

**ISLAMIC MORAL NORM AND ITS MODERATING
ROLES IN INFLUENCING CUSTOMERS'
INTENTION TO ADOPT ISLAMIC
MICROFINANCE IN
CÔTE D'IVOIRE**

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ABSTRACT

Islamic microfinance industry has emerged as a new financial system to face issues of the financial inclusion in the world. Despite the opportunities offered by Islamic financial system to the worldwide poor population, the rate of its adoption among customers remained low in Côte D'Ivoire and elsewhere. This study examined the behaviour and Islamic moral norm (IMN) of customers by integrating customer Islamic moral norm (CIMN) into the theory of planned behaviour (TPB). Particularly, this study tested the influence of attitude, subjective norm, perceived behavioural control (PBC) and CIMN on intention to adopt Islamic microfinance. In addition, the study examined the moderating role of CIMN between attitude, subjective norm, PBC and intention to adopt Islamic microfinance. Through cross sectional study design and systematic sampling method, a total of 512 survey questionnaires were collected from Al Barakat Finance customers in Côte D'Ivoire. Data is analyzed using Partial Least Square Structural Equation Modelling (PLS-SEM) with the smart-PLS version 3 including algorithm, bootstrapping and blindfolding analysis. The findings provided supports to the hypothesized direct effect of attitude, subjective norm, PBC and CIMN on intention to adopt Islamic microfinance. Furthermore, with a positive perception of attitude and PBC, customers with high and low IMN did not indicate any intention to adopt Islamic microfinance. On the contrary, with a positive perception of subjective norm, customers with high IMN indicated higher intention to adopt Islamic microfinance than those with low IMN. Theoretically, the findings of this study have contributed to the existing literature by incorporating CIMN as a direct and moderating variable in TPB model. Moreover, all the used variables in this study were importantly proved applicable in predicting Islamic microfinance customers' behavioural intention. Therefore, this study suggests Islamic microfinance practitioners, specifically in Côte D'Ivoire to consider CIMN in all financial activities in order to enhance the level of their adoption.

Keywords: *Islamic microfinance, customer Islamic moral norm, adoption, theory of planned behaviour, Côte D'Ivoire.*

ABSTRAK

Industri kewangan mikro Islam telah muncul sebagai satu sistem kewangan baharu yang berdepan dengan pelbagai isu kewangan global. Biarpun pelbagai peluang yang ditawarkan oleh sistem kewangan Islam kepada populasi miskin dunia, kadar penggunaan sistem ini di *Côte D'Ivoire* juga di tempat-tempat lain, dilihat masih berada diparas yang rendah. Kajian ini melihat tingkahlaku dan norma moral Islamik (IMN) terhadap pengguna dengan mengintegrasikan norma moral Islamik pengguna (CIMN) ke dalam teori tingkahlaku terancang (TPB). Secara khususnya, kajian ini menguji kesan sikap, norma subjektif, kawalan tingkahlaku yang dilihat (PBC) dan CIMN terhadap kemahuan menerima sistem kewangan mikro Islam. Sebagai tambahannya, kajian ini juga melihat peranan moderasi CIMN terhadap sikap, norma subjektif, kawalan tingkahlaku yang dilihat dan kemahuan menerima sistem kewangan mikro Islam. Melalui reka bentuk kajian rentas dan kaedah persampelan sistematik, sejumlah 512 soal selidik diperoleh dari pelanggan-pelanggan *Al Barakat Finance* di *Côte D'Ivoire*. Data dianalisa menggunakan *Partial Least Square Structural Equation Modelling* (PLS-SEM) dengan *smart-PLS* versi 3 merangkumi analisa algoritma, *bootstrapping* dan *blindfolding*. Dapatan menyokong hipotesis kesan secara langsung terhadap sikap, norma subjektif, PBC dan kemahuan menerima CIMN. Dijangkakan, dengan persepsi positif terhadap sikap dan PBC, pengguna yang mempunyai IMN yang tinggi dan rendah tidak menunjukkan sebarang indikasi kemahuan terhadap penerimaan sistem kewangan mikro Islam. Sebaliknya, dengan persepsi positif terhadap norma subjektif, pengguna yang mempunyai IMN yang tinggi menunjukkan indikasi yang tinggi untuk menerima sistem kewangan mikro Islam berbanding pengguna yang mempunyai norma moral Islamik yang rendah. Secara teorinya, dapatan dari kajian ini telah menyumbang kepada literatur sedia ada dengan menggabungkan CIMN sebagai pemboleh ubah langsung dan pemboleh ubah moderasi di dalam model TPB. Lebih-lebih lagi semua pemboleh ubah yang digunakan dalam kajian ini telah dibuktikan kepentingannya untuk digunapakai dalam membuat jangkaan terhadap kemahuan tingkahlaku pengguna terhadap sistem kewangan mikro Islam. Oleh itu, kajian ini mencadangkan agar pengamal-pengamal sistem kewangan mikro Islam, terutamanya di *Côte D'Ivoire* untuk mengambil kira CIMN dalam semua aktiviti kewangan dalam usaha meningkatkan tahap penerimaannya.

Kata Kunci: *Mikro kewangan Islam, norma moral Islamik pengguna, adaptasi, teori tingkahlaku terancang, Côte D'Ivoire.*

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