The Mediating Effect of Entrepreneurs Cash Waqf Intention by Means of Theory of Planned Behavior, Awareness and Religiosity for Business Growth

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Abstract

Purpose – This paper examines investigates the mediating effect of cash waqf intention on the relationship of cash waqaf awareness, religiosity, and the theory of planned behavior for perceived behavioral control, for business development

Design/methodology/approach - A structured question was designed to elicit the entrepreneurs’ cash waqf awareness, religiosity, attitude, subjective norms, and intentions for perceived business development. Based on a convenience sampling method, 459 entrepreneurs in Nigeria with 92 percent response rate have involved in this research. SEM analysis was used to test the proposed model.

Findings - Result shows that two most important variables to explain entrepreneur cash waqf intention for business growth is cash waqf awareness and attitude towards cash waqf.

Practical implication - It is argued in this research that the presence of high level of cash waqf awareness and the attitude towards cash waqf can play an important role in achieving business growth.

Originality/Value - The paper extends the applicability of the theory of planned behavior, cash waqf awareness and religiosity in investigating the effect of cash waqf intention in for business development.

Keywords: Business growth, Awareness, Religiosity, Entrepreneurship development, scaling business, theory of planned behaviour, cash waqf

1. Introduction

Entrepreneurs are important individual whose work preferences are based on self-reliance and self-direction (Baruch, 2004; Gibb, 2002a, b; Hall, 2002). The changes in the political and socio-economic environment have resulted in fewer opportunities for continuous organizational employment, hence an increase in the number of entrepreneurs. Entrepreneurs could be a micro, small, medium or a large scale business owner. On the macro-level, econometric research shows that new and small businesses did not just contribute significantly to job creation, but also in innovation and economic growth. Interestingly, Micro, Small and Medium businesses has heightened self-employability to economically distressed areas, handicaps, and those who have never be qualified to be employed (Taylor, 2007; Schumpeter, 1934).
However, evidences show that entrepreneurs have challenges funding their businesses. Financing institutions such as banks, amongst all other reasons the banks consider micro enterprises as risky businesses that lack collateral, that do not have sufficient documents to support their loan application and have no financial track records (Nurbani, Yeow, Noor Ashikin, & Chin, 2011). In addition, the micro entrepreneurs suffer this most. They are also scared to patronize bank loans because of the strict requirements and high interest payback which they cannot provide.

In this regard, a possible means of financing that is, non interest based is Islamic financing (Wardiwiyono, 2012). Islamic financing is another alternative to manage socio economic situations in a country. It is understood in the context of Islamic attitude towards ethics, wealth distribution, social and economic justice. The system is based on the goals, principles and values of the Sharia law. Islamic codes underlying the Islamic financial system are supported by various verses of the Quran. Such as in the prohibition of riba (Quran 2:278-279), encouraging risk sharing (Quran 2:275), protection of individual property rights, carrying out lawful trade (Quran 2:275), zakat and the establishment of waqf (Quran 21:73). Among all the Islamic social finance platforms, Waqf has recently become an Islamic financial tool for socioeconomic development. Waqf, is an Islamic voluntary sector. It is the appropriation of any property from private ownership and the dedication of its usufruct to charitable purposes. Its significance arises out of its centrality to the Islamic principle of charity (zakat). Waqf practices is supported by the following verse;

‘Indeed, the men who practice charity and the women who practice charity and [they who] have loaned Allah a goodly loan - it will be multiplied for them, and they will have a noble reward’ (Quran 57:18).

This verse depicts that by spending in charity, the wealth does not decrease rather it increases (Sahih al-Bukhari vol.9, Book 93, Hadith 587). In other words, whatever costs that is pushed unto the society comes back as greater benefits. Islam made us understand in ethics that those who possess the money are not the owners of the wealth; they are only trustees, so they are expected to spend it in good cause. This principle has continued to guide the Muslims to ensure the equitable distribution of wealth. The rudimentary in executing this social economic activities such as payment of Zakat, and the establishment of waqf, has supported the social, economic and cultural development of the Muslim societies and countries. Cash waqf an aspect of waqf is amply appreciated by the Muslims because it can be used to address the old and persistent issues of lack of finance for micro entrepreneurs, for them to attain a better stage than their present situation. Given the increasing importance of entrepreneurship in contemporary careers, this study aims to uncover the determinants of entrepreneurial intentions on cash waqf for their business growth.

The paper study samples of entrepreneurs of small and medium business owners in Nigeria. In Nigeria the use of cash waqf for business activities is not known specifically in Edo state Nigeria. Hence, the possibility of its implementation as an alternative source of financing for the micro entrepreneurs in Edo state Nigeria is centered on the perception about it by the micro, small and medium (MSMEs) entrepreneurs in the state. Though cash waqf operation for socio economic development has been successful in other parts of the world but the situation might be different in a non-Muslim dominated state and where cash waqf has never existed. However, evidence show that non-Muslims patronizes and uses sharia Islamic products and services for their attractive benefits of non interest payment (Khalid, n.d.). Like other Islamic non interest financial products, waqf model has advantages over conventional micro finance. This can act as a unique selling point in attracting non-Muslims ethical investors.
In view of this, the theory of planned behavior (TPB) shows that human performance is influenced by three kinds of considerations: beliefs about the likely consequences of the behavior (behavioral beliefs), beliefs about the normative expectations of others (normative beliefs), and beliefs about the presence of factors that may facilitate or impede performance of the behavior (control beliefs). Given a sufficient degree of actual control over the behavior, people are expected to carry out their intentions when the opportunity arises. Intention is thus assumed to be the immediate antecedent of behavior. On this note, the intention of the study group towards cash waqf usage for their business growth can be positively or negatively influenced by cash waqf awareness, religiosity, attitude toward the act, subjective norm, and perception of behavioral control (Icek Ajzen, 1991).

The study will focus on the perception of cash waqf, in an effort to proffer it as an alternative source of financial support to micro, small and medium entrepreneurs. Objectively, the research aims to examine the intentions of micro entrepreneurs on cash waqf for perceived business development. That is explore the relationship between cash waqf awareness, religiosity, attitude towards cash waqf, subjective norms, perceived behavioral control for perceived business development, investigate the mediating effect of cash waqf intention for business development.

2. Previous research and research design development

The understanding of entrepreneurship owes much to work of economist such as Joseph Schumpeter in the 1930s, and other economist such as Ludwig Von Misses (1949). They came up with lot of on entrepreneurship which are today still in use. Recent researchers Valliere (2013) contributed by using cognitive psychology to observe the basis for entrepreneurial awareness and connected it to theories of attention in strategic management and decision making. That is the awareness of business opportunities and strategies for a successful business operation. This was to provide a theoretical basis or model for how entrepreneur need to pay attention to new opportunities. However the work of Valerie had not specific factor which an entrepreneur need to be aware of. In Jiao et al.,( 2014), they viewed that the act of Entrepreneurship is mostly dependent on the qualities of the entrepreneur. That entrepreneurs needs to possess some qualities to be business alert, to be foremost in identifying business and profit opportunities, acquisition of knowledge, innovative, hardworking, risk taker, optimistic and self-confident. However, their research did not address the challenges of lack of finance. In a different way, other researchers viewed entrepreneurship growth in relationship to provision and the availability of finance. In view of this, Whited (2006) opined that finance was an external constraint which firms face without stating better measures of financing the entrepreneurs. With no proper measures for funding business, its growth is hindered. This is a common phenomenon in most countries. This shows why government in some countries sometimes support them in funding or carry out other measures to assist in businesses (Tohirin, 2010c). In different opinions researchers emphasized on the need for funds for entrepreneurs in their business start off, sustainability and growth. In this regards, Nurbani et. al (2011) were of the view that many micro and small enterprises still require additional working capital and financing facilities to support and modernize their operations. In this regards, researchers such as such as Foss et.al, (2009) went forward to province possible way entrepreneurs can get funds for their businesses and types of funding for small businesses to start their operation. It explained that some business startups are funded either with equity finance or credit-card debt. It also emphasizes that businesses can solicit for donations. In the research of Lee et al. (2002) he also proposed the use of bank credit such as the use of credit cards as means for financing. Ordanini et.al. (2011) proposed crowd funding, which they said should be a collective efforts by
consumers who pool their money together in order to invest or support efforts initiated by other people or organizations. Other measure of financing proposed by trade credit (Petersen et al., 1997). In support of this Lee et al. (2011) also suggested the use of trade credit as a measure to finance businesses. Other way of financing is through government. Rai (2007) amongst others proposed government credit programs and co-financing. However, credit financing is associated with interest rate payment (Shinsuke, 2014). In view of this (Golbeck & Linetsky, 2013; Yang, 2011) opined most of the credit financing proposed by some of the stated researchers was not the best alternative means of funding for entrepreneurs. Entrepreneurs who opted for such measures of financing were faced with problems of high interest rate and inability to pay back their loans. As a result entrepreneurs are sometimes discouraged from doing businesses due to lack of funding and high interest rate. Also, many businesses are not started or even ended due to these. However, presently researchers such as Wardiwiyono, (2012) viewed that alternative source of financing or funding entrepreneurs that will yield greater success than the conventional measures of Islamic financing. In support of this Islamic finance researchers such as Ayub, (2007) and Ismail et al., (2010) both proposes Islamic finance as a better alternative to the conventional measures which was not very effective. Hanif & Iqbal, (2010) conducted a study to evaluate the suitability of existing business environment in Pakistan for application of Sharia based financing, findings show sharia based financing was suitable for business. Osman and Ali (2008) on their opinion encouraged entrepreneurs to obtain their financing from Islamic banks whose operations are based on Shari’ah, which differs in its spirit and motivation. In view of this, Masyita et al. (2005), Hasan et al.(2008), Ibrahim et al. (2013) and Shahimi et al. (2013) went further to specify and propose waqf as a better alternative for financing socio economic activities. However for Islamic method of financing to be utilized and successful, there is need to examine the attitude towards Islamic finance (Jaffar & Musa, 2014). Figure 1 shows this research theoretical framework.

Figure 1: research theoretical framework
3. Hypotheses Development

This section is to identify and formulate a formal statement that present the expected relationship between
the independent and dependent variable of this research (Creswell, 1994). The research hypothesis is
developed based on the theory of planned behavior. Cash waqf awareness and religiosity are external
variable which is introduced into the TPB variables in this research work. A number of recent studies
have introduced external variables that dilute the Theory of Planned Behavior. Depending on the study,
these external variables may or may not increase the attitude or behavior correlation (Knabe, 2012)

i. Entrepreneurs cash waqf awareness

Firstly, Entrepreneurship development is associated with the level of awareness in the country (Provan et
al, 2012; Endley 1995) . In this regard, entrepreneurship alertness is also considered as entrepreneurship
awareness. However there are factors which influences this alertness among entrepreneurs. Based on this,
Tang (2009) opined that there is the problem of people not recognizing or noticing business opportunity.
This could be influenced differently by the surrounding at which they exist. In view of this, Acs, (2010)
opined that the lack of education, awareness and huge capital, have motivated many of the micro
entrepreneurs into been a small business owner and hindered their business growth. In this regards, Provan
et al, (2012), viewed awareness is synonymous with usage. On a different note, Ismail Abdel Mohsin,
(2013) proved that the with great awareness on Islamic finance, countries like Chad, UK and Singapore
have waqf scheme for social economic development such as financing of medical care, teachers and
sponsoring orphans. He also proved, the non-Muslim dominating country such as Singapore and UK are
aware of cash waqf and they practice it. Also countries such as Malaysia, Jordan, Somalia, and Chad are
known to have great awareness and acceptability of waqf. Also, Provan et al, (2012) examined the
awareness of evidence based practices by the public organizations that fund services in the North
American. They found that awareness and evidence-based practices was strongly connected. Endsley
(1995) also proved the relationship between practices and awareness in his model. In his research he
presented a theoretical model of situation awareness based on its role in dynamic human decision making
in a variety of domains. Situation awareness was presented as a major concern in system operation, based
on a descriptive view of decision making.

H1: Cash waqf intention will significantly mediate the effect of cash waqf awareness towards perceived
business growth

ii. Entrepreneur and religion

This is to examine the influence of religion belief on micro entrepreneurs’ intentions in the use of cash
waqf to enhance their business growth. Stanford & Brewer (2011) viewed the magnitude of religious
influence varies in people, this means the degree of being religious reflects differently in people’s attitude
and behavior. Hence, there is possibility that there is religious effect on entrepreneurs’ decision making.
Therefore, it is logical to deduce that the greater intensity of one’s religious affiliation, the higher will be
chances that he will strives to conform to his cash waqf intentions.

H2: Cash waqf intention will significantly mediate the effect of religiosity for perceived business growth

i. Entrepreneurs and the theory of planned behavior

The theory of planned behavior (TPB) was developed by Icek Ajzen in 1985. In this regards, Adewale,
Yusuf, Ghani, Meera, & Manap, (2012) viewed the theory of planned behavior proposes a model which
can measure how human actions are guided and it also predicts the occurrence of a particular intentional behavior. Past studies reflect successful applications of the theory, and this has reinforce its utility for researching intentions predictions of micro, small and medium enterprise entrepreneurs and a new focus on intention on cash waqf for business development (Knabe, 2012). In view of this, the theory of planned behavior (TPB) will show how the entrepreneurs will be influenced by three kinds of considerations: beliefs about the likely consequences of the behavior (behavioral beliefs), beliefs about the normative expectations of others (normative beliefs), and beliefs about the presence of factors that may facilitate or impede performance of the behavior (control beliefs). Given a sufficient degree of actual control over the behavior, people are expected to carry out their intentions when the opportunity arises. On this note, the intention of the study group towards cash waqf usage for their businesses can positively affect cash waqf awareness, attitude toward the act, subjective norm, and perception of behavioral control to achieve growth and development (Icek Ajzen, 1991). Hence this research propose the following five hypothesis;

\( H_3: \) Cash waqf intention will significantly mediate the effect of attitude towards the act, for perceived business growth

\( H_4: \) Cash waqf intention will significantly mediate the effect of subjective norms towards perceived business growth

\( H_5: \) Cash waqf intention will significantly mediate the effect of behavioral control towards perceived business growth

**ii. Entrepreneurs cash waqf intention (mediator)**

This is the micro entrepreneur intention towards cash waqf. Farkas & Gubik, (2013) opined intention is thus assumed to be the immediate antecedent of behavior. While Malebana, (2014), offers a critical insights to the understanding of the underlying process of behavioral intentions. A particular note on intentions is that the underlying attitudes are perception based. In physiological study, the presence of intentions had been proven to be predictor of planned behavior. This is true when the behavior to be observed is rare, hard to observe or that it involves an unpredictable long period of time lapse. The use of cash waqf for financing business by entrepreneurs is a process that involves considerable planning, considering other possible influential factors over time (Kautonen et al., 2013). Just as intentions predicts behavior certain attitudes predicts intention. In view of this study, entrepreneurial intentions as a mediator is influenced by cash waqf awareness, attitude towards act, subjective norms and perceived behavioral control. The entrepreneurial intentions determines the use of cash waqf to achieve business growth and development (Ibrahim, Amir, et al., 2013)

**iii. Perceived Business Development (dependent Variable)**

In this research perceived business development is considered as a dependent variable that could be directly and indirectly affected by cash waqf awareness, religiosity, attitude towards cash waqf, subjective norms, perceived behavioral control. The act of entrepreneurship is perceived successful if the entrepreneurs have the required provisions and able to achieve their business objectives. Amongst other objectives, micro entrepreneurs prioritizes their business survival, generating income for growth. The ability to achieve entrepreneurship development could be affected directly or indirectly by some factors. Lack of Finances to maximize their potentials is one of such challenges faced by entrepreneurs (Kerr &
Nanda, 2011). Hence there is need to know if entrepreneurs cash waqf intentions effect their perceived business growth (Tohirin, 2010c).

4. Methods
The technique used is quantitative methods, which involves quantitative data collection and analysis. This is the systematic empirical investigation of observable phenomena via statistical or mathematical techniques (Hair et al., 2006). The quantitative empirical investigation is based on the use of seven constructs and five hypothesis.

The measurement items is based on seven construct which are cash waqf awareness, religiosity, attitude towards cash waqf, subjective norms, perceived behavior, cash waqf intentions and perceived entrepreneurship development. Cash waqf awareness is measured based on the familiarity and usage of cash waqf for funding business activities (Durso & Sethumadhavan, 2008). Religiosity is measured on belief (El-menouar 2014) while attitude towards act items is on the aspect of behavioral belief which produces a favorable or unfavorable attitude toward the behavior at a particular time and context. Subjective norms is measured base on normative beliefs which result in perceived social pressure from family, friends and colleagues (Ajzen, 2013). The control beliefs give rise to perceived behavioral control. In combination, cash waqf awareness, religiosity, attitude toward the behavior, subjective norm, and perception of behavioral control lead to the formation of a behavioral intention of cash waqf for entrepreneurship development. Cash waqf intentions were measured based on entrepreneurs’ cash waqf purpose, plans and aims. Perceived business development was measured on financial needs and achieving business objectives. (Parvin, Rahman, & Jia, 2012; Nafukho & Muyia, 2010) 

The study population are small and medium enterprise owners, they engage in small business activities for a sustainable livelihood in Edo state Nigeria. These group of persons are among the poorest in the state and majority of them are mostly face with the problem of finances to sustain their businesses. Relevant information can be prompted from this group on this research related matters.

A total number of 500 questionnaire were distributed and also returned given a response rate of 100 percent. However after vetting 459 questionnaires (92 percent response rate) were used for analysis. The questionnaires removed were the ones marked with more than one answers and the ones which only had the demographic section answered.

The 459 data used meet the required number for a SEM analysis Hair et al., (2006). In the data analysis, analysis of moment structure (Amos) was used. This is because Amos gives the power to easily perform structural equation modeling (SEM), (Mueller et al., 2008; Pallant, 2013).The use of SEM, was relevant in the creating of models to test hypotheses, accommodates multiple latent constructs and confirm relationships among observed and latent variables, moving beyond regression to gain additional insight. The SEM application involved two stages. The first stage was exploratory factor analysis (EFA) and the second stage was confirmatory factor analysis (CFA).

5. Data Analysis and Result
Overall three stages of statistical i is done for the quantitative analysis which started with preliminary data analysis, follow by exploratory factor analysis (EFA) and confirmatory factor analysis (CFA).

i. Reliability Analysis
Reliability was done to confirm the consistency of the construct items. Cronbach alpha values range between 0 and 1.0, higher value indicates higher reliability among the indicators (Hair 2010). The scale is
used to confirm the reliability of all measurements items for each of the seven constructs. According to Pallant (2011), a conbranch alpha value of .89 suggest very good internal consistency reliability for the scale. In this research, the cronbach alpha is 0.9 when p >0.6. This suggests very good internal consistency the data items are related, suitable, and reliable. The cronbach alpha reliability test for each of the construct are well above 0.7 which is considered that the constructs have been correctly scored. The result are Cashwaqf awareness (0.89), religiosity (0.859), attitude towards the cash waqf (0.839), subjective norms (0.798), perceived behavioral control (0.740), cash waqf intention (0.917) and perceived business development (0.921) has the highest cronbach alpha. The result indicates that none of the construct or items measures something different from the scale as a whole.

ii. Exploratory factor analysis

Result showed that measure of sampling adequacy Kaiser-Meyer Oiken (KMO) is 0.895 exceeding the recommended value of 0.6 (Pallant, 2013). Hence it is appropriate for factor analysis using principle component analysis (PCA) method. The Bartlett’s Test of sphericity also reached statistical significance (0.000), supporting the factorability of the correlation matrix. With the use of varimax rotation, seven factors were extracted with eigenvalue greater than 1 (11.057, 3.981, 3.163, 2.252, 1.805, 1.691, 1.368) explaining 66.6 percent of total variance. Respectively all seven factors were named, cash waqf awareness (AWARE), religiosity (REL), attitude towards the act (ATTD), subjective norms (SUBNORM), perceived behavioral control (PBC), cash waqf intention (CWIN) and perceived business growth (PMBD). In communality, the higher value represent higher correlation among the constructs respectively. The result of communality point out SUBNORM 2, SUBNORM 3 and PCB 5 had the highest communality.

The highest factor is perceived behavioral control (PBC) it has the highest eigenvalue and variance (eigenvalue = 2.1 variance = 72 percent) it indicates as the most important factor perceived by the respondents for perceived entrepreneurship development. Cash waqf intention is next, (eigenvalue = 3.5 variance = 70.5 percent). This is followed by attitude towards an act (eigenvalue = 3.7 variance = 68 percent), perceived business growth (eigenvalue= 4.7 variance= 67.8 percent). Subjective norms (eigenvalue= 2.6 variance= 65 percent) cash waqf awareness, (eigenvalue= 3.8 variance= 64 percent) and the last is religiosity (eigenvalue= 3.8 variance= 54 percent). Overall results of factor analysis shows seven underlying constructs considered to be relevant to measure Perceived MSME’s development.

iii. Confirmatory Factor Analysis (CFA)

Prior to the conduct of CFA, all necessary EFA has been done. CFA is the third stage of quantitative analysis. It is to test and confirm specific hypotheses, theories concerning the structure underlying a set of variables (Kline, 2011; Hair et al., 2010). This measurement model is confirmed by fit statistics such as root mean square error of approximation (RMSEA), degree of freedom (df), Chi-square (X²), normed fit index (NFI), comparative fit index (CFI), Tucker-Lewis index (TLI), and incremental fit index (IFI).

The measurement model is the first order confirmatory factor analysis (CFA) carried out to test the relationship between the independent constructs. The first step was the examination of the loadings, particularly focusing on any non-significant loading. Not all the measurement items in the constructs were statistically significant. Some of the items had low loadings ranging from 0.3 to 0.4 not meeting the requirement of loading, values of 0.7 (Hair et al. 2010). The 4 items with low loadings in the constructs were PBC1, PBC2, PBC3, and SUBNORM 4, they were deleted and the model was re-estimated. In the re-estimation the model achieved the majority of the fit indices including X² = 1673.449, and a p value = 0.000. The Bentler comparative fit index (CFI) = 0.906 is higher than the acceptable fit of > 0.95. The root mean square error of approximation (RMSEA) = 0.059 is below threshold of 0.05., df = 639,
The reliability of the constructs is confirmed in the measurement model using the construct reliability (CR) and average variance extracted (AVE). A high value of CR and AVE indicates there is internal consistency all measures are reliably representing their constructs (Hair 2010). The standardized solution of each factor loading and their corresponding error variance is presented in Table 1. The variables specified to measure an underlying construct were found to be mostly reasonably and statistically significant. Most of the factors fulfilled the requirement for convergent validity 0.50 and above and not exceeded 1.00. The variance of the error terms were found to be in the range of requirement for statistical significance. The measurement error represents other variation for a particular observed variable and the variance of a measurement error is estimated. Based on the squared multiple correlation result, SUBNORM 3 explained highest 78.4 percent of the variance is accounted for by subjective norm. Followed by CWINT6, which is explains 75.2 percent of the variance accounted for by cash waqf intention. The third is PMBD 3, it accounts for 74 percent of the variance accounted for by perceived micro business development. In whole the result that loadings were statistically significant.

### Table 1: Reliability and Validity of the constructs

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Standardized regression weight</th>
<th>Standard error (S.E)</th>
<th>Critical ratio (C.R)</th>
<th>Squared multiple correlation (SMC)</th>
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<td>.805</td>
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<td>.081</td>
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<td>.102</td>
<td>6.950</td>
<td>.111</td>
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<tr>
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<td>ATTD2</td>
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<td>.077</td>
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<td>.662</td>
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<td>.284</td>
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<td>.085</td>
<td>18.121</td>
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<td>Perceived behavioral ctrl</td>
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<td>PBC6</td>
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<td>PBC4</td>
<td>.606</td>
<td>.094</td>
<td>13.323</td>
<td>.815</td>
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</table>
Construct reliability
Bagozzi and Yi (1988) recommend that CR should be equal or greater than 0.60 and AVE should be equal to or greater than 0.50. To further ensure construct validity, convergent and discriminant validity were assessed in the data with equations 1 and 2.

\[
CR = \frac{\left(\sum_{i=1}^{n} \lambda_i \right)^2}{\left(\sum_{i=1}^{n} \lambda_i \right)^2 + \left(\sum_{i=1}^{n} \delta_i \right)^2}
\]

(1)

Where: \( \lambda_i \) = The standardized loading for each observed variable

\( \delta_i \) = The error variance associated for each observed variable

Average Variance extracted from Equation 1

\[
AVE = \frac{\sum_{i=1}^{n} \lambda_i^2}{n}
\]

(2)

Construct Validity
The construct validity was also evaluated. In the construct validity, the convergent and discriminant validity was used. Convergent validity is usually accomplished by demonstrating a correlation between the two measures, although it’s rare that any two measures will be perfectly convergent. In the case of discriminant validity, it could show that there is no correlation at all (Carlson & Herdman, 2012). To fulfill the construct validity value of fit indices from the standardized loadings of each item of a construct and discriminant validity, is confirmed by the correlation value between the constructs. Based on the result of the measurement model it is confirmed, given the cut point of the fit indices the constructs awareness, religiosity, attitude towards cash waqf, subjective norms, and perceived behavioral control were valid. In the convergent validity it is found that most values of standardized loadings are statistically significant (> 0.50) where \( p < 0.001 \). In the discriminant validity, results indicate that few of the estimated correlation value between the constructs were less than 0.5.

Overall, the constructs measurement model achieved the validity requirements for constructs using the convergent validity and discriminant validity requirements for constructs. In other to conduct SEM independent constructs must be correlated with each other (Kline, 2011). The next section discusses on the structural modelling of the research.

iv. Structural equation modelling
The hypothesize model is tested statistically in a simultaneous analysis of the entire system of variables to determine the extent to which it is consistent with the data. If goodness-of-fit is adequate, the model argues for the acceptability of proposed relations among variables; if it is inadequate, such relations is rejected (Bryne 2010).
In the hypotheses, it is developed to test the mediating effect of cash waqf intention (figure 3). The approach to evaluate the mediating effect is bootstrapping, that is resample from a sample data. 1000 bootstrap re-sampling and 95 percent confidence intervals, was performed. If Zero does not fall between the resulting confidence intervals there is a significant mediating effect. Furthermore the mediating effect is observed via the total effect, indirect effect and direct effect. The total effect denote the extent a change in the independent construct is related to dependent construct. The direct effect is the extent in which a change in the independent construct is directly related with the dependent construct. The indirect effect is the extent to which a change in the independent construct would change the dependent construct via the mediator (cash waqf intention). The outcome of a mediator could either be partial or full mediation (Hair et al., 2010). Table 2 present the mediating effect of cash waqf intention to cash waqf awareness, religiosity, and attitude towards the act, subjective norms, and perceived behavioral control.

![Figure 3: SEM for constructs](image)

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Direct Effect</th>
<th>Indirect Effect</th>
<th>Total Effect</th>
<th>outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>AWARE ←→ CWINT</td>
<td>.443*</td>
<td>.290*</td>
<td>0.733</td>
<td>Partial</td>
</tr>
<tr>
<td>REL ←→ CWINT</td>
<td>.103**</td>
<td>.054**</td>
<td>0.157</td>
<td>Partial</td>
</tr>
<tr>
<td>ATT ←→ CWINT</td>
<td>.670**</td>
<td>.843**</td>
<td>1.513</td>
<td>Partial</td>
</tr>
</tbody>
</table>
Cash waqf awareness has a direct effect of 0.443 and indirect effect of 0.290, religiosity direct effect of 0.103 and indirect effect of 0.054, attitude towards the act (cash waqf) direct effect is 0.670, indirect effect of 0.843, subjective norms have direct effect of 0.204 and indirect of -0.144 but with a total effect of 0.06. Perceived behavioral control direct effect is 0.150 and with an indirect effect of 0.65, for perceived business development. Cash waqf intention only mediates part of the effect of the intervention of all dependent variables for business development. Cash waqf intention partially mediated with all the constructs.

This signifies, its effect accounts for some, but not all, of the relationship between the independent constructs and dependent construct. Hence there is a significant relationship between the mediator and the dependent variable and also some direct relationship between the independent and dependent variable.

6. Research findings and conclusions

The research mainly focus on the insight of cash waqf financing, to proffer it as an alternative source of financial support to micro, small and medium entrepreneurs. Objectively, the research examined the intentions of micro entrepreneurs on cash waqf for perceived business development, explore the relationship between cash waqf awareness, religiosity, attitude towards cash waqf, subjective norms, perceived behavioral control for perceived business development, investigate the mediating effect of cash waqf intention for business development. Hence, the research tested the role of cash waqf intention on five constructs which are cash waqf awareness, religiosity, attitude towards the act, subjective norms, and perceived behavioral control. The theoretical framework of this research is based on theory of planned behavior by Icek Ajzen (1991). All measurement items were confirmed by micro entrepreneurs.

The result shows the mediating effect of cash waqf with the stated construct were partial. This implies that there is a significant relationship between the mediator cash waqf intention, cash waqf awareness, religiosity, attitude towards the act, subjective norms, and perceived behavioral control for perceived business growth. Also some direct relationship between the independent and dependent constructs. Hence with cash waqf intention was a good mediating determinant for perceived business development. These variables can enhance business growth. However, the two most important variables to explain entrepreneur cash waqf intention for business growth is cash waqf awareness and attitude towards cash waqf. Cash waqf awareness and altitude towards cash waqf will mostly bring about the intentions to use cash waqf to achieve business growth. Also this proves awareness is synonymous with usage.

Conclusively, this research has contributed in different aspects. First, it contributes to entrepreneurship development by introducing cash waqf as a measure to financially boost business development. Secondly, the research confirms five constructs that can effect cash waqf intentions for perceived business development. The measurement items for the five construct were considered essential in entrepreneurship development.
cash waqf intentions for MSMEs advancement. Thirdly, the research was able to adopt and adapt related literatures to resolve the research lacks of specific literature on the combination of theory of planned behavior with cash waqf awareness and religiosity. Also, references were sought from Quran to form the basis for cash waqf research and to support the theoretical framework. However, the research sample selection was unequal in terms of respondent religion, and respondent’s gender, although the data of the research was still considered for analysis purpose. Also, this research lacks specific literature on the combination of theory of planned behavior with cash waqf awareness and religiosity. Hence this research work has contributed to that aspect of academic literature.

Considering the research limitations, future researchers may also consider improving the selection of samples for their studies. This will help in fulfilling specific needs and boost inclusion of all. On a final note, future studies may improve the current research framework by considering and adding other relevant constructs that can effect cash waqf intentions for business development.

References


