

AR-RAHNU AS A SOURCE OF FINANCIAL SUSTAINABILITY FOR WOMEN MICRO-ENTREPRENEURS IN MALAYSIA

Nik Hadiyan Nik Azman ¹
Salina Hj. Kassim ²

Abstract

Muslims in Malaysia had practiced *ar-rahnu* for fulfilling their financial need, especially for emergency purposes since early 1990s. The pioneer of *ar-rahnu* in Malaysia is Muassasah Gadaian Islam Terengganu (MGIT) in January 1992, followed by the Kelantan Capitalization Berhad (PKB) in March 1992. Both of these Islamic pawn centres are among the earliest exponents to the Islamic pawn scheme in Malaysia. *Ar-rahnu* is an increasingly popular financing option among micro-entrepreneurs in Malaysia, particularly women micro-entrepreneurs. Women micro-entrepreneurs play a vital role in the Malaysian economy and could be considered as the backbone of the industrial development in Malaysia. This study examines the role of *ar-rahnu* as a source of financial stability for women micro-entrepreneurs. 600 questionnaires were distributed at three states in Malaysia which are Kelantan, Terengganu and Kedah. Then, this study used SPSS and SEM Amos to analyses the data for 600 respondents (women micro-entrepreneurs) in Malaysia. In essence, this study finds that shariah compliancy, locality, service charges, collateral and customer satisfaction has positive and significant impact towards the use of *ar-rahnu*. The study also found use of *ar-rahnu* has significant impact towards financial self-sufficiency for women micro-entrepreneurs.

Keywords: Women, Micro-entrepreneurs, Self - sufficiency, Financial stability

JEL Classification: G20, G21

Received: September 13, 2016; Revised: January 16, 2017;

Accepted: February 23, 2017

1 Kulliyah of Economics and Management Science, International Islamic University Malaysia, 50728 Kuala Lumpur, Malaysia. E-mail: nikhadiyan@gmail.com (Corresponding author)

2 IIUM Institute of Islamic Banking and Finance, International Islamic University Malaysia, 50728 Kuala Lumpur, Malaysia. E-mail: ksalina@iium.edu.my

I. INTRODUCTION

Micro-enterprises comprises small businesses which most often involve self-employment in the informal sector and women form a large and growing segment of such micro-enterprises businesses (Ncube & Greenan, 2003; Mahajar & Mohd Yunus, 2012). Generally, women entrepreneurs can be defined as those women that start, own, operate, manage and take risk in their business (Thuaibah, Azlah, & Rozeyta, 2007). Taking cue from this, women entrepreneurship has become one of the prime topics of policy makers in the developing countries since 1980s (Hossain, Naser, Zaman, & Nuseibeh, 2009).

According to Ahmad (2012), women contribute to a certain value for the growth of Malaysia economy. In short, there is a correlation between women entrepreneurship and economic growth. Traditionally, women are confined their traditional gender roles as wives and mothers, nowadays, women's role is more than just a wife and a mother. Women are now contributing to family income by earning extra income for their family. This is supported by previous study, documented that household income is a significant deciding factor for women to start their own businesses (Marshall & Oliver, 2005; Allen, Langowitz, & Minniti, 2007; Akehurst, Simarro, & Mas-Tur, 2012; Abu Bakar, Mohd Ali, Omar, Mohd Som, & Muktar, 2013; Sarker & Palit, 2014). In fact, in Islam, the involvement of women in business can be traced back during the prophet (PBUH) time where his wife was a good example of successful business women (Azmi, Basir, Che Hashim, & Mohamed, 2014). Furthermore, in the Holy Quran, verses An-Nisa: 24 and An-Nahl: 97 also supported women to be involved in business as long as do not exceed the Islamic principles.

Recent research has shown that the likelihood of starting a new business is significantly higher among women who perceive themselves as having the necessary skills and knowledge than it is among women perceiving themselves as lacking such skills (Minniti, 2009). In addition, a necessary skill has a significant positive correlation with women involvement in business (Mahajar & Mohd Yunus, 2012). Furthermore, there are few factors motivated women to involve in micro-enterprises. Among the factors are self-

realization, status, autonomy, and personal development (Marshall & Oliver, 2005). Besides, another previous study done by Akehurst *et al.* (2012) has identified five key motives that drive women to create businesses. There are propensities for risk, finding a work-life balance, desire to develop business skills and need to seek self-employment.

1.1 Background of the Study

Women play an important role in enhancing the economy of a country (Hossain *et al.*, 2009). Women labour force participation in Asia keeps on increasing from year to year. As indicated in Table 1, almost all of the Asia countries such as Malaysia, Indonesia, China, Brunei, Vietnam and Thailand facing with the increment of women labour force. This is indirectly explains the capability of women in working and contributing to a country gross domestic product (GDP).

As presented in Table 1, China has the largest number of women labour force comprising of 363, 973 ('000), whereas Brunei consisting the lowest number of women labour force, which is only 90 ('000). Furthermore, Malaysia is the second lowest of women labour force participation, 4,790 ('000). This is in line with the size of each country. China is the biggest country and consisting higher population as compared to Brunei and Malaysia. As documented by Kargwell (2012), most of women labour forces are involve in business sector, specifically in micro-enterprises.

Table 1.
Women Labor Force in Asia

Country/Year	2009	2010	2011	2012	2013	2014	2015
Malaysia	4197	4290	4392	4491	4589	4688	4790
Indonesia	44473	45139	45946	46721	47474	48224	48979
China	355116	357798	359717	361406	362764	363640	363973
Brunei	80	82	84	85	87	89	90
Viet Nam	24623	25076	25497	25897	26268	26608	26915
Thailand	17633	18013	18211	18393	18561	18714	18855

Source: UNCTAD, 2015. Note: Value in thousand

Women micro-entrepreneurs' contribution for economic growth is not only in Malaysia, but also in other countries (Alam,

Mohd Jani, & Omar, 2011). As indicated by Kargwell (2012) studies from abroad also prove the encouraging involvement of women in business. For instance, in USA, women represent 38 percent of business owners, whereby in Louisiana, it is witnessed that more businesses are owned by women where they stayed longer in business and contributed more to the economic growth in USA (Mahajar & Mohd Yunus, 2012).

To add, at Sokoto state in Nigeria, women's active participation in productive activities in the industries has empowered them economically and enables them to contribute significantly to overall economic development (Balogun *et al.*, 2014). Even though their contribution is not as greater as men entrepreneurs, however, the value contributed by women entrepreneurs is significant for accelerating the achievement of wider socio-economic objectives (Hossain *et al.*, 2009).

In Malaysia, micro-enterprise is the most favourable business among women entrepreneurs (Department of Statistics, 2015). It can be proved that, in the last few decades, women entrepreneurs in micro-enterprises have increased tremendously (Alam *et al.*, 2011). Moreover, as indicated in Table 2, 111,554 from a total of 126,910 women entrepreneurs were involved in micro-enterprises. Mostly women in micro-enterprises involve in few sectors such as manufacturing sector represent 89.6 percent, service sector, 88.4 percent and agriculture sector, 70.3 percent. It shows the condition of women micro-entrepreneur is getting strong and contributed certain value to Malaysian's GDP. Indirectly, women micro-entrepreneurs have significant contributions to sustain their socio-economics wellbeing.

Table 2.
Women Micro-Enterprises in Malaysia

	Services	Manufacturing	Agriculture	Construction	Mining and Quarrying
Micro	102,893	7,866	365	480	7
[%]	[88.4]	[89.6]	[70.3]	[40.3]	[25.9]

Sources: Department of Statistics, Economic Census (2011)

Therefore, in order to uplift women micro-entrepreneurs in market, there are various programmes featured strongly by

government, ministries and agencies such as skill upgrading programme by SME Corporation Malaysia, Women Exporters Development Programme (WEDP) by MATRADE, Entrepreneurs training programmes by National Entrepreneurship Institute (INSKEN), women development department by ministry of women, family and community development, micro-finance program for urban by Amanah Ikhtiar Malaysia and finally, Entrepreneurs Development Program by GIATMARA.

To complement these programs, there is also a number of financial institutions provide capital for women micro-entrepreneurs. However, to get loan approved by bank it takes time and mostly the result for approval is disappointing. According to Arabi and Meisami (2013), women micro-entrepreneurs have low credit-worthiness; they are not considered as good borrowers by banks and other conventional financial institutes. Furthermore, due to the high assessment and supervision costs of micro-loans, a lack of proper collateral and the high default probability rate involving the poor, banking institutions usually do not extend loans to them (Arabi & Meisami, 2013).

In short, women micro-entrepreneurs is the most risky and the most difficulty in gaining access to financing (Chan, 2005). Consequently, women tend to have fewer options in terms of credit access and therefore more likely to select themselves into micro credit contracts such as small loan, easy access and lack of procedures. In addition, microfinance institutions mostly will prefer women as their repayment record is better than men (Boehe & Cruz, 2013). Microfinance directed at women also deliver stronger development impacts because women tend to be more concerned about their business.

There are few sources of financing access by women micro-entrepreneurs. As documented by Balogun *et al.*, (2014), women micro-entrepreneurs access their funding from personal savings, parents, husbands and family members. These internal sources of funding access by women micro-entrepreneurs are also practices in Oman (see McElwee & Al-Riyami, 2003), United Arab of Emirates, UAE (see Naser, Mohammed, & Nuseibeh, 2009), Kingdom of Saudi Arabia (see Ahmad, 2012), Sokoto state in Nigeria (see Maryam, 2013), Malaysia (see Abu Bakar, Mohamad Shafi, & Abdullah, 2013).

Basically, these traditional funding provides initial capital to start up business, however, these traditional sources of funding are unlikely to provide adequate capital for women to expand their business (Zamberi Ahmad, 2012). Therefore the financial support from government during the start-up is an important factor that motivates women to venture into their own businesses (Naser *et al.*, 2009). Nevertheless, schemes and loan provided by government are mostly limited to few only and this encourages women micro-entrepreneurs to explore more sources of capital in order to achieve enterprise growth (Okpara, 2011). One of the financial institutions approached by women micro-entrepreneurs is micro-finance institutions.

Eventhough the Malaysian Government has allocated funds to be delivered to women micro-enterprises through several agencies, the women micro-enterprises are facing difficulties to access these funds due to various issues. Top among the issue is the bureaucracy of these agencies (Saleh & Ndubisi, 2006). As stated by several studies such as Saleh and Ndubisi (2006), Westover (2008), Hassan, *et al.* (2011), Mohamed Zabri (2012), Darmansyah, Nasution, Sutardi and Zen (2013) and Abbas, Razak and Saad (2014), financial institutions take longer time for disbursing loan; usually taking three to six months with various documents being requested by the bank, in addition to high cost of borrowings, high banks charges and fees, high legal documentation fees and other charges as imposed by the financial institutions (Hassan, Suan Chin, Yeow, & Mohd Rom, 2011). All these dampen the spirit of women micro-entrepreneurs to source funding from the government-related agencies.

Considering the lack of support from the formal banking institutions, for women micro-entrepreneurs, a viable alternative given their unique financing characteristics could be provide by the non-bank channels. Among the Islamic products currently available in the market for the women micro-enterprises which is shariah compliant is *ar-rahnu*. It is a feasible alternative for the micro-entrepreneurs to get access for financing, thus an alternative for financial self-sufficiency for women micro-entrepreneurs (Maamor & Ismail, 2006).

II. LITERATURE REVIEW

Ar-rahnu is regarded as a tool for developing countries to support entrepreneurship, particularly those micro-entrepreneurs which *ar-rahnu* provides financial assistance to meet entrepreneurs working capital needs. In addition, according to Amin (2011), *ar-rahnu* has a significant impact for women micro-entrepreneurs as it allows women to obtain quick cash for emergency and transaction purposes. Furthermore, *ar-rahnu* also avoids women from involving in loan-shark and interest-based loans. These advantages indirectly indicate that *ar-rahnu* could be a promising segment of micro-finance for women (Amin, 2011). There are few factors influencing women micro-entrepreneurs to use *ar-rahnu*, such as, shariah compliancy, customer satisfaction, service charges, collateral and also locality. Since, the financial self-sufficiency for women micro-enterprises has not been given great attention by the researchers in the past and this motivated the present study to have a direct relationship between the use of *ar-rahnu* and financial self-sufficiency. Therefore, the details regarding on acceptances factors towards the use of *ar-rahnu*, the relationship of the use of *ar-rahnu* towards financial self-sufficiency are elucidated as the subsequent section.

2.1 Shariah Compliancy

The greater the adherence to shariah, the greater is the possibility of an individual using *ar-rahnu* financing. This agreement is consistent with the previous studies done by Amin, Chong, Dahlan and Supinah (2007). Amin *et al.* (2007) surveyed 384 Labuan local people toward the acceptance of Islamic-based pawnshop and found that the shariah compliancy (religious obligation) is significantly correlated with the customers' acceptance. Amin (2011) found that the most important factors influencing Muslimah use of *ar-rahnu* in eastern Malaysia was shariah compliancy followed by transaction costs and information of *ar-rahnu*. In addition, Abdul Hamid, Abdul Rahman and Abdul Halim (2014) asserted that the shariah compliancy was the key criteria that all customers' emphasis when they choose the *ar-rahnu* services instead of other factors such as locality, service charges, collateral, advertisement and social factors. On the other hand, Hashim, Akir

and Kamil (2013) and Baharum (2014) claimed otherwise. These studies found that syariah compliancy is not the primary motivation for customers to deal with *ar-rahnu*.

2.2 Customer satisfaction

The importance of customer satisfaction has often been highlighted by many researchers to ensure to greater acceptance of *ar-rahnu*. Lao (2005) suggests that *ar-rahnu* have to offer quick and convenient service in order to gain acceptance by the customers. Similarly, Johari, Sanusi and Badarudin Rais (2007) found that the customer satisfaction through quick and convenient services is an important acceptance factor that convinces customers to deal with *ar-rahnu* instead of others money lending institutions. Maintaining the customers' record, keeping the data confidentially, treat customers fairly regardless their religion, ethnic or races were also significant towards the customers' satisfaction. Furthermore, Abdul Hamid *et al.*, (2014), Abdul Khir, Badri, and Hussain (2013), Baharum (2014), Hashim *et al.* (2013), Yaacob, Ahmad and Ibrahim (2012), Salamon and Abdul Aziz (2010), Amin (2011), Amin *et al.* (2007), also provided the empirical support for the causal link between customer satisfaction and usage of *ar-rahnu*.

2.3 Service charges

In the current context of business transaction, the *ar-rahnu* providers would naturally incur costs in order to keep the pledge items safe. Thus, the *ar-rahnu* providers impose certain service charges at certain rate. Basically, the service charges imposed by *ar-rahnu* are treated as hibah (Ismail & Sanusi, 2005), or conceptually, it is considered as a gift that delivers to the *ar-rahnu* as a symbol of gratitude as it protects customers pledged items. To the *ar-rahnu* providers, these charges are made to cover all the costs including insurance and security (Mohamed, 2010). However, Abdul Razak (2008) noted that these costs might be burden the customers and indirectly has tendency to default in payment.

Issues on lower service charges imposed by *ar-rahnu* were supported by Hisham, Abdul Shukor, Umami Salwa and Jusoff (2013), Mohamed Naim and Mokhtar (2005), and Ismail and Ahmad (1997).

These studies mentioned *ar-rahnu* provides a cheaper way to obtain financing and is free from interest. Mohamed Naim *et al.* (2005) also found that service charges imposed under *ar-rahnu* are relatively cheaper than the conventional pawnbroking system. This would mean that the cost of borrowing cash in an *ar-rahnu* is lower than conventional pawnshop. Similarly, Cheong and Sinnakkannu (2012), Amin (2011), Ismail and Ahmad (1997) found *ar-rahnu* to charge a relatively lower transaction fee as compared to conventional pawnshops.

2.4 Collateral

Collateral or pledge item is a valuable asset that a borrower (*Ar-Rahin*) transfers to the possession of a lender (*Al-Marhunbih*) for a loan purposes. Amin *et al.* (2007) and Sulaiman, Kassim, Alzoubi, Ashaboul and Zainol Abidin (2014) defined valuable asset as all types of gold product such as gold bar, gold coin, gold with stone and many type of gold item instead of ordinary gold jewellery. In other words *ar-rahnu* routinely accepts merchandise that valuable such as gold and jewellery only. This is supported by Sanusi and Johari (2006), Mohammed, Daud, and Sanusi (2005) and Ismail and Ahmad (1997) which reveal that, gold is the only items accepted by *ar-rahnu*.

This is significantly different to conventional pawnbroking where other non-gold or jewellery items are also accepted as pledge items such as luxury items like watches, electronic items, antiques and so on. Besides, the experience of other countries suggests that pawnbroking geared greater customer acceptance if the collateral goods are varied. In countries such as Cambodia, China and Indonesia, the pledge items are broadened to vehicle, livestock, and bronze (Sanusi & Johari, 2007). Several studies highlighted that *ar-rahnu* could gear greater acceptance if the type of pledge assets are broadened to include other valuables rather than just gold. In addition, the study done by Amin *et al.* (2007) suggests that *ar-rahnu* providers should increase the types of valuables as pledge so as to increase the customer acceptance towards *ar-rahnu*.

2.5 Locality

The closer *ar-rahnu* is to its potential customers, the higher the tendency that these customers to use *ar-rahnu* (Abdul Hamid *et al.*, 2014). Johari *et al.* (2007) documents, potential customers are most likely to prefer the pawnshops near to their house as they can save their money on transportation and waiting cost. Similarly, Ismail and Ahmad (1997) highlighted that customers prefer to deal with businesses that are closest to them, offer simple procedures and speedy process so that it will not burden them with any additional costs. Low transaction cost is always being a reference to calculative customers as they do not want to be burden with an additional cost (hidden cost). In view of this, according to Ismail and Ahmad (1997), the pawnshop should be launched mostly in the urban and suburban area as these areas promise a high demand for assisting people in need.

2.6 Use of *Ar-rahnu*

There exists limited research investigated the use of *ar-rahnu* and financial self-sufficiency. To further grasp this, it is particularly essential to expound in more detail of some of the studies, which could also be generalized into *ar-rahnu* context. Berger and Udell (1990) found that, there was a significant relationship between micro financing and financial self-sufficiency. Micro financing improve the situation of women to assist micro-enterprises through the dual strategy. First, strengthen micro-enterprises to diversify and expand business and indirectly create new jobs that can be filled by both women and men. Second is assisting activities in order to raise income and the standard of living among micro-enterprises. Both credit strategies provide greater potential for the financial self-sufficiency among the micro-enterprises or the poor. Moreover, Gibbons and Mehan (1999) study on the micro credit challenges showed that the poorest women in Asia, Africa, and Latin America are proving that they can sustain in doing business by having the opportunity of borrowing the capital from microfinance institutions. In fact, their business having impressive return due to capital provided by microfinance institutions.

2.7 Financial Self-sufficiency

Financial self-sufficiency indicated whether revenue earned to cover both direct costs such as financing costs, provisions for loan losses and operating expenses, and indirect costs such as adjusted cost of capital (Maamor & Ismail, 2010; Brau & Woller, 2004). The adjusted cost of capital was considered to be the cost of maintaining the value of equity relative to inflation, and the cost of accessing commercial rate liabilities rather than concessional loan (Maamor & Ismail, 2013). In short, financial self-sufficiency reflects of an entity to meet current needs without compromising this ability for future needs (Bhuiyan & Hassan, 2013). In addition, Bhuiyan and Hassan (2013) also clarifies that financial self-sufficiency as an individual capacity that can cope with and recover from external stress and shocks, while enhancing the capabilities for the present and future.

III. METHODOLOGY

This study is evaluates using the sample of women micro-enterprises at Kelantan, Terengganu and Kedah in Malaysia. For the purpose of this study a self-administered survey is found to be the most appropriate tool to collect the data for several reasons. Since the main focal point of this research is to conduct study on women micro-enterprises that used *ar-rahnu* for capital, therefore, the most appropriate sampling is purposive sampling. There are 250 respondents selected at each of three states of Kelantan, Terengganu and Kedah. The respondents have criteria of being, first, women entrepreneurs, second, micro-enterprises and third, used *ar-rahnu*. After all criteria met, then it is included in the data for analyzed. A total of seven markets participated in this survey. Having respondents from these three states were important to ensure that the sample was representative of the population of women micro-entrepreneurs. The survey conducted was distributed to seven hundred and fifty (750) women micro-entrepreneurs, which are (250) questionnaires for each states. Of the 750, 625 surveys were returned. Twenty-five surveys had more than 25% of the items unanswered, resulting in an effective sample of 600 usable completed questionnaires. This study use SPSS and structural equation modelling (AMOS) to analyse the data.

IV. RESULTS AND DISCUSSION

The questionnaire was used to collect the demographic and descriptive characteristics of the respondents. Important factors that were collected included: marital status, ethnicity, age, education level and year of business experience. Thus, nominal scale was used to measure demographic variables for each question. Based on the Table 3, most of the respondent were married which stated 81.2% compared to 18.3% of single respondents. There were reported that about 0.5% respondents were widows. The Table 5 also shows that the respondents were dominated by Malay (99%), followed by Indian (7%) and Chinese (3%). Abdul Hamid *et al.*, (2014) also found that 98.1% of respondents are Malay, followed by Chinese respondents with 1.9%.

Apart of that, a significant majority of respondents were from 41-50 years old with 32.6%, followed by 31-40 years old with 28.3%, 21-30 years old with 21.7%, 51-60 years old with 12.3% and the minority was from 61-70 years old with only 5.1%. Obviously, the majority of respondents catered by the ages of 41-50 perhaps because of the wide experience make it easy for them to venture the business early. Meanwhile, the results also showed that the respondents were mostly secondary level educated which indicated 71.0% compared to certificates or diploma and primary school with 11.6% and 8.0% respectively. Surprisingly, there were also respondents without formal education comprises of 9.4%. In term of the type of industry, mostly respondents were from the food industry which was comprises of 54.3%, followed by textiles, 40.6%, agriculture 4.3% and others was only 0.7%.

Besides, the demographic profile also showed that 73.2% of respondents were mostly still new in the entrepreneurship which is only 1-10 years of experiences in business. Therefore, there were only 18.8%, 5.8% and 2.2% of 11-20, 21-30 and 31-40 years of experience in business respectively. Among others, *ar-rahnu* operated under Bank Islam was the most favorable *ar-rahnu* by women micro-entrepreneurs which was 37.7%, followed by *ar-rahnu* by Bank Rakyat 26.7% and Pos Malaysia Berhad, 14%.

Table 3.
Profile of Respondents

Demographic respondent		Frequency [%]
Marital Status	Married	487 [81.2]
	Single	110 [18.3]
	others	3 [0.5]
Race	Malay	594[99.0]
	Chinese	2[0.3]
	Indian	4[0.7]
Age	21-30	132[22]
	31-40	186[31]
	41-50	159[26.5]
	51-60	73[12.2]
	61-70	42[7.0]
	71 and above	8[1.3]
Education Level	No formal education	52[8.7]
	Primary school	51[8.5]
	Secondary school	397[66.2]
	Certificates/Diploma	88[14.7]
	Bachelor Degree	9[1.5]
	Others	3[0.5]
Location of Business	Kelantan	200[33.3]
	Terengganu	200[33.3]
	Kedah	200[33.3]
Type of Industry	Agriculture	26[4.3]
	Food	218[36.3]
	Textiles	304[50.7]
	Others	52[8.7]
Business Experience	1-10	398[66.3]
	11-20	152[25.3]
	21-30	35[5.8]
	31-40	11[1.8]
	41 and above	4[0.7]
<i>Ar-rahnu</i> Visited	Bank Islam	223[37.2]
	Bank Rakyat	160[26.7]
	AgroBank	46[7.7]
	Yapeim	59[9.8]
	Pemodalan Kelantan Berhad	12[2.0]
	MuassasahGadaian Islam Terengganu	16[2.7]
	Pos Malaysia Berhad	84[14.0]

Note: N=600

4.1 Factor Analysis

A factor analysis with varimax rotation was carried out to validate whether the respondents perceived the seven constructs of shariah compliancy, self-sufficiency, customer satisfaction, service charges, use, locality and collateral to be distinct. The results showed seven-factor solution and the total variance explained was 70.446 percent of the total variance. KMO measure of sampling adequacy was 0.911 indicating sufficient intercorrelations. Whereas, the p-value for Bartlett's test in this research indicated 0.000 for all variables which would be said perfectly significant as ($p < .05$).

Table 4.
Factor Analysis

	SC	SS	CS	SCs	USE	LC	CL	C
<i>Ar-rahnu</i> conforms to my faith of abstaining from uncertainty	.815							.729
<i>Ar-rahnu</i> conforms to my faith of abstaining from paying the increment in borrowing	.802							.703
The process at <i>ar-rahnu</i> is more transparency (especially in valuing the collateral)	.779							.750
Operations of <i>ar-rahnu</i> is based on Islamic law and principle	.761							.693
I have to perform <i>ijab</i> and <i>qabul</i> while having transaction with <i>ar-rahnu</i>	.731							.656
<i>Ar-rahnu</i> features are complying with the principles of Islam	.728							.745
<i>Ar-rahnu</i> has transform my traditional business towards a profitable business		.857						.856
<i>Ar-rahnu</i> strengthens the expansion of my business		.839						.821
I often looked at <i>ar-rahnu</i> as an investment in doing business		.827						.827
<i>Ar-rahnu</i> assists me to diversify my business		.813						.813
<i>Ar-rahnu</i> helped my business to survive during recession		.805						.805

	SC	SS	CS	SCs	USE	LC	CL	C
<i>Ar-rahnu</i> always has quick respond to customers demand			.768					.682
<i>Ar-rahnu</i> ensure the security and confidentiality of transaction			.746					.687
<i>Ar-rahnu</i> give a fair treatment upon all religion and races			.742					.666
<i>Ar-rahnu</i> is always issuance a receipt after transaction			.729					.695
<i>Ar-rahnu</i> staffs are knowledgeable and competence			.629					.615
<i>Ar-rahnu</i> officers are trying to minimise the errors of work			.612					.605
<i>Ar-rahnu</i> officers always fulfil the promise of its services in a timely manner			.602					.672
<i>Ar-rahnu</i> has sets fair service charges for the lower income earner				.855				.766
<i>Ar-rahnu</i> imposed lowest service charges as compared to other money lending institutions				.850				.760
Service charges based on the value of gold				.826				.721
The higher the loan amount the higher the service charges				.780				.698
<i>Ar-rahnu</i> has set a competitive service charges to customers				.730				.644
<i>Ar-rahnu</i> practicing <i>Ibra</i> or discount for earlier redemption				.677				.673
I use <i>ar-rahnu</i> to finance my start-up business					.804			.795
I use <i>ar-rahnu</i> to improve my capital in doing business					.752			.759
I use <i>ar-rahnu</i> to buy my business fixed assets					.749			.724
I use <i>ar-rahnu</i> for rolling the business's capital					.626			.656
I use <i>ar-rahnu</i> to overcome my money shortage for staffs salaries					.616			.580

	SC	SS	CS	SCs	USE	LC	CL	C
I always find <i>ar-rahnu</i> near to public transport centre						.746		.695
<i>Ar-rahnu</i> is located near to my house or my workplace						.736		.703
I often travel to the city to deal with <i>ar-rahnu</i>						.709		.683
<i>Ar-rahnu</i> is located near to shopping complex and business centre						.704		.699
The type of collateral will determine the amount of loan disbursed by <i>ar-rahnu</i>							.740	.760
The value of collateral is still the same after redemption							.621	.626
The collateral will be auctioned by the registered auctioneer							.560	.505
% of Variance (70.446)	12.398	12.366	12.295	11.422	9.039	8.041	4.886	
Keiser Meyer Olkin Measure							0.911	
Bartlett's Test							0.000	

Table 4 shows the results of the factor analysis. Communalities indicate the degree to which the factors explain the variance of the variables. Low values of communalities which are less than 0.3 could indicate that the item does not fit well with the other items in its component. Based on the Table 4, all items has communality values above 0.5, means, all items have 50 percent explained variable's variance. To acquire this variance, few items need to be deleted. These items are CL1, CL2, LC5 and USE6. These items were deleted due to the lowest values for communality, redundant factor loading and also low loading values, which is below 5.

4.2 Reliability and Validity of the Constructs

The two main criteria used for testing goodness of measures are validity and reliability. Reliability is a test of how consistently a measuring instrument measures the concept it is measuring. Besides, validity is a test of how well an instrument that is deve-

loped measures the particular concept it is intended to measure (Sekaran & Bougie, 2010).

4.2.1 Construct Validity

Construct validity measured on how well the results obtained from the use of the measure fit the theories around which the test is designed. To add, in order to measure the instrument tap as the concept theorized, it needs to assess through convergent and discriminant validity.

Firstly, this study shows the respective loadings and cross loadings in Table 5, to assess if there are problems with any particular items. As presented in Table 5, this study cut off value for loadings at 0.5 as significant (Hair, Black, Babin, & Anderson, 2010). Therefore, if any items which has loading of higher than 0.5, then they will be deemed to be having significant cross loadings. Based on Table 5, it can be observed that all the items measuring a particular construct loaded highly on the construct and loaded lower on the other constructs thus confirming the construct validity.

4.2.2 Convergent Validity

This study also tested the convergent validity which is the degree to which multiple items to measure the same concept were in agreement. As proposed by Hair *et al.* (2010) this study used the factor loadings, composite reliability (CR) and average variance extracted (AVE) to assess convergent validity. The loadings for all items exceeded the recommended value of 0.5 (Hair *et al.*, 2010). Composite reliability values as in Table 5, which depicts the degree to which the construct indicators indicated the latent, construct ranged from 0.734-0.908 which exceeded the recommended value of 0.70 (Hair *et al.*, 2010). In addition, the average variance extracted (AVE) measures the variance captured by the indicators relative to measurement error, and it should be greater than 0.50 to justify using a construct. All in all, the average variance extracted, were in the range of 0.544 and 0.633. In overall, based on the measurement model, the results for all constructs were valid measures of their respective constructs based on their parameter estimates and statistical significance (Chow & Chan, 2008).

4.2.3 Discriminant Validity

This study was tested for discriminant validity. The discriminant validity measures (the degree to which items differentiate among constructs or measure distinct concept. It was assessed by examining the correlations between the measures of potentially overlapping constructs. Items should load more strongly on their own constructs in the model, and the average variance shared between each construct and its measures should be greater than the variance shared between the construct and other construct (Compeau, Higgins, & Huff, 1999). Based on Tables 5, the squared correlation for each construct were less than the average variance extracted by the indicators measuring that construct indicating adequate discriminant validity. In total, the measurement model demonstrated adequate validity.

4.2.4 Reliability

The reliability of a measure is established by testing for both consistency and stability. Cronbach's alpha is computed in terms of the average inter-correlations among the items measuring the concept. Cronbach's alpha is reliability coefficient that indicates how well the items in a set are positively correlated to one another. The closer Cronbach's alpha is to 1, the higher the internal consistency reliability. Consistency indicates how well the items measuring a concept hang together as set (Sekaran & Bougie, 2010).

Table 5 provides the standardised loading, Cronbach's alpha, composite reliability and average variance extraction for the study variables. The reliability values were all above the 0.7 value suggested by Nunnally (1978) as such this study can conclude that the variables were reliable measures. The composite reliability values also ranged from 0.734-0.908. Interpreted like a Cronbach's alpha for internal consistency reliability estimate, a composite reliability of 0.70 and greater is considered acceptable. Therefore, this study concluded that the measurements were reliable.

Table 5.
Measurement Model Evaluation

Construct	Item	Standardized Loading	Cronbach's alpha (α)	CR	AVE	MSV	ASV
Shariah Compliance	SC1	.795	0.909	0.908	0.623	0.506	0.149
	SC2	.814					
	SC3	.786					
	SC4	.821					
	SC5	.844					
	SC6	.663					
Customer Satisfaction	CS1	.786	0.904	0.893	0.544	0.506	0.278
	CS2	.729					
	CS3	.750					
	CS4	.727					
	CS5	.701					
	CS6	.733					
	CS7	.736					
Service Charges	SCs1	.739	0.874	0.892	0.582	0.172	0.083
	SCs2	.838					
	SCs3	.850					
	SCs4	.691					
	SCs5	.718					
	SCs6	.726					
Locality	LC1	.664	0.839	0.826	0.545	0.465	0.255
	LC2	.677					
	LC3	.779					
	LC4	.820					
Collateral	CL3	.769	0.734	0.734	0.580	0.465	0.248
	CL4	.754					
Use	USE1	.740	0.874	0.872	0.582	0.383	0.187
	USE2	.893					
	USE3	.873					
	USE4	.572					
	USE5	.690					
Self-sufficiency	SS1	.874	0.940	0.940	0.758	0.383	0.188
	SS2	.865					
	SS3	.831					
	SS4	.911					
	SS5	.869					

Note: CR = composite reliability; AVE = Average Variance Extraction, MSV=Maximum Shared Variance, ASV= Average Shared Squared Variance

4.3 Structural Equation Modelling (SEM)

The developed hypothesis were directed to the correlation of the construct which corresponded to the objective number one which to investigate the acceptance factors that influence the use of *ar-rahnu*. The acceptance factors of this study were inclusive of shariah compliancy, customer satisfaction, service charges, locality and collateral. The correlation analysis was intended to study the

relationship of the constructs and also to examine the nature, direction, and significance of relationship among the constructs used in this study (Byrne, 2013). As this thesis study on relationship between the construct, therefore there was important to study the correlation between the constructs. The results of correlation were shown in Table 6.

Table 6.
Correlation Analysis

	SC	CS	SCs	LC	CL	USE	SS
SC	1.000						
CS	0.627*	1.000					
SCs	0.103*	0.176*	1.000				
LC	0.352*	0.530*	0.314*	1.000			
CL	0.332*	0.489*	0.282*	0.535*	1.000		
USE	0.026*	0.339*	0.403*	0.419*	0.380*	1.000	
SS	0.315*	0.428*	0.163*	0.421*	0.321*	0.609*	1.000
Mean	5.4975	5.4457	4.8253	4.9529	5.3342	4.8647	5.3253
Standard Deviation	.84504	.81261	1.13639	1.09948	.95495	1.17086	.99079

Note: *significant at $p < 0.05$ level

The correlation showed that all of the relationship between constructs were significance at ($p < 0.05$). After the test of correlation between constructs, then this study proceeds with the direct relationship by using SEM analysis. The direct relationship in SEM was the relations from one exogenous latent variable to endogenous latent variable. Detail on the results of the direct relationship as in Table 7.

Table 7.
Direct Relationship

Hypothesis	Causal Path	Estimate	S.E	C.R	P
H1	SC-USE	0.185	0.070	2.628	0.009
H2	CS-USE	0.355	0.094	3.761	***
H3	SCs-USE	0.190	0.045	4.252	***
H4	LC-USE	0.224	0.086	2.589	0.010
H5	CL-USE	0.138	0.077	1.781	0.075
H6	USE-SS	0.727	0.044	16.557	***

Note: ***significant at 0.001 level

The probability of getting a critical ratio as 2.628 in absolute value is 0.009. In a clear view, the regression weight for shariah compliancy in the prediction of use is positively significant difference at $p < 0.05$, for that reason, these values shows that hypothesis (H1) was accepted. The difference scenario for customer's satisfaction and use of *ar-rahnu*, where is the probability of getting a critical ratio as large as 3.761, in absolute value is less than 0.001. The regression weight estimate for customer's satisfaction and use of *ar-rahnu* is 0.355, has a standard error of about 0.094. Therefore, hypothesis two (H2) that predicted positive direct relationship between customer's satisfaction and use of *ar-rahnu* ($t = 3.761$, $p < 0.001$) was supported.

This scenario is also appeared for service charges and use of *ar-rahnu*, where the probability of getting a critical ratio as large as 4.252, in absolute value is less than 0.001. The standardised regression result found that service charges positively correlate with use of *ar-rahnu* ($t = 4.252$, $p < 0.001$). The regression weight estimate for customer satisfaction and use of *ar-rahnu* is 0.190, has a standard error of about 0.045. Therefore, hypothesis three (H3) that predicted positive direct relationship between service charges and use of *ar-rahnu* was supported.

The result demonstrates that the regression weight estimate between locality and use of *ar-rahnu*, 0.224, has a standard error of of about 0.086. Dividing the regression weight estimate by the estimate of its standard error gives 2.589, the probability of getting a critical ratio as large as 2.589, in absolute value is 0.010. Therefore, hypothesis four (H4) that predicted positive direct relationship between locality and use of *ar-rahnu* was supported.

The results show that the regression weight estimated between collateral and use of *ar-rahnu*, 0.138, has a standard error of about 0.077. The probability of getting a critical ratio as large as 1.781, in absolute value is 0.035. The standardized regression result found that collateral positively correlate with use of *ar-rahnu* ($t = 1.781$, $p = 0.035$). Therefore, hypothesis five (H5) that predicted positive direct relationship between collateral and use of *ar-rahnu* was supported.

Besides the acceptance factors, the used of *ar-rahnu* and financial self-sufficiency also has direct relationship. The result

showed that the regression weight estimate between use and financial self-sufficiency, 0.727, has a standard error of of about 0.044. Dividing the regression weight estimate by the estimate of its standard error gives 16.557, the probability of getting a critical ratio as large as 16.557 in absolute value is less than 0.001. Therefore, hypothesis six (H6) that predicted positive direct relationship between use of *ar-rahnu* and financial self-sufficiency was supported. All in all, Table 8 summarizes the relationship of the hypothesis.

Table 8.
Summary of the Hypothesis (Direct Effect)

Hypothesis	Relationship	Coefficient	Direct Effect
H1	Shariah compliancy has a significant relationship towards the use of <i>ar-rahnu</i>	0.18*	Supported
H2	Customer satisfaction will positively influence the use of <i>ar-rahnu</i>	0.35*	Supported
H3	Collateral will positively influence the use of <i>ar-rahnu</i>	0.19*	Supported
H4	Locality will positively influence the use of <i>ar-rahnu</i>	0.22*	Supported
H5	Service charges will positively influence the usage of <i>ar-rahnu</i>	0.14*	Supported
H6	Usage of <i>ar-rahnu</i> will positively influence the financial self-sufficiency	0.72*	Supported

Note: *significant at $p < 0.05$ level

V. CONCLUSION AND RECOMMENDATION

Women micro-entrepreneurs aspire to improve their business need to source their finance elsewhere as the current mode of finance has not been able to improve their business performance. A microfinance institution has a role to play in financing women micro-entrepreneurs. Besides, microfinance institutions also play its role to enhance competitiveness of women owned businesses, provide an enabling environment for effective participation of Malaysian women and equipping women with the necessary skills and knowledge. Besides, study in India show that access to microfinance contributes to poverty reduction, particularly for women participants (Vinesh, 2014). Basically, there are few micro-finance institutions available in Malaysia such as Amanah Ikhtiar

Malaysia (AIM), Tabung Ekonomi Kumpulan Usaha Niaga (TEKUN), Majlis Amanah Rakyat Malaysia (MARA), Agrobank (BPM) and *ar-rahnu*.

However, this study only focusing on *ar-rahnu* as its services is becoming popular among women micro-enterprises. As mentioned previously, few studies stated, lack of capital is the main hindrance for women to be successful in their business. Therefore, in order to enhance women micro-enterprises, *ar-rahnu* plays an important role to ensure the continuous development of women micro-enterprises. Although *ar-rahnu* required collateral for cash, however, the speedy process of its services is being preference by women micro-entrepreneurs.

Based on the analysis, it is discovered that the *ar-rahnu* to a certain extent has potential in enhancing and assisting women micro-enterprises to have self-sufficient in term of financial in doing business. All the effort undertaken seems to have a positive and significant relationship towards the financial self-sufficiency. Implementation of *ar-rahnu* by financial institutions is important as it helps to enhance micro-enterprises and boost the economic development in Malaysia. Previously, those who are use *ar-rahnu* were perceived to be poor, nowadays that perception is change as more customers are also came from middle and high income group. It seems that *ar-rahnu* scheme have positive acceptance among the Malaysian community. Among the factors of acceptance influences the usages of *ar-rahnu* were shariah compliancy, customer satisfaction, collateral, locality and also service charges. All of these acceptances showed a positive and significant impact toward the use of *ar-rahnu*.

Financial self-sufficiency, specifically the relationship of using *ar-rahnu* towards financial self-sufficiency has gain a positive and significant relationship. Basically, the use of *ar-rahnu* has a stronger position in investigating financial self-sufficiency among women micro-enterprises. This might be due to initiatives given by the government towards micro-entrepreneurs was not adequate for them to enhance their business and also might be due to complicated procedures which need to be completed by them. Thus, alternatively women micro-entrepreneurs used *ar-rahnu* as a medium to obtain cash and finance their business.

REFERENCES

- Abbas, K., Abdul Razak, D., & Saad, N. M. (2014). The perception of micro-entrepreneurs and petty traders on conventional and Islamic microfinance: A case study of Pakistan. *Journal of Islamic Finance*, 3(1), 38-48.
- Abdul Hamid, M., Abdul Rahman, I., & Abdul Halim, A. N. (2014). Factors affecting the acceptance on ar-rahnu (Islamic based pawn broking): A case study of Islamic banking in Malaysia. *The Macrotheme Review*, 3(4), 22-35.
- Abdul Khir, M. F., Badri, M. B., & Hussain, L. (2013). Critical appraisal of rahn-based Islamic microcredit facility from shari'ah perspective. *Advances in Natural and Applied Sciences*, 7(3), 221-231.
- Abdul Razak, A. (2008, n.d.). *Malaysian practice of ar-rahnu scheme: Trends and development*. Paper presented at conference on Malaysian Study Islam, organised by the Malaysian Students Department for the United Kingdom and Eire, and University of Wales, Lampeter.
- Abu Bakar, N., Mohamad Shafi, R., & Abdullah, F. T. (2013). The expectations of micro entrepreneurs towards the roles of MFIs. *Proceedings of 2nd International Conference on Management, Economics, and Finance (2nd ICMEF)*, 28-29 October 2013 at Novotel 1 Borneo, Kota Kinabalu, Sabah, Malaysia.
- Abu Bakar, T., Mohd Ali, A., Omar, R., Mohd Som, H., & Muktar, S. N. (2013). *Women's involvement in entrepreneurship in Johor: A study about critical success factors in achievement and failure in handling business* (Project report). FPPSM: UTM.
- Ahmad, S. Z. (2012). Microfinance for women micro and small-scale entrepreneurs in Yemen: Achievements and challenges. *International Journal of Entrepreneurship and Small Business*, 16(1), 102-120.
- Akehurst, G., Simarro, E., & Mas-Tur, A. (2012). Women entrepreneurship in small service firms: Motivations, barriers and

- performance. *The Service Industries Journal*, 32(15), 2489-2505.
- Alam, S. A., Mohd Jani, M. F., & Omar, N. A. (2011). An empirical study of success factors of women entrepreneurs in southern region in Malaysia. *International Journal of Economics and Finance*, 3(2), 166-175.
- Allen, I. E., Langowitz, N., & Minniti, M. (2007). *Global Entrepreneurship Monitor: 2006 Report on women and entrepreneurship*. Retrieved from <http://www.gemconsortium.org>
- Amin, H. (2011). Modelling ar-rahnu use in Eastern Malaysia: Perspectives of muslimah. *Journal of Islamic Economics, Banking and Finance*, 7(3), 63-76.
- Amin, H., Chong, R., Dahlan, H., & Supinah, R. (2007). An Ar-Rahnu Shop Acceptance Model (ARSAM). *Labuan e-Journal of Muamalat and Society*, 1, 82-94.
- Arabi, S. H., & Meisami, H. (2013). The concept and fundamentals of Islamic microfinance and prospects for its introduction in Iran. *Journal of Islamic Finance and Business Research*, 2(1), 1-12
- Azmi, I. A. G., Basir, S. A., Che Hashim, R., & Mohamed, H. A. (2014, November). *Entrepreneurial challenges of Muslim women in Malaysian SMEs*. Paper presented at International Conference on Marketing, Business and Management (ICMBM), 20-21 November 2014, Milan, Italy.
- Baharum, N. N. (2014). *Factors of customer's intention to use ar-rahnu at post office: A case study in Kedah* (Doctoral dissertation). Universiti Utara Malaysia.
- Balogun, U. O., Bustamam, U. S. B. A., & Johari, F. B. (2014). Islamic finance as an alternative source of funding for women entrepreneurs in Sokoto State, Nigeria. *Asian Journal of Management Sciences & Education*, 3(3), 31-41.
- Berger, A. N., & Udell, G. F. (1990). Collateral, loan quality and bank risk. *Journal of Monetary Economics*, 25(1), 21-42.
- Bhuiyan, A. B., & Hassan, A. (2013). Microcredit and sustainable livelihood: An empirical study of Islamic and conventional credit on the development of human capital of the borrowers

- in Bangladesh. *Journal of Economic Cooperation and Development*, 34(3), 101-127.
- Boehe, D. M., & Cruz, L. B. (2013). Gender and microfinance performance: Why does the institutional context matter?. *World Development*, 47, 121-135.
- Brau, J. C., & Woller, G. M. (2004). Microfinance: A comprehensive review of the existing literature. *Journal of Entrepreneurial Finance and Business Ventures*, 9(1), 1-28.
- Byrne, B. M. (2013). *Structural equation modeling with Mplus: Basic concepts, applications, and programming*. Routledge.
- Chan, S. H. (2005). An exploratory study of using micro-credit to encourage the setting up of small businesses in the rural sector of Malaysia. *Asian Business & Management*, 4(4), 455-479.
- Cheong, C. W. H., & Sinnakkannu, J. (2012). *Ar-rahnu: Opportunities and challenges in Malaysia*. Retrieved from SSRN 2112809.
- Chow, W. S., & Chan, L. S. (2008). Social network, social trust and shared goals in organizational knowledge sharing. *Information & Management*, 45(7), 458-465.
- Compeau, D., Higgins, C. A., & Huff, S. (1999). Social cognitive theory and individual reactions to computing technology: A longitudinal study. *MIS Quarterly*, 23(2), 145-158.
- Darmansyah, A., Nasution, R. A., Sutardi, A., & Zen, T. S. (2013). Microfinance Institutions (MFIs) profit sharing pattern for the development of Micro and Small Enterprises (MSEs) in Indonesia. *Jurnal Teknologi*, 64(2).
- Department of Statistics. (2015). *The Source of Malaysia statistical website*. Retrieved from <http://www.dosm.gov.my/v1/>
- Gibbons, D. S., & Mehan, J. W. (1999). The microcredit summit's challenge: Working toward institutional financial self-sufficiency while maintaining a commitment to serving the poorest families. *Journal of Microfinance/ESR Review*, 1(1), 131-192.

- Hair, J. F., Black, W. C., Babin, J. B., & Anderson, R. E. (2010). *Multi-variate data analysis*. Upper Saddle River, New Jersey: Pearson Education, Inc.
- Hashim, N., Akir, O., & Kamil, D. (2013). Customers acceptance of Islamic pawn broking service in Sarawak. *Proceedings of Customer satisfaction Evaluation Congresses, Pawnbroking Religious aspects Islam Congresses*. 297.095983 KON f M.
- Hassan, N., Suan Chin, S. T., Yeow, J. A., & Mohd Rom, N. A. (2011). Financial constraints and opportunities of micro enterprise entrepreneurs: A theoretical framework. *International Conference on Business and Economics Research*, 1, 165-168.
- Hisham, S., Abdul Shukor, S., Umami Salwa, A. B., & Jusoff, K. (2013). The concept and challenges of Islamic pawn broking (ar-rhnu). *Middle-East Journal of Scientific Research*, 13, 98-102.
- Hossain, A., Naser, K., Zaman, A., & Nuseibeh, R. (2009). Factors influencing women business development in the developing countries. *International Journal of Organizational Analysis*, 17(3), 202-224.
- Ismail, A. G., & Ahmad, N. Z. (1997). Pawnshop as an instrument of microenterprise credit in Malaysia. *International Journal of Social Economics*, 24(11), 1343-1352.
- Ismail, A. G., & Sanusi, N. A. (2005). A framework for regulating pawnshops: Why do, what area and syariah view. *Proceedings of Malaysian Finance Association (MFA)'s 7th Annual Conference* (pp. 9-10).
- Johari, M. S., Sanusi, N. A., & Badarudin Rais, M. I. (2007). *The demand of pawnbroking services: Evidence from Malaysia*. Retrieved from <http://ibacnet.org/bai2010/proceedings/papers/2010bai7490.doc>
- Kargwell, S. A. (2012). Women entrepreneurs breaking through: Push and pull within UAE cultural context. *International Journal of Business and Social Science*, 3(17), 122-131.
- Lao, J. J. (2005). Unexplained pawn pricing behavior: A study of Las Vegas pawnshops. *MIT Undergraduate Research Journal*, 12, 45-53.

- Maamor, S., & Ismail, A. G. (2006). *Micro-credit program: Pawnshop vs. ar-rahn*. Working Paper in Islamic Economics and Finance No. 0609.
- Maamor, S., & Ismail, A. G. (2010). The ar-rahnu efficiency and its determinants. *Journal of Islamic Economics, Banking and Finance*, 6(1), 107-128.
- Maamor, S., & Ismail, A. G. (2013). *Ar-rahnu Islamic pawn broking*. Kuala Lumpur: Dewan Bahasa dan Pustaka.
- Mahajar, A. J., & Mohd Yunus, J. (2012). Factors that encourage women involvement in SMEs in Pahang, Malaysia. *The Journal of Human Resource and Adult Learning*, 8(2), 33-41.
- Marshall, M., & Oliver, W. (2005, n.d.). *The effects of human, financial, and social capital on the entrepreneurial process for entrepreneurs in Indiana*. Paper presented at Allied Social Science Associations Annual Meeting, Philadelphia.
- Maryam, C. (2013). Innovation by entrepreneurs in China: The increasing prominence of women. *Journal of Knowledge-based Innovation in China*, 5(3), 172-187.
- McElwee, G. & Al-Riyami, R. (2003). Women entrepreneurs in Oman: Some barriers to success. *Career Development International*, 8 (7), 339-346.
- Minniti, M. (2009). Gender issues in entrepreneurship. *Foundations and Trends in Entrepreneurship*, 5(7-8), 497-621.
- Mohamed, N. (2010, September). *Analisis prestasi ar-rahnu di kelantan: Kajian kes kedai ar-rahnu*. Paper presented at the 5th ISDEV International Graduate Workshop (INGRAW 2010) at University Conference Hall, Pulau Pinang, 21-22 September 2010.
- Mohammed, N., Daud, N. M. M., & Sanusi, N. A. (2005). Analisis skim ar-rahnu: Satu kajian perbandingan dengan pajak gadai konvensional. *Proceedings of Seminar Kewangan dan Ekonomi Islam: Pengukuhan dan Transformasi Ekonomi dan Kewangan Islam* (pp. 29-30).

- Mohamed Naim, A., & Mokhtar, A. B. (2005, May). *Upah simpan dalam gadaian Islam: Suatu perbincangan*. Paper presented at the Malaysian Finance Association 7th Annual Conference, UiTM Terengganu, Kuala Terengganu, Malaysia, 9-10 May 2005.
- Mohamed Zabri, S. (2012). The determinants of capital structure among SMEs in Malaysia. *Proceedings of International Conference of Technology Management, Business and Entrepreneurship*, Melaka, Malaysia, 18-19 December 2012.
- Naser, K., Mohammed, W.R., & Nuseibeh, R. (2009). Factors that affect women entrepreneurs: Evidence from an emerging economy. *International Journal of Organizational Analysis*, 17(3), 225-247.
- Ncube, L. B., & Greenan, J. P. (2003). Entrepreneurial career of women in Zimbabwe. *Journal of Vocational Education Research*, 28(3), 217-258.
- Nunnally, J. C. (1978). *Psychometric Theory*. New York, NY: McGraw-Hill.
- Okpara, J. O. (2011). Factors constraining the growth and survival of SMEs in Nigeria: Implications for poverty alleviation. *Management Research Review*, 34(2), 156-171.
- Salamon, H., & Aziz, N. A. (2010). *Persepsi staf bank terhadap penglibatan orang bukan Islam*.
- Saleh, A. S., & OlyNdubisi, N. (2006). An Evaluation of SME development in Malaysia. *International Review of Business Research Papers*, 2(1), 1-14.
- Sanusi, N. A., & Johari, M. S. (2006). Prestasi perkhidmatan ar-rahnu: Kajian kes MGIT. *Proceedings of National Seminar in Islamic Banking and Finance: Islamic Wealth Management, Prospects, Issues and Challenges*, 29-30 August 2006, Serdang, Selangor Darul Ehsan.
- Sanusi, N. A., & Johari, M. S. (2007). Permintaan perkhidmatan pajak gadai: Perspektif pengguna (Demand of pawn shop service: Consumers perspective). *Malaysian Journal of Consumer and Family Economic*, 10, 20-29.

- Sarker, S., & Palit, M. (2014). Determinants of success factors of women entrepreneurs in Bangladesh: A study based on Khulna Region. *Business and Economic Research*, 4(2), 237-250.
- Sekaran, U., & Bougie, R. (2010). *Research methods for business: A skill building approach* (5th ed.). West Sussex, United Kingdom: John Wiley & Sons.
- Sulaiman, N, S., Kassim, S, F., Alzoubi, I., Ashaboul, K., & Zainol Abidin, M. (2014). The comparison between ar-rahnu and conventional pawn broking. *Global Business and Economics Research Journal*, 3(5), 57-65.
- Thuaibah, A. B., Azlah, M. A., & Rozeyta, O. (2007). *Women's involvement in entrepreneurship in Johor: A study about critical success factors in achievement and failure in handling business* (Project report). FPPSM: UTM.
- Vinesh. (2014). Role of women entrepreneurs in India. *Global Journal of Finance and Management*, 6(5), 473-480.
- Westover, J. (2008). The record of microfinance: The effectiveness/ineffectiveness of microfinance programs as a means of alleviating poverty. *Electronic Journal of Sociology*. Retrieved from https://www.sociology.org/content/2008/_westover_finance.pdf
- Yaacob, M, R., Ahmad, G., & Ibrahim, M. D. (2012). Developing a customers' oriented ar-rahnu (Islamic pawn broking) model for cooperatives in micro financing in Malaysia. *Proceedings of the 13th Malaysia Indonesia Conference on Economics, Management and Accounting* (MIICEMA).
- Zamberi Ahmad, S. (2012). Micro, small and medium-sized enterprises development in the Kingdom of Saudi Arabia: Problems and constraints. *World Journal of Entrepreneurship, Management and Sustainable Development*, 8(4), 217-232.