	0.98	0.986	0.945
	PE2	0.979			
	PE3	0.975			
	PE4	0.97			
Effort expectancy	EE1	0.982	0.98	0.987	0.962
	EE2	0.987			
	EE3	0.973			
Social influence	SI1	0.94	0.94	0.954	0.805
	SI2	0.926			
	SI3	0.929			
	SI4	0.927			
	SI5	0.749			
Facilitating condition	FC1	0.96	0.951	0.965	0.875
	FC2	0.979			
	FC3	0.975			
	FC4	0.817			
Price Value	PV1	0.97	0.984	0.99	0.969
	PV2	0.994			
	PV3	0.99			
Customer pressure	CUSP1	0.734	0.891	0.931	0.821
	CUSP2	0.984			
	CUSP3	0.978			
Competitive pressure	COMP1	0.841	0.925	0.944	0.771
	COMP2	0.822			
	COMP3	0.907			
	COMP4	0.924			
	COMP5	0.893			
Perceived trust	TR1	0.93	0.96	0.974	0.926
	TR2	0.972			
	TR3	0.983			
Shariah financial literacy	SFL1	0.981	0.986	0.991	0.972
	SFL2	0.991			
	SFL3	0.986			
Behaviour intention to use Islamic FinTech Credit	BI1	0.921	0.917	0.948	0.858
	BI2	0.962			
	BI3	0.894			
Islamic FinTech Credit Adoption	IFCA1	0.923	0.96	0.974	0.926
	IFCA2	0.984			
	IFCA3	0.98			
Asnaf micro entrepreneurs' income	INC1	0.974	0.982	0.987	0.949
	INC2	0.976			
	INC3	0.976			
	INC4	0.971			
Asnaf micro entrepreneurs' subjective well-being	SWBIFA1	0.946	0.992	0.992	0.929
	SWBIFA2	0.956			
	SWBIFA3	0.969			
	SWBIFA4	0.939			
	SWBIFA5	0.971			
	SWBIFA6	0.964			
	SWBIFA7	0.983			
	SWBIFA8	0.978			
	SWBIFA9	0.971			
	SWBIFA10	0.965			

DISCUSSION AND CONCLUSION

Prior to analysis, subjective well-being for income's construct (SWBINC) is taken out as the system detected problem of the singular matrix when a variable only has identical values. In that case, it is suspected that this indicator has no variance or perfectly correlated with subjective well-being from IFA (SWBIFA). Therefore, only SWBIFA is maintained.

In order to conduct a comprehensive study in the Malaysian industry setting, this work sought out and validated measuring instruments that are proposed to test constructs in an extended UTAUT 2 model. The instrument passed through series of assessments of validation namely; expert validation, pre-testing, convergent validity and reliability.

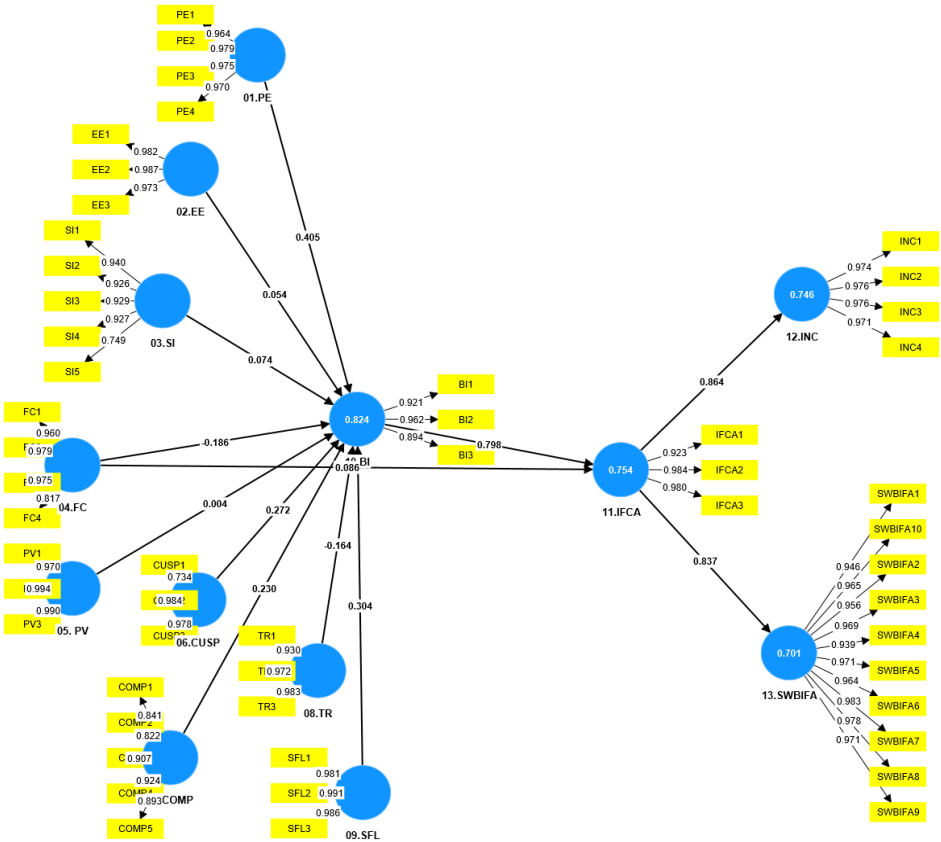

Figure 1: The measurement model

53 items measures were adapted from extant literature and modified them in accordance with Malaysian Asnaf microentrepreneurs' context. There is variation of opinions on the appropriate sample size for a pilot study, such as 12 participants per group, 10 to 40 participants per group depending on the parameter of interest, at least 9% of the main trial's sample size, or at least 50 participants. However, none of these approaches are directly applicable when the goal of a pilot study is also to consider the detection of unforeseen problems. Our sample size of 32 is considerably adequate for our pilot study based on formula by Viechtbauer et al. (2015) that incorporates 95% level of confidence and 10% probability of problems (1 out of 10 participants) arising from misinterpretation of questionnaire items resulted in 29 sample which is actually lesser than 32. In addition, Chin and Newsted (1999) confirmed that PLS-SEM technique tolerate fewer sample size for analysis. The measurement model was estimated, and the outcome showed that there was enough statistical support to prove that the items were functioning as intended. While there is no need to calculate the structural model, however, upon computing the PLS algorithm, the extended UTAUT constructs were able to explain 75.5% variance in behavioural intention (BI), IFA is explained by 73.7% variation in BI, 73.8% variation in INC is explained by IFA and 69.2% is explained by SWBIFA (Chin, 1998).

Nonetheless, it is decided to reword the items asked for the price value construct to be more specific and reflective, as the current questions are seemingly too general and can cause misinterpretation by the respondents. Online financing applications by Zakat institutions do not involve platform charges like the peer-to-peer financing platform. Internet subscriptions or connectivity devices are not mutually exclusive to online financing applications, whereby these technologies can be used for other purposes such as social media marketing, e-commerce, or information searching. Furthermore, this type of cost is unrelated to those who answered the online psychometric assessment provided by the Zakat institution. Nevertheless, it is much more pertinent if it is to be taken into account the lesser logistical cost and benefits of obtaining speedier online financing application approval. Besides, there are also instances observed from pre-testing where entrepreneurs seem to be confused between the cost of technology adoption with the cost of tools adopted for business. Accordingly, an amendment is made to the dimension of price value.

Moving forward, the online survey questionnaires will be distributed directly by Zakat institutions and riding into events conducted by Zakat institutions. Zakat personnel have been briefed with a comprehensive presentation on the research and questionnaires beforehand.

Finally, while the instrument was a good fit for the model, caution should be exercised when applying it to new contexts because modifying the components may cause them to be situation-specific. Researchers might, however, adapt and validate instruments for particular contexts using a similar methodology. Consequently, future research should focus on developing instruments that can be used broadly.

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