

## INTENTION TO ADOPT ISLAMIC MICROFINANCE IN THE GAMBIA: THE MEDIATING ROLE OF ATTITUDE

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### ABSTRACT

This study investigates the factors that influence existing and potential customers' intention to adopt Islamic microfinance in the Gambia using the Theory of Planned Behavior (TPB). The study further examines the mediating role of attitude towards the intention to adopt Islamic microfinance. Collecting data from 350 respondents in the Gambia through a self-administered questionnaire, we analyze the relationships between TPB constructs and the intention to adopt Islamic microfinance using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results reveal significant relationships between TPB constructs and the intention to adopt Islamic microfinance. Further results show that awareness and knowledge significantly influence intention to adopt Islamic microfinance through the mediating role of attitudes. This research adds to the extant literature on Islamic microfinance by providing empirical evidence on factors influencing behavioral intentions. It extends the application of TPB to Islamic microfinance, offering valuable insights to policymakers and practitioners. Findings suggest that enhancing awareness and knowledge about Islamic microfinance can positively influence attitudes towards its adoption. In light of the findings, policymakers and financial institutions should focus on educational campaigns and information dissemination to promote Islamic microfinance as a viable financial inclusion tool.

*Keywords:* Islamic microfinance, Theory of planned behavior, Gambia.

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## I. INTRODUCTION

Islamic microfinance is gaining widespread acceptance by governments, institutions, and private entities/individuals in countries where Islamic finance is advanced and developed. Islamic microfinance is founded on the belief that financial independence through Islamic values can be achieved if the right regulatory support and the enabling environment are in place. Supporting the growth of Islamic microfinance is significant for poverty alleviation and for economic and social development. Islamic microfinance can be best described as the utilization of Islamic finance principles in providing microcredit to the poor (Obaidullah, 2008). As a shariah compliant financing tool, Islamic microfinance is founded on the tenets of interest prohibition, avoidance of ambiguity in contracts, and promoting risk sharing and social justice in transactions thereby offering a great potential for access to finance to small entrepreneurs and serving as an alternative to the conventional financing model (Bui, 2013). Consequently, the evolution of Islamic microfinance has led to a significant transformation with regards to access to shariah compliant financing for low-income earners and entrepreneurs in Muslim nations where Islamic finance has thrived. Countries such as Malaysia and Indonesia have successfully developed and implemented programs with a clear objective of alleviating poverty by establishing Islamic microfinance institutions. These initiatives are geared towards enhancing financial inclusion and promoting the socio-economic enhancement of communities, more particularly in Muslim communities.

Even though Islamic microfinance aims to promote financial inclusion, it has been observed that the level of unbanked people in majority of Muslim countries is relatively high given the stringent measures established by conventional financial institutions which makes it a challenge for small entrepreneurs and the poor to access finance (Demirguc-Kunt et al., 2017). In addition, religion is an impeding factor for the low rate of financial inclusion in some Muslim nations as most Muslims do not prefer to bank with traditional financial institutions due to the belief that the financial operations of these institutions do not align with the Islamic financial principles (Hamadou et al., 2025). In light of this, a greater preference for sharia-compliant financial services over conventional microfinance shows lack of access to traditional microfinance in some OIC countries including Bangladesh, Nigeria, Algeria, and Indonesia (Alpay & Haneef, 2015). Furthermore, it has been noted in some studies that lack of public awareness about shariah compliant financial services has contributed to the low level of access to finance and financial inclusion in different countries such as in Uganda (Bananuka et al., 2019), The Gambia (Jallow, 2023), and Australia (Rammal & Zurbruegg, 2007).

This study focuses on The Gambia due to its unique positioning as a Muslim majority country with a relatively underdeveloped Islamic finance sector. Despite the underdevelopment of the Islamic finance sector, access to shariah-compliant microfinance services is promising. Consequently, The Gambia is making significant efforts to enhance its Islamic microfinance sector. Although the Gambia possesses a less diverse financial system in comparison to its regional counterparts, the Islamic financial institutions nonetheless has seen tremendous growth, with two fully-fledged Islamic microfinance institutions established recently. These developments have enhanced financial inclusion in the country.

Accordingly, there are potential avenues for the growth of the sector if supported by the government and regulators through the provision of effective legal and regulatory frameworks. Notwithstanding, promoting and increasing awareness of Islamic microfinance is important for developing countries such as the Gambia to enhance the country's economic growth and development. Moreover, adopting Islamic microfinance products and services provides a good mechanism to empower the poor, enhance financial inclusion, promote entrepreneurship, and help in alleviating poverty. Given the increasing interest in shariah compliant services globally and the importance of Islamic microfinance to contribute to inclusive finance and economic development, The Gambia serves as an important case study to examine awareness, knowledge, and social influence in shaping people's intention to adopt Islamic microfinance in The Gambia.

Several prior studies have provided valuable insights in employing the TPB as an underpinning theory in Islamic finance research (e.g., Maulina et al., 2025; Mujahidah & Rusydiana, 2023; Si & Chin, 2023; Ullah et al., 2022; Zinser, 2015). Specifically, Zinser (2015) utilizes the TPB to analyze the factors impacting behavioral intention to use Islamic banking by Muslims in the United States in which the findings reveal that TPB constructs are significant factors leading to the adoption of Islamic banking and financial services. Similarly, Mbawuni & Nimako (2017) examine the adoption of Islamic banking in Ghana by comparing Muslims and non-Muslims groups using the TPB as a guiding theory. Their findings uncover that attitude towards the adoption of Islamic banking is significant for both Muslims and non-Muslims groups in Ghana. Moreover, Ullah et al. (2022) attempt to understand the factors that impact consumer's intention towards Islamic microfinance in Bangladesh by employing the TPB as an underlying theory. Their findings reveal that awareness and knowledge of Islamic microfinance are significant predictors of clients' behavioral intention towards Islamic microfinance in Bangladesh.

The adoption of Islamic microfinance is a nascent subject of studies in the Gambia. Consequently, Islamic microfinance is still characterized by low level of awareness and knowledge among Gambians despite the existence of Islamic microfinance institutions in the country. Most of the studies are either related to the awareness and perception about Islamic banking (Conteh & Hassan, 2021; Sonko, 2020), women empowerment and Islamic microfinance (Senghore, 2023), or SDGs and Islamic microfinance (Kolley, 2020). Moreover, no study has utilized the TPB to explore Islamic microfinance adoption nexus within the Gambian context. Indeed, understanding the factors leading to the adoption of Islamic microfinance is crucial for the advancement of the sector. Therefore, this study seeks to investigate the factors shaping potential customers' behavioral intention towards the adoption of Islamic microfinance in the Gambia by providing a new framework for understanding adoption behavior. The study extends the TPB by incorporating awareness and knowledge to the TPB factors. The findings of this study may offer crucial implications in providing a holistic understanding of Islamic microfinance operations in the Gambia.

The rest of the paper is structured as follows. Section II reviews the literature and develops the hypotheses. Section III explains the research methodology, while

Section IV presents the results. Section V provides the conclusion, highlighting implications of the study as well as limitations and suggestions for further research.

## **II. LITERATURE REVIEW**

### **2.1. Microfinance and Islamic Microfinance in the Gambia**

The Gambia's financial ecosystem is relatively underdeveloped in comparison to other West African countries. Microfinance plays a pivotal role in advancing the nation's socioeconomic development and addressing the financing gap of low-income earners and impoverished societies, especially in rural areas. Conventional microfinance institutions (MFIs) in The Gambia offer microcredit services primarily through models such as group lending, credit unions, and village banking. These institutions aim to improve financial inclusion and alleviate poverty, yet they often rely on interest-based lending that may not align with the religious beliefs of the majority-Muslim population.

The Gambia, a Muslim majority country with approximately 95% of its population adheres to the religion, presents a unique opportunity for examining the relevance of Islamic microfinance. While the conventional microfinance sector in the country plays a role in providing financial access to the unbanked, it often operates on interest-based models that conflict with Islamic principles. In contrast, Islamic microfinance aligns with the socio-religious values of the population by offering Shariah-compliant financial products based on contracts such as Murabaha, Ijara, and Mudarabah, which prohibit riba (interest), promote risk-sharing, and uphold social justice. The sector remains nascent but is evolving. The Gambia currently has two fully-fledged Islamic microfinance institutions offering Islamic microfinance products. The growth of these institutions has been driven by increasing demand for alternative shariah finance that resonates with religious values, particularly among micro-entrepreneurs and low-income earners. Despite growing interest, the sector faces notable challenges, including weak regulatory frameworks, low public awareness, and limited expertise in Islamic finance. Given that approximately 95% of Gambians are Muslim, Islamic microfinance holds considerable promise in advancing financial inclusion, entrepreneurship, and poverty alleviation in a Shariah-compliant manner.

### **2.2. Theory of Planned Behavior (TPB)**

Behavior has been perceived in a multi-dimensional way. The TPB is one of the prominent models in social science studies in determining how individuals behave by examining three factors that lead to the individual's intention in performing the behavior. These three factors are attitude, subjective norm (SN), and perceived behavioral control (PBC) (Ajzen, 1991). These factors collectively influence an individual's behavioral intention to perform a behavior which eventually influences their actual behavior. The first factor is a person's attitude towards the behavior which is shaped by the overall positive or negative perception to perform the behavior, with positive attitude towards the behavior been associated with a strong intention towards executing the behavior (Ajzen, 1991). The second factor is subjective norm which means an individual's assessment when engaging

in a behavior because of social influence or pressure from family, friends, peers or societal expectations (Ajzen, 1991). The third factor is perceived behavioral intention which is the individual's ability or obstacle in engaging in the behavior. Ultimately, these three factors influence behavioral intention which is the main determining factor of actual behavior. The TPB is widely used in the field of Islamic social finance literature (Ammar, 2017; Mbawuni & Nimako, 2017; Mujahidah & Rusydiana, 2023; Si & Chin, 2023).

### **2.3. Conceptual Framework and Hypothesis Development**

The conceptual model showing the relationships established in our study is presented in Figure 1. TPB variables form the basis of the model with an addition of awareness and knowledge towards the behavioral intention to adopt Islamic microfinance in the Gambia. Consistent with the TPB, the proposed model postulates that TPB variables influence the intention of individuals to adopt Islamic microfinance in the Gambia. The model further postulates that attitude mediates the relationship between awareness, knowledge, and behavioral intentions to adopt Islamic microfinance. Adoption in this study means the potential customers' intention to use or become Islamic microfinance clients in the future. The next section presents the development of the hypotheses proposed in this study.

#### **2.3.1. Attitude**

An individual's attitude towards a behavior is shaped by a collection of beliefs, which in turn assigns value to the outcome of a person's behavior as posited by Ajzen (1991). Within the context of applying the TPB on Islamic microfinance, attitude involves a person's evaluative judgment towards participating in Islamic microfinance (Khamis, Isa & Yusuff, 2024). Prior studies find a significant association between attitude and Islamic microfinance. For instance, Abdullahi et al. (2021) find that attitude is significant in determining the intention to adopt Islamic microfinance in Nigeria. A similar finding is also revealed by Musa et al. (2025) for the case of Nigeria. Furthermore, Purwanto et al. (2022) examine the factors influencing behavioural intention to adopt Islamic microfinance in Indonesia and find that attitude significantly influences behavioural intention to adopt Islamic microfinance. In light of these discussions, we state the following hypothesis:

*H1.* There is a significant relationship between attitude and behavioral intention to adopt Islamic microfinance in the Gambia.

#### **2.3.2. Subjective Norm**

Subjective norm (SN) influences an individual's intention through social pressure from friends, family, or the community to engage or behave in a particular manner (Ajzen, 1991). Prior studies examine the impact of SN on intention to adopt Islamic microfinance in the Gambia. Umar et al. (2022) in their study on the acceptance of Islamic financial products and services find that SN is significant in predicting behavioral intention. Similarly, a study conducted by Mustapha et al. (2023) in which the authors examined the factors influencing non-Muslim customers'

acceptance of Islamic banking in Malaysia, reveals a positive relationship between SN and behavioral intention. Based on the empirical evidence above, the following hypothesis is proposed:

*H2.* A significant relationship exists between SN and intention towards Islamic microfinance adoption in the Gambia.

### **2.3.3. Perceived Behavioral Control**

Perceived Behavioral Control (PBC) assesses the ease or difficulty a person may experience when engaging in a particular behavior and it is often thought to reflect not only past experiences, but also anticipated obstacles or challenges an individual may have faced (Ajzen, 1991). In the current study, PBC and behavioral intention is postulated to be positively related. Studying the intention to adopt Islamic microfinance in Indonesia, Maulana et al (2018) find a significant link between PBC and behavioral intention to adopt Islamic microfinance. Similarly, Abdullahi et al. (2021) find PBC to have a significant linkage with the intention to adopt Islamic microfinance in Nigeria. Following the empirical evidence above, H3 is formulated:

*H3.* There is a significant relationship between PBC and intention towards Islamic microfinance participation.

### **2.3.4. Awareness and Attitude**

Awareness is a key factor in shaping an individual's attitude towards accepting a new product or service. In the current study, awareness means an individual's awareness of the existence of Islamic microfinance institutions in the Gambia. Prior studies have confirmed the influence of awareness on attitude towards the adoption of Islamic microfinance products. For instance, Abdullahi et al. (2021) find that awareness significantly influences attitude to adopt Islamic microfinance in Nigeria. Further, in Al Balushi et al. (2019) study, awareness is a significant predictor of intention to adopt Islamic microfinance among SMEs in Oman. In line with the above empirical evidence, the subsequent hypothesis is thus proposed.

*H4:* There is a positive relationship between awareness and attitude towards Islamic microfinance participation.

### **2.3.5. Knowledge and Attitude**

Knowledge is a crucial factor in shaping attitudes. It is a readily accessible form of information that can be utilized for making decisions and taking actions (Purwanto et al., 2022). In the current study, knowledge involves an individual's basic understanding of the Islamic microfinance contracts or products offered by Islamic microfinance institutions. Several studies have examined the significance of knowledge in shaping attitude. Mustapha et al. (2023) find that knowledge significantly influences the attitude of non-Muslims in Malaysia to adopt Islamic banking. Similarly, Mbawuni & Nimako (2017) also uncover that knowledge influences consumers attitude toward the adoption of Islamic banking in Ghana. Accordingly, the following hypothesis is established:

*H5*: There is a positive relationship between knowledge and attitude towards Islamic microfinance participation

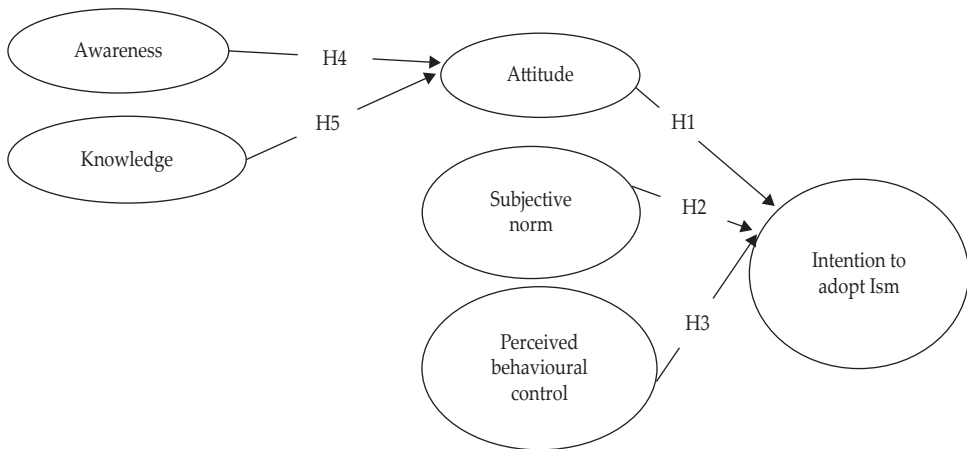
### 2.3.6. Attitude as a Mediator

This research explores the mediating role of attitude on intention to adopt Islamic microfinance in the Gambia. In the realm of social science research, mediating variables have the potential to offer an intriguing explanation for dependent variables by means of their indirect effects (Baron & Kenny, 1986). Thus, several empirical evidence has been established on the relationship between awareness, knowledge, and intention to adopt Islamic banking and Islamic microfinance through the mediating role of attitude (e.g. Bananuka et al., 2020; Mbawuni & Nimako, 2017; Mustapha et al., 2023; Purwanto et al., 2022; Si & Chin, 2023). Subsequently, the following hypotheses are established:

*H4a*: Attitudes mediates the relationship between awareness and Islamic microfinance participation.

*H5a*: Attitude mediates the relationship between Knowledge and Islamic microfinance participation.

The conceptual framework of the study is depicted in Figure 1.



**Figure 1.**  
The Study's Conceptual Framework

## III. METHODOLOGY

### 3.1. Data

The study utilizes the quantitative method for data collection and data analysis. In this study, the non-probability purposive sampling technique is used to collect data from prospective customers of Islamic microfinance institutions in the Gambia. The targeted respondents in this study are individuals who are above the age of 18 and are considered potential customers of Islamic microfinance institutions.

Questionnaire serves as the survey instrument in the present study. The questionnaire used in this study consists of two main sections; the first section briefly outlines the demographic information of the respondents, and the second section contains the items used to measure the model's constructs by using a five-point Likert scale to suite the objectives of the study (see appendix for measurement of constructs). The questionnaire is initially pre-tested with a sample of 20 staffs and students at the university of the Gambia. Based on the pre-test suggestions, adjustments are made to have a more effective instrument. In addition, Cronbach alpha is used to measure the internal consistency of the constructs, and its values from the pilot sample range from 0.73 to 0.8677 for all the constructs, thus confirming the reliability of the constructs in the current study. Subsequently, data are collected through a self-administered questionnaire shared on various social media platforms, with a total of 350 valid responses received. The data collection period spans from May to June 2024.

### **3.2. Method**

PLS-SEM is employed in analyzing the data. PLS-SEM is a suitable approach for testing relationships between constructs (Hair et al., 2011), because of its ability for handling small sample sizes and complex models including simultaneously running direct and mediating effects (Hair et al., 2017). The analysis process begins with SPSS version 20 to describe the demographic information of respondents. Thereafter, Smart PLS version 4 is utilized to analyze the proposed model of our study. The PLS-SEM is analyzed first through the measurement model to assess the reliability and validity of the proposed model (Hair et al., 2019). Once the measurement model is established, analysis for path coefficients of the structural model follows.

### **3.3. Proposed Model**

The model utilized in this study is grounded in the Theory of Planned Behavior. We extend the TPB constructs by incorporating two additional constructs: awareness and knowledge about Islamic microfinance. The conceptual model postulates that attitude, subjective norm, and perceived behavioral control exert significance influence on the behavioral intention to adopt Islamic microfinance in the Gambia. Further, attitude is hypothesized to mediate the relationship between awareness and knowledge on behavioral intention. The model includes various dimensions measured by six constructs and 21 indicators and are adapted from previous studies related to the subject, as summarized in Table 1. The proposed relationships among the constructs are analyzed using path coefficients, R-square, effect size, and Q-square.

**Table 1.**  
**Constructs and Items**

<b>Constructs</b>	<b>Items</b>	<b>Adapted from</b>
Awareness		Umar et al. (2022)
AW1	I'm aware of the principles of Islamic microfinance	
AW2	I know the existence of Islamic microfinance institutions in the Gambia	
AW3	I'm aware that Islamic microfinance undertakes underlying Islamic contracts, such as musharakah, mudarabah, murabaha, qard alhassan, etc.	
Knowledge		Umar et al. (2022)
KW1	I have the basic knowledge about Islamic microfinance	
KW2	I know that Islamic microfinance services are based on shariah principles	
KW3	I have reasonable knowledge of Islamic microfinance for economic growth and development	
Attitude		Ammar (2017), Muhammad et al. (2023), Purwanto et al. (2022)
ATT1	I have a favorable opinion about participating in Islamic microfinance institutions	
ATT2	I would find Islamic microfinance services useful	
ATT3	Using islamic microfinance services is profitable	
ATT4	Using Islamic microfinance services is a good idea	
Subjective norm		Maulina et al. (2025)
SW1	People important to me will support my participation in Islamic microfinance services.	
SW2	My family will support my decision to participate in Islamic microfinance services as a correct and wise decision.	
SW3	People whose opinion I respect will be a trigger for my participation in Islamic microfinance services.	
SW4	I am interested in participating in Islamic microfinance services with recommendations from friends and people close to me.	

**Table 1.**  
**Constructs and Items (Continued)**

<b>Constructs</b>	<b>Items</b>	<b>Adapted from</b>
Perceived behavioral control		Maulana et al. (2018)
PBC1	I am confident that I can easily use Islamic microfinance services	
PBC2	I think that I would be able to adhere to Islamic microfinance services if I want to.	
PBC3	I think that using Islamic microfinance services would be entirely within my control	
Intention to adopt Islamic microfinance		Maulina et al. (2025) and Indarningsih et al., 2023)
INT1	I am interested to participate in Islamic microfinance services	
INT2	I intend to use Islamic microfinance services in the future	
INT3	I like to use Islamic microfinance services	
INT4	I will strongly recommend others to use Islamic microfinance services	

## **IV. RESULTS AND ANALYSIS**

### **4.1. Descriptive Statistics**

The demographic data of participants are depicted in Table 2. The percentage of male who participated in this study (74.86 %) is higher than female participation (25.14%). A substantial proportion of the respondents are within the 19-30 age category, which is about 50.57% of the total participants. The demographic information also indicates that many respondents possess higher education levels, with few respondents reported having a diploma or attending below college levels of education. The monthly income for many respondents is above GMD 10,000 followed by respondents with a monthly income of less than GMD2000. In terms of employment, the majority of the respondents are professionals working in the private and public sector across the greater Banjul area. These include lawyers, doctors, accountants and service professionals.

**Table 2.**  
**Demographic Data of Respondents**

<b>Gender</b>		
Male	262	74.86
Female	88	25.14
Total	350	100
<b>Age</b>		
19-30 years	177	50.57
31-40 years	115	32.86
Above 40 years	58	16.57
Total	350	100
<b>Educational Qualification</b>		
High school and below	23	6.57
Diploma/Certificate	49	14
BSC degree	169	48.29
MSC degree and above	109	31.14
Total	350	100
<b>Monthly Income</b>		
Less than GMD 2000	60	17.14
GMD 2001 to GMD 7000	45	12.86
GMD 7001 to GMD 10,000	47	13.43
Above GMD 10,000	198	56.57
Total	350	100
<b>Occupation</b>		
Self employed	24	6.9
Professional	113	32.29
School teacher/Lecturer	89	25.43
Student	92	26.29
Others	32	9.14
Total	350	100

#### 4.2. Measurement Model Results

We first evaluate the reliability of the constructs using indicator loadings and internal consistency. Essentially, indicator reliability is the extent to which a latent construct is explained by the variance of its assigned indicator (Hair et al., 2021). Indicator loadings of at least 0.7 is recommended (Hair et al., 2019). In Table 3, the loadings for all the constructs are at least 0.7, thus meeting the indicator reliability criteria. Further, internal consistency is measured using both composite reliability and Cronbach's alpha. These measures assess the extent to which indicators in a model work collectively in measuring a particular construct (Hair et al., 2021). Both the Cronbach's alpha and composite reliability of the contracts are above 0.7 signifying sufficient internal consistency. Subsequently, Convergent validity is assessed using the average variance extracted (AVE), which measures the degree to which a particular construct explains the variance of its assigned indicators (Hair et al., 2021). As presented in Table 3, the AVE for all the constructs meets the requirement of 0.5, implying that the indicators have adequately measured

the constructs (Hair et al., 2019). Meanwhile, discriminant validity is assessed using both HTMT and Fornell and Lacker criterion. The discriminant validity evaluates the extent to which indicators effectively elucidate their corresponding latent constructs to a greater degree than they explain other constructs in the model (Hair et al., 2011). The HTMT criterion measures the mean item value relationship of a construct in relation to its mean association for individual items that intend to measure a similar construct (Hair et al., 2019). According to the HTMT criterion, a model will not have discriminant validity issues if the HTMT values of its constructs do not exceed 0.85 (Hair et al., 2017; Henseler et al., 2009). The results presented in Table 4 shows that all the constructs show values less than 0.90, suggesting lack of discriminant validity issues. Fornell and Lacker criterion indicates lack of discriminant validity issues in a model if the bold diagonal values scores of the square root of the AVE is higher as compared to the non-diagonal latent variable correlations (Fornell & Larcker, 1981). As shown in Table 5, the discriminant validity for the Fornell-Larcker criterion is established as each construct demonstrates a higher value compared to other constructs.

**Table 3.**  
**Reliability and Validity Analysis**

Constructs	Items	Loadings	Cronbach Alpha	Composite Reliability	Rho-A	AVE
Attitude	ATT1	0.865	0.897	0.904	0.936	0.765
	ATT2	0.912				
	ATT3	0.810				
	ATT4	0.907				
Awareness	AW1	0.889	0.840	0.840	0.921	0.757
	AW2	0.865				
	AW3	0.857				
Intention	INT1	0.943	0.952	0.904	0.961	0.875
	INT2	0.948				
	INT3	0.944				
	INT4	0.905				
Knowledge	KW1	0.891	0.831	0.831	0.924	0.747
	KW2	0.838				
	KW3	0.864				
Perceived behavioural control	PBC1	0.894	0.879	0.885	0.910	0.805
	PBC2	0.926				
	PBC3	0.871				
Subjective Norm	SN1	0.863	0.866	0.885	0.926	0.714
	SN2	0.911				
	SN3	0.784				
	SN4	0.816				

**Table 4.**  
**Heterotrait-Monotrait (HTMT) Output**

Constructs	ATT	AW	INT	KW	PBC
ATT					
AW	0.689				
INT	0.796	0.63			
KW	0.728	0.876	0.611		
PBC	0.792	0.644	0.778	0.617	
SN	0.711	0.542	0.676	0.556	0.712

**Table 5.**  
**Fornell and Lacker Criterion Output**

Constructs	ATT	AW	BC	INT	KW	PBC	SN
ATT	0.875						
AW	0.600	0.870					
BC	0.772	0.552	0.942				
INT	0.739	0.563	0.746	0.935			
KW	0.631	0.732	0.562	0.546	0.864		
PBC	0.707	0.555	0.691	0.714	0.532	0.897	
SN	0.635	0.467	0.600	0.624	0.477	0.631	0.845

### 4.3. Structural Model Results

We evaluate the model fit by analyzing the Standardized Root Mean Square Residual (SRMR). Hair et al. (2011) posit that model fit can be performed using the SRMR value with a threshold of less than 0.08 for a good model fit. Our research model indicates an SRMR value of 0.049 for the saturated model and 0.056 for the estimated model implying good model fit. Furthermore, multicollinearity is evaluated using the variance inflation factor (VIF). As posited by Hair et al. (2014), a VIF value of less than three indicates absence of collinearity between the constructs. In our study, as shown in Table 5, all the constructs' VIF values are less than three suggesting absence of collinearity issues.

The direct effects of the constructs are established by employing the Path coefficients and their corresponding significance values (Hair et al., 2021). A bootstrapping one-tailed test is conducted using a sample of 5000 approaches and accelerated confidence interval. Table 5 presents the results of the path coefficients, with all the proposed hypotheses for the direct effect and indirect effect been supported at the 1% level of significance.

**Table 6.**  
**Path Coefficients Results (Direct and Indirect Effects)**

Direct Effect	Relationships	Path coefficients	S.dev	T stats	P values	Decision
H1	ATT -> INT	0.408	0.059	6.928	0.000*	Supported
H2	SN -> INT	0.161	0.051	3.172	0.000*	Supported
H3	PBC -> INT	0.324	0.068	4.736	0.000*	Supported
H4	AW -> ATT	0.297	0.077	3.876	0.000*	Supported
H5	KW -> ATT	0.415	0.067	6.173	0.000*	Supported
H4a	AW -> ATT > INT	0.121	0.038	3.162	0.001*	Supported
H5a	KW -> ATT -> INT	0.169	0.035	4.841	0.000*	Supported

Note: \*Relationships are significant at P<1%, S.dev=Standard Deviation

#### 4.3.1. Assessment of Multicollinearity, R-Square, Effect size, and Q-Square

The evaluation of the current study's model predictive capability is determined by the R-square, which assesses the extent to which a change in the endogenous variable is accounted for by one or more exogeneous variables. The range of R-squares is between 0 and 1, where higher values indicate greater explanatory power. Generally, R-squared values for endogenous latent constructs are classified as follows: 0.25 is considered low, 0.50 is moderate, and 0.75 is substantial (Hair et al., 2017). This study has two endogenous variables: INT as the dependent variable and ATT as the mediating variable. Based on the data in Table 6, the R-square for the dependent variable (INT) is 0.633, implying that roughly 63% of the variation in INT is explained by the exogeneous variables. Consequently, consistent with Hair et al. (2021), the R-squared value for the dependent variable is substantial. Furthermore, the R-square for the mediating variable (ATT) is 44%, indicating that the variation in ATT is explained by AW and KW. Therefore, according to the results in Table 6, the constructs in this study possess adequate predictive capacity for the endogenous variable and the mediator variable in the model.

**Table 7.**  
**Multicollinearity Result, Effect size, and Q-Square Output**

Constructs	(VIF)	F <sup>2</sup>	R-square	Q-Square
ATT -> INT	2.269	0.200		
AW -> ATT	2.153	0.073		
KW -> ATT	2.153	0.142		
PBC -> INT	2.247	0.127		
SN -> INT	1.885	0.037		
INT			0.633	0.561
ATT			0.440	0.429

The effect size is evaluated using the F-square. The F-square captures the impact of each construct on the dependent variable. Cohen (1998) notes that the impact of an independent variable can be classified based on the f-square value: a value of 0.35 indicates high effect, 0.15 indicates a moderate effect, and a value of 0.02

signifies a weak effect. Table 6 shows the result of the f-square effects and indicates that attitude has a medium effect, awareness has a small effect, knowledge has a medium effect, perceived behavioral control has a medium effect, and subjective norms has a small effect in line with classification given by Cohen (1998).

The model's Q-square is assessed using the recommendation of Hair et al. (2019) in which the authors asserts that a Q-square value greater than 0.5 is considered high, a value of 0.25 is medium, a value that is less than 0.25 is considered low, and a value of 0 is none. As presented in Table 6, the results indicate that the Q-square for the intention variable is 0.561 while mediating variable has a q-square of 0.429 implying accurate predictability of the data in our model.

#### 4.4. Robustness Test

Non-linearity criteria for robustness test is employed in this study as suggested by Sarstedt et al. (2020). The assumption of non-linearity indicates that path coefficients are often theoretically linearly related, even though the empirical literature suggests that such relationships do not always hold. Specifically, Hult et al. (2018) posit that the size of the association between two constructs in the case of non-linearity relationship does not rely only on the value but also on the magnitude of the variation in the independent construct. The results presented in Table 8 demonstrate non-linearity test for the research model. The study incorporates interaction terms in the direction of showing quadratic effects of AW on KW (B= -0.01, P=0.854), KW on AW (B= -0.003, P=0.951), ATT on INT (B= 0.03, P=0.364), SN on INT (B=0.054, P=0.123), and PBC on INT (B= -0.109, P=0.125). The quadratic effect for the constructs indicates non significance, offering evidence of robustness of the linear effect following the recommendation of Sarstedt et al. (2020).

**Table 8.**  
**Results of Quadratic Effect**

<b>Constructs</b>	<b>Beta</b>	<b>P values</b>
ATT -> INT	0.406	0.000
AW -> ATT	0.283	0.000
KW -> ATT	0.399	0.001
PBC -> INT	0.245	0.000
SN -> INT	0.183	0.001
Quadratic Effect (AW) -> ATT	-0.01	0.854
Quadratic Effect (KW) -> ATT	-0.003	0.951
Quadratic Effect (ATT) -> INT	0.03	0.364
Quadratic Effect (SN) -> INT	0.054	0.123
Quadratic Effect (PBC) -> INT	-0.109	0.125

#### 4.5. Discussion

The aim of the study is to assess the factors impacting individuals' behavioral intention to adopt Islamic microfinance in Gambia. Specifically, this study aims

to examine whether attitude, perceived behavioral control, and subjective norms significantly impact an individual's intention to participate in Islamic microfinance services. The study further aims to assess whether attitude is a significant mediator between awareness and knowledge towards the intention to participate in Islamic microfinance services in Gambia.

According to the findings, attitude has a significant direct effect on the behavioral intention to adopt Islamic microfinance in Gambia. This finding implies that people who have a positive attitude towards Islamic microfinance are more inclined to exhibit a stronger intention to use Islamic microfinance. Therefore, it can be inferred that people's attitude towards participating in Islamic microfinance grows when they believe that the services provided by Islamic microfinance institutions are reasonably priced, of good quality in terms of service delivery, and fulfill their religious obligation in avoiding *riba*, while also enhancing the quality of their lives. This result is not only consistent with the TPB, but also with the results obtained in several other similar studies (Andespa et al., 2026; Khamis et al., 2024; Nizam, 2025). Our results also uncover the positive and significant influence of social norm on the intention to adopt Islamic microfinance. The outcome indicates that social pressure from friends and family for instances crucially shapes individuals' behavioural intention to participate in Islamic microfinance. This result is consistent with Maulana et al. (2018), Abdullahi et al. (2021), and Purwanto et al. (2022). Further, we also document that a person's perception of the easiness or complexity he or she may experience to perform a particular behavior significantly explains the intention to participate in Islamic microfinance. Therefore, it can be inferred that individuals who intend to utilize Islamic microfinance in the future are convinced that they will be able to efficiently engage in Islamic microfinance services with sufficient confidence and control. This study concurs with Khalequzzaman et al. (2023), Abidin et al. (2024), and Putri et al. (2019). Meanwhile, we note that awareness and knowledge significantly affect attitude towards Islamic microfinance. As the findings indicates, increasing the level of awareness lead to a substantial rise in attitude towards Islamic microfinance adoption. This finding corroborates with prior similar studies including that of Mustapha et al. (2023). In addition to the level of awareness, attitude is also influenced by knowledge. An individual with comprehensive understanding of Islamic microfinance will naturally have a positive attitude, which eventually influence that individual's intention to adopt Islamic microfinance. This result is in line with the findings of Bananuka et al. (2020) and Mbawuni & Nimako (2017). In essence, individual's attitude to participate in Islamic microfinance is influence by his awareness and knowledge towards Islamic microfinance.

## **V. CONCLUSION AND RECOMMENDATIONS**

This study investigated the factors that affect potential customers' intention to adopt Islamic microfinance in The Gambia using the extended TPB. The study's main findings indicate that the TPB constructs significantly predict the intention to adopt Islamic microfinance. The findings further reveal that attitude mediates the relationship between awareness and knowledge towards the behavioral intention to adopt Islamic microfinance in the Gambia. The findings of this research have

several implications. First, in theory, the research framework expands the TPB which significantly enhance our understanding of Islamic microfinance adoption nexus in the Gambia. Second, the findings contribute to the extant literature as being perhaps the first empirical study on the intention to use Islamic microfinance in the Gambia. Furthermore, the government, policy makers, and practitioners in the Islamic microfinance sector might use the findings of this study to foster the growth of the Islamic finance sector and push potential customers to increase their use of Islamic microfinance services. Finally, for the Central Bank of the Gambia, the study provides empirical evidence in promoting awareness about Islamic microfinance, structuring Islamic finance capacity programs, and creating enabling regulatory frameworks that support the growth of Islamic finance and enhance financial inclusion in the country. Globally, other central banks in countries where Islamic finance is evolving, can apply the findings to assess public awareness for Islamic microfinance.

In light of the study's findings and their implications, the paper recommends the need for key stakeholders in the Gambia's financial system, particularly the Central Bank of the Gambia and Islamic microfinance institutions, to initiate educational campaigns that would enhance public attitude, awareness and perception of the role of Islamic microfinance institutions in promoting financial inclusion and alleviating poverty. Moreover, it is essential that the government collaborates with other relevant stakeholders in encouraging the establishment of new Islamic microfinance institutions, as well as providing support to the existing ones by increasing public awareness of their operations. Overall, these implications could help enhance the development of Islamic microfinance in the Gambia.

Despite the importance of this study, it has certain limitations and hence suggestions for future research. First, the paper employs a quantitative approach to answer the research objectives. Future research in the context of the Gambia can be conducted by using a mixed methodology approach to gain more insights. Second, apart from attitude, other factors like religiosity, compatibility, or financial literacy could be important mediators in the relationship established in this study. Consequently, future research could broaden the scope of the present study by examining the impact of these additional factors within the same theoretical framework. Third, the dataset used in this research is cross-sectional in nature and hence we cannot examine differences or changes in behavior across time. Thus, future researchers should incorporate a longitudinal study for greater explanatory power and new insights and accordingly broaden our understanding of Islamic microfinance adoption in the Gambia. Finally, since this study focuses on the Gambia, a comparative study with another country could be conducted to shed more lights on the subject.

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