

# Mediation Role of Perceived Benefit in the Relationship between Perceived Government Support, Religiosity, Awareness and the Acceptance of Islamic Microfinancing in Nigeria

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*Abstract— Social Exchange Theory highlights the possible mediating role perceived benefit in social and economic relationships, however, extent literature falls short is validating such theoretical insights in the context of Islamic microfinance. Following this theoretical insights the mediating role of perceived benefit on the relationship between perceived government support, religiosity, awareness and intention to accept Islamic micro-financing was examined. Quantitative research design through data collected from smallholder farmers in Jigawa state was employed; the data was analyzed using PLS-SEM. The finding revealed that perceived benefit mediates the relationship between perceived government support, religiosity, awareness and intention to accept Islamic micro-financing. It implied that perceiving the benefit is one of the mechanisms through which government support, religiosity and awareness influence intention to accept Islamic micro-financing. The study expands the understanding of TPB through the support of SET to explain the mediating effects of perceived benefits in the context of Islamic micro-financing. Thus, it will benefit policymakers in understanding that perceived benefit of Islamic micro-financing is a key to its acceptance, hence, the need for awareness campaigns, support services and religious preaching to that end. Implementing the finding will not only solve problem of access to finance among the smallholder farmers but also ease life through employment generation and poverty eradication. To the researchers' knowledge, this work could be first to examine the mediating role of perceived benefit in the context of Islamic*

*microfinance among the smallholder farmers with inferences from Social Exchange Theory.*

**Keywords-** acceptance intention, awareness, government support, Islamic micro-financing, perceived benefit

## Introduction

Despite the oil discovery and production, agriculture has been the bedrock of Nigerian Economy. Nigerian government is still keen in continuous revival of the sector. Recently, the government promised to engage 740,000 youth as part of the effort to boost the agricultural revolution, this alongside 20,000 school leavers and rural youth promised to engage in the sector as well as 18,500 graduates into agribusiness entrepreneur called “nagropreneurs” [6]. Notwithstanding this commitment by the government, there still the problem of access to finance in the sector, which eventually hinders farmers from investing in basic inputs covering good seeds, fertilizers and small-scale irrigation needed to raise productivity and sustainable income [30].

It is interesting that apart from conventional sources of financing, there still exist alternative sources of financing such as Islamic financing which several countries explored its viability. For instance in Saudi Arabia Islamic microfinance is moving beyond conventional counterpart to provide effective social and financial inclusion simultaneously through its twin tools that is credit lending and Zakkah that is to be given directly to the extremely poor in cash or in kind to satisfy their argent and basic needs [3]. Similarly, in Yemen evidence

provided by [10] shows that 60% of these institutions provide purely Islamic financial product and services. Islamic Financial Institutions, particularly banks continue to play a significant role socioeconomic development [37].

Although Nigeria has more than 50% of its population as Muslims [45], but utilizing Islamic micro- financing as alternative funding source for agriculture has been lacking. Interestingly, a study recently conducted in Nigeria showed that factors such as government support, religiosity and awareness significantly influence the acceptance of Islamic micro-finance [26]. However, the argument here is that no matter the government support provided, religious someone is or awareness he/she has about Islamic micro-financing if the person did not perceived any benefit to be derived from it, such person may not wish to participate in this form of financing. Fascinatingly, Social Exchange Theory (SET) highlights the possible mediating role perceived benefit in social and economic relationships. Thus, in an attempt to provide more evidence on the Smallholder farmer intention to accept Islamic micro-financing, this study tends to examine the mediating role of perceived benefit on the relationship between perceived government support, religiosity, awareness and intention to accept Islamic micro-financing with Smallholder Rice/Wheat Farmers in Jigawa State, Nigeria as case study.

The study is motivated by three reasons. First, there is little evidence on the acceptance of Islamic micro-finance in Nigeria despite that Nigeria has a very large agricultural sector with low access to finance. Second, the country is also Muslim majority, hence the potentials for Islamic micro-financing. Lastly, to the best of the researchers' knowledge no study was conducted on the mediating role of perceived benefit on the relationship between perceived government support, religiosity, awareness and intention to accept Islamic micro-financing with Smallholder Rice/Wheat Farmers, not only in Nigeria but also globally, hence it is expected to add value to the existing literature on Islamic micro-financing.

To achieve its end result, the paper is divided into five sections with the first section as introduction and second part as review of literature. The third part is methodology, the fourth part is result and discussion while the last part is conclusion in which implication to policy and theories were elaborated.

## 2.0 LITERATURE REVIEW

### 2.1 Intention to Accept Islamic micro financing

The widely applicable definition of intention has its origin from the golden work of [16] in which explained that individual's intention is built from his/her attitude, subjective norms as well as their perceived behavioral control. This definition of intention has been the basis for the formulation of undisputable behavioral theories such as Theory of Reasoned (TRA) [16] and Theory of Planned behavior (TPB) [1]. TRA

postulated that only two variables relating to intention and subjective norms predict behavioral intention [16]. Thus, the critics experienced by TRA gave birth to its extension which produced TPB by integration of perceived behavioral control in the TRA. This means that TPB postulated that three variables predicts human intention including attitude towards behavior, subjective norms surrounding individuals environment as well as perceived behavioral control of such individual [1].

Despite the fact that the proponents of TPB have extensively explored the possible predictors of human intention in the fields of human psychology, it has been made upon for the inclusion of any additional variable that can predict intention in other context and settings [16]. In Nigeria, in relation to Islamic financial product original TPB variables that predict the acceptance of Islamic financial products have been studied by [26], thus, in this study other variables including perceived benefit, government support, religiosity and awareness were added as predictors of intention in relation to farmers' acceptance of Islamic micro financing in Jigawa state. Specifically, in line with the theoretical insights from Social Exchange Theory, the study intends to investigate the mediating role of perceived benefit on the relationship between perceived government support, religiosity, awareness and intention to accept Islamic micro-financing. It is important to note here that two studies have investigated the direct and indirect effects perceived benefit within Islamic finance literature. [46] conceptualized among other variables the direct influence of perceived benefit on Qardhul Hassan Financing Acceptance in Nigeria, however extant literature has not revealed its validation, hence, the need for empirical evidence from same context. Even when such a study was validated there are two differences between this study and that of [46]. First, while Zauro, et al focused on Qardhul Hassan Financing which is mode of financing through Sadaqa, this study focused on micro-financing offered by Islamic micro-finance institutions. Second, the proposed model of Zauro et al has no clear sample, this study focused on rice/wheat farmers in Jigawa state; a Muslims dominated area with vast agricultural lands and Islamic microfinance potentials. The other study was that of [14] which studied the indirect effect of perceived benefit but using different dependent and independent variables. The dependent and independent variables used by [14] vice quality respectively, while this study used Islamic microfinance acceptance intention as dependent while perceived government support, religiosity and awareness as independent variables. Another area of different is the unit of analysis, while [14] used organizations through SMEs as unit of analysis, our study use individuals through rice/wheat farmers as unit of analyses. These two reasons made the two studies extremely different thereby confirming the importance and distinctive nature of mediating effect of perceived benefit hypothesized and validated in this study.

## 2.2 Perceived Government Support and the Acceptance of Islamic Micro-financing

[35], defined government support as any effort by the government towards increasing knowledge, capabilities and confidence of individuals and firms in such way to achieve a desired performance or goals. Behavioral studies document the role of government supports and assistance influence on the intention of business individuals [35]. The study of [31] discovered that offering government support in terms of entrepreneurial policy influence entrepreneurs' intention to participate in entrepreneurial activities. Likewise, it was also found by [24] that government support is closely associated intention to participate in e-training employees. From Islamic finance literature findings confirms that government support influence intention to use Islamic banking products [22]. Similar finding was also documented in the work of [4].

From the above evidence on the influence of governments support on intention two arguments can be deduced. First, almost all evidences confirmed the influence of government support on intention inclusion that of Islamic finance. Second, despite this evidence the mechanism through which government support influence intention has not been explored in Islamic finance literature. Thus, the argument here is that when government offers support to the participation of any product or service there is possibility for citizens to believe that such product or service is beneficial, and eventually from this belief such citizens can but intention to participate in the utilization of such product or service. Adversely, if citizens despite government support to the use of a particular product or service failed assimilate the benefit from such product or service it will be difficult to participate in its application. Thus, it can be argued that perceived benefits is the mechanism through which government support influence intention to accept Islamic micro-financing by smallholder Rice/Wheat farmers in Jigawa state, thereby serving as a potential mediating variable.

## 2.3 Religiosity and the Acceptance of Islamic Micro-financing

Religiosity refers to the several aspects of religious activity, belief and dedication in religious activities. It is unarguable that religion is one of the most influential and universal social institutions. Due to this influence it has it exert significant control over people's attitudes, values and behaviors at both individual and societal levels [2]. It has also been described as an important element to humans' lives through shaping their beliefs, attitudes and knowledge [32]. Through shaping human lives, religions prescribed what are prohibited and what are not in their undertakings [32]. Islamic finance literature highlights the role of religious obligations in shaping human intention towards the usage of Islamic products or services. In their work [2] found that religiosity has significant and positive affects which influence intention to accept Islamic home financing. Similar finding was also made in relation to Islamic personal financing [4].

Following these empirical evidence, it can be deduced that the finding in relation to the influence of religiosity on the acceptance intention were found to be positive and significant, however, the mechanism that explained such consistent relationship has not been explored by the extent literature. Thus, it can be argued here that no matter how religious individuals have been they may not accept Islamic financial services unless they perceived a benefit to be derived from the utilization of such product or service. In this, such benefit may not necessarily be economical rather it could be religious benefit by feeling that using Islamic products or services fulfils their religious obligations, thus, rewards can be earned from such action. This eventually indicates the potential mediating effect of perceived benefit on the influence or religiosity on intention to accept Islamic micro-finance by smallholder rice/wheat farmers in Jigawa state.

## 2.3 Effects of Awareness and the Acceptance of Islamic Micro-financing

Awareness can be described as knowledge of the existence of something in the society or understanding the nature of operation of such things at the present time based on information or experience. In relation to intention to accept Islamic finance products and service, the role of awareness had been explored in relation to Takaful by [23] and [26], where it was found to be of significant influence on intention. Another finding indicated that awareness has significant influence on Islamic Financial Products and Services Patronizing Behavior in Tatarstan [35]. A recent study also disclosed similar result on the role of awareness on customer intention on Islamic home financing products [20].

Despite the above empirical evidence, the mechanism that explained the consistent relationship of awareness and intention to accept Islamic micro-financing has not been explored in the extent literature. Thus, it can be argued that no matter the level of awareness, knowledge or understanding one has on Islamic financial products and services, if such an individual cannot perceive any benefit to be derived from such product or service such person would not participate. Thus, perceived benefit could be seen as a mechanism through which awareness influence the acceptance intention of Islamic micro-financing by smallholder Rice/Wheat farmers in Jigawa state thereby serving as potential mediating variable.

## 2.5 Perceived benefit as a Potential Mediator

Perceived benefit has been defined by [18] as the perception of beneficial or positive outcome caused by execution of a specific action. It can also be described as beliefs about the positive consequences upon performing a behavior [11]. Researchers and theorist continued to measure perceptual benefits based on the consideration that a behavior is driven by one's confidence someone has in execution of a behavior especially when positive outcome are expected [18]

Social Exchange Theory which originated from the earlier work of [25] and [27] highlight the possible mediating role of

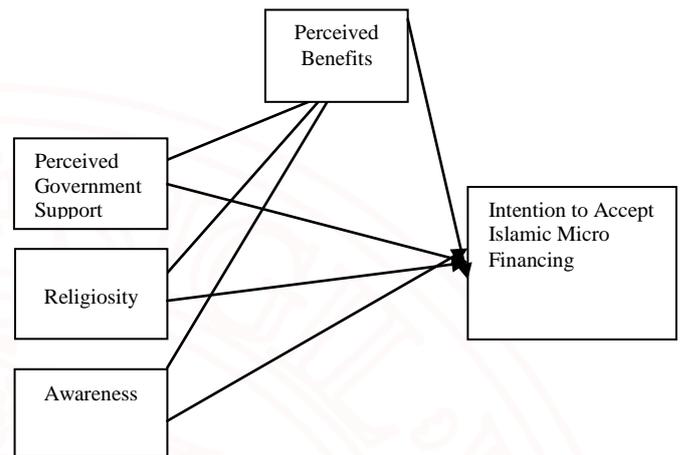
“benefit” in social and economic relationships. The theory highlights that relationships between individuals tends to be anchored by the benefit that either or all the parties expect to received from such relation. It could be reciprocal where the benefit could emerge from all parties or one-side benefit where only one party to the relationship can derive such benefit [13].

Based on the above discussions on the influence of perceived government support, religiosity and awareness on intention to accept Islamic financial products and services as well as the theoretical postulations on the possible mediating role of perceived benefit in social and economic relationship it can be argued that perceived benefit can be a potential mediating variable in the relationship between government support, religiosity, awareness and intention to accept Islamic micro-financing by smallholder farmers in Jigawa state.

## 2.6 Proposed Conceptual Framework.

The conceptual framework of the mediation analysis of perceived benefit on the influence of government support, religiosity and awareness on intention to accept Islamic microfinance is built on the premise of Theory of Reasoned Action (TRA) by [16] and Social Exchange Theory (SET) by [25] and [27] TRA posits that human attitude (in this study perceived government support, religiosity, awareness) influence his/her intention, while SET postulated that human relationships are shaped by the use of a subjective cost-benefit analysis. Thus, argument can be made that while attitudes (perceived government support, religiosity, and awareness) can influence intention of smallholder farmers to accept Islamic microfinance, however, such attitudes can lead to the perception of benefits to be derived before building intention to accept the financing. For instance, when a farmer perceived that government is supporting Islamic microfinance he/she will perceive that the government will be working towards their benefits and protection, thus, the farmer will have good intention towards the acceptance of the financing. So also that a Muslim religious farmer will expect to benefit from Islamic micro-financing as he/she expected that it is best on Islamic principles, this will eventually influence him/her to have intention of accepting this financing. Same applies to awareness; a farmer having awareness of Islamic microfinance will be more likely to know about its benefit thereby having intention to participate in this mode of financing. In essence, perceived benefit is a mechanism through which perceived government support, religiosity, and awareness can influence intention of smallholder farmers to accept Islamic micro-financing. In line with this argument the following framework is proposed alongside its hypotheses.

Fig.1: Model for rice/wheat farmers’ acceptance of Islamic micro financing



*H1: Perceived benefit mediates the relationship between Perceived Government Support and intention to accept Islamic Micro-financing by Smallholder Farmers in Jigawa State.*

*H2: Perceived benefit mediates the relationship between Religiosity and intention to accept Islamic Micro-financing by Smallholder Farmers in Jigawa State.*

*H2: Perceived benefit mediates the relationship between Awareness and intention to accept Islamic Micro-financing by Smallholder Farmers in Jigawa State.*

These mediation hypotheses were developed in line recent development in mediation analysis. There are two approaches to mediation analysis; segmentation approach and transitional approach [34] Segmentation approach requires the hypotheses for direct relationship between independent variable (s) and dependent variable to be established first before the mediation hypotheses. Differently, transitional approach requires the researchers to develop mediation hypotheses straight away without testing the direct hypotheses in the first instance. However, the transitional approach is the most recommended approach as it has more support to theory building [28], this recommendation is also consistent with the earlier literature documented by [25] and [33], [46] and [26].

## 3.0 METHODOLOGY

### 3.1 Area, Population, Sample and Sampling Techniques

The study was conducted in the highly irrigated emirates of Kazaure, Ringim and Hadejia, these area have the largest concentration of smallholder farmers in Jigawa State. The population of the study was all smallholder farmers in the aforementioned areas. The actual number of the population was not established giving the fact that intention which is in the heart, so it is not possible to establish the exact number of

population for the study. Consequently, three hundred (300) questionnaires were distributed within the three emirates; one hundred (100) in each of the three emirates. In selecting these samples a non probability sampling techniques was employed. This can be justified by the lack of sampling frame from which random selection would be made. Therefore, purposive random sampling was adopted which enabled the researchers to use any available smallholder farmers as a sample during the research.

Having administered the questionnaires, 283 usable responses were obtained which represented about 95% response rate. In an attempt to ensure whether this sample is adequate for the study, the power of the sample was estimated using G\*Power 3 [15] Posthoc estimation method was used for this purpose. The method is commonly applied after data collection with a view of ensuring that the sampled collected is adequate and justifiable to reach a reliable conclusion using the data. Thus, based on three (3) independent variables; government support, religiosity, and awareness, it was confirmed that here is 99.9% confidence that the 283 samples used are sufficient for the study.

### 3.2 Instrument Development and Data Collection

The items used in the research instrument were adopted from the prior literature. Five items which were used in measuring intention to accept Islamic microfinance which were adapted and modified from [4] Four items used in measuring perceived benefit were adapted and modified from [19] and [19]. Three items were used in measuring perceived government support towards Islamic micro-financing; these items were adapted and modified from [24] Five items were used in measuring individual religiosity; these items were adapted and modified from [41] Lastly, five items were utilized in measuring awareness of Islamic Micro financing; these items were adapted and modified from [21]

Data was collected using the translated questionnaire designed for the purpose. Research assistant were deployed to each of the three emirates that served as the area of the study. The period of data collection was two months.

### 3.3 Data Analysis

Data was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) using Smart-PLS version 2.0. Two step process was used in the assessment of PLS path models; the measurement model and structural model, this is in line with the recommendation of [17] As noted by [16], the requirement of measurement model must be fulfilled before the evaluation of the structural model. The fact is that failure to satisfy such requirements can affect the statistical accuracy of structural model results.

## 4.0 ANALYSIS AND RESULTS

### 4.1 Measurement Model Results

It can be recalled that as mentioned in the methodology that two-step process was used in the assessment of PLS path

models. These are measurement model and structural model as suggested by [19]. Therefore, measurement model was evaluated using four criteria; (a) assessment of indicator reliability which is required to be greater than  $\geq 0.40$ , (b) assessment of internal consistency reliability using composite reliability of  $\geq 0.70$ , assessment of convergent validity using Average Variance Extracted (AVE) of  $\geq 0.50$ , and discriminant validity which requires that the square root of AVE of each latent construct in the model should be higher than its correlation with any other [46] and [47] Following these criteria

Table 1: Indicator Loadings, Internal Consistency Reliability, and Convergent Validity

Constructs and Indicators	Loadings	Composite Reliability	AVE
<b>Awareness</b>		0.830	0.507
AWN1	0.866		
AWN2	0.789		
AWN3	0.505		
AWN4	0.820		
AWN5	0.484		
<b>Government Support</b>		0.907	0.765
GS2	0.885		
GS3	0.897		
GSI	0.840		
<b>Intention</b>		0.893	0.626
INT1	0.857		
INT2	0.837		
INT3	0.744		
INT4	0.808		
INT5	0.700		
<b>Perceived Benefit</b>		0.880	0.648
PB1	0.845		
PB2	0.826		
PB3	0.811		
PB4	0.734		
<b>Religiosity</b>		0.899	0.597
R1	0.796		
R2	0.834		
R3	0.775		
R4	0.679		
R5	0.797		
R6	0.747		

It can be seen from Table 1 that the requirement of indicator reliability has been fulfilled as all the indicators have loadings of  $\geq 0.40$  as required. Likewise, assessment of internal consistency reliability using composite reliability of all the variables is above the required threshold of  $\geq 0.70$ ; it ranged from 0.830 to 0.907. Similarly, the requirement of convergent validity was also fulfilled with all latent variables having AVE of greater than 0.50; it ranged from 0.507 to 0.765. The result of discriminant validity is depicted in Table 2.

Table 2: Discriminant Validity

Constructs	1	2	3	4	5
Awareness	<b>0.712</b>				
Government Support	0.466	<b>0.874</b>			
Intention	0.397	0.389	<b>0.791</b>		
Perceived Benefit	0.457	0.427	0.518	<b>0.805</b>	
Religiosity	0.478	0.506	0.464	0.530	<b>0.773</b>

As contained in Table 2, as required, the square root of AVE of each of the latent constructs is greater than its squared inter-correlation with any other constructs in the model, depicting good discriminant validity. Thus, the following the results in Table 1 and 2, it can be said that all the four criteria for assessing the measurement model has been fulfilled. Hence, section 4.2 presents the structural model result.

#### 4.2 Structural Model Evaluation

Structural model is assessed using five basic criteria based on the recommendation of [16]. These criteria include assessment of: (a) multicollinearity using Variance Inflation Factor (VIF), (2) significance of the path coefficients (mediation effects), (3) coefficient determination ( $R^2$ ), (4) the effect size ( $f^2$ ), and lastly (5) predictive relevance ( $Q^2$ ). The results are presented in Table 3, 4, 5, 6 and 7 below.

Table 3: Multicollinearity Diagnostics

Variables	Tolerance	VIF
Awareness	0.701	1.426
Government Support	0.683	1.464
Religiosity	0.779	1.283

The result of the multicollinearity assessment is fantastic as the entire independent latent construct have Tolerance values above 0.20 and VIF below 5 as required [16]. Table 4 presents the result path coefficients for hypotheses testing.

Table 4: Path Coefficients for Hypotheses Testing (Mediating Effects)

Hypotheses	Beta	SE	T Stats	Sign	Decision
Awareness -> Perceived Benefit-> Intention	0.071	0.031	2.318	0.01***	Supported
Government Support -> Perceived Benefit-> Intention	0.048	0.028	1.727	0.04**	Supported
Religiosity -> Perceived Benefit-> Intention	0.112	0.044	2.545	0.00***	Supported

Note. \*Significant at 10%, \*\* Significant at 5% \*\*\* Significant at 1%

It can be seen from Table 4 that as postulated the perceived benefit mediates the relationship between perceived government support and intention to accept Islamic Micro-financing by Smallholder Farmers in Jigawa State ( $\beta=0.071$ ,  $t=2.318$ ,  $p=.01$ ). It implies that perceived benefit is the mechanism through which government support influence the intention to accept Islamic micro-financing by smallholder farmers in Jigawa state. Put differently, no matter the kind of support given by the government for the implementation of Islamic micro-finance in the state if the smallholder farmer did not perceived that it would be beneficial to them, they will not participate.

Likewise, as hypothesized perceived benefit mediates the relationship between Religiosity and intention to accept Islamic Micro-financing by Smallholder Farmers in Jigawa State ( $\beta=0.048$ ,  $t=1.727$ ,  $p=.04$ ). This result also implied that the perceived benefit is the mechanism through which religiosity affect intention to accept Islamic micro-financing by smallholder farmers in Jigawa state. In other words, despite that someone could be religious if she/he does not perceived that acceptance of Islamic micro-financing could be beneficial as it is religious obligation for Muslim to use what is not forbidden, and doing so could earn him/her a reward, such person may not have intention to accept Islamic micro-financing.

As also predicted perceived benefit mediates the relationship between Awareness and intention to accept Islamic Micro-financing by Smallholder Farmers in Jigawa State ( $\beta=0.112$ ,  $t=2.545$ ,  $p=.00$ ). This finding also indicated that perceived benefit is the mechanism through which awareness influence

the intention to accept Islamic micro-financing by smallholder farmers in Jigawa state. This means that no matter the level of awareness, knowledge or understanding one have on Islamic financial products and services, if such an individual cannot perceive any benefit to be derived from such product or service such person may not have intention to participate. These findings supported the insights from SET on the possible mediating effect of perceived benefits. It also expands the understanding of human intention most especially in relation to Islamic micro-financing. Table 5 presents the strength of the above mediating effects.

Table 5: Strength of the Indirect (Mediation) Effects

Mediated Relationships	Direct Effect	Indirect Effects	Total Effects	Variance Accounted For	Strength of the Mediation
Awareness -> Perceived Benefit-> Intention	0.111	0.071	0.182	0.39	Partial Mediation
Government Support -> Perceived Benefit-> Intention	0.108	0.048	0.156	0.31	Partial Mediation
Religiosity -> Perceived Benefit-> Intention	0.320	0.112	0.432	0.26	Partial Mediation

The strength of the mediating effect is evaluated following the recommendation of [16]. It is categorized into three; (a) less than 0.20 as no mediation, (b)  $\geq 0.20$  to  $< 0.80$  as partial mediation, and lastly (c)  $\geq 0.80$  as full mediation. From the result in Table 5, it can be said that there is partial mediation effect of perceived benefit on the influence of perceived government support, religiosity and awareness on Intention to accept Islamic micro-financing among smallholder farmers in Jigawa state. Table 6 evaluates the coefficient of determination ((R-Squares) of the model

Table 6: Coefficients of Determination (R-Squares)

R-Squares	Values
Dependent Variable (Intention)	0.339
Mediator Variable (Perceived Benefit)	0.349

It can be seen that the three independent variables; perceived government support, religiosity and awareness explained

34.9% of the variation in perceived benefit. The remaining 65.1% is explained by other variable not included in the research model. Likewise, the perceived government support, religiosity and awareness through perceived benefit explained 33.9% of the variation in the intention to accept Islamic micro-financing among smallholder farmers in Jigawa state. [12] classified the R-squared into 0.02, 0.15 and 0.35 as small, medium and large respectively. Thus, the R-squares of the current research models can be said to be medium and close to large category for both dependent variable and the mediator. Table 7 revealed the result of the effect size.

Table 7: Effect Size ( $f^2$ )

Constructs	Dependent Variable (Intention)		Mediator Variable (Perceived Benefit)	
	( $f^2$ )	Effect Size	( $f^2$ )	Effect Size
Perceived Benefit	0.0998	Small		
Awareness	0.0106	Very Small	0.0522	Small
Government Support	0.0106	Very Small	0.0261	Small
Religiosity	0.0348	Small	0.1244	Small

Effect-size is a further explanation to the coefficient of determination (R-squared). While R-squared explained the overall effects of the exogenous variables on one or more endogenous variable, effect size explain the effect of each of the exogenous variable on the endogenous variables. Effect size has been classified by [12] into three categories of 0.02 as small, 0.15 as medium and 0.35 as large. From Table 7, it can be seen that perceived benefit and religiosity have small effect on intention to accept Islamic micro-financing while awareness and government support have very small effects. Similarly, perceived government support, religiosity and awareness all have small effects on perceived benefit, giving clear policy insights on most important variables in those relationships. Table 8 presents the results of construct cross-validated redundancy (Q2) for evaluation of model predictive relevance.

Table 8: Construct Cross-Validated Redundancy (Q2) For Predictive Relevance

Total	SSO	SSE	1-SSE/SSO
Intention	1415.0000	1123.9084	0.206
Perceived Benefit	1132.0000	878.2995	0.224

Predictive relevance of a PLS-SEM model is evaluated using construct cross-validated redundancy (Q2) as suggested by

[16]. It is required that for a model have predictive relevance the  $Q^2$  must be above zero. Thus, from Table 8 it can be seen that the Q-squares of the dependent variable and the mediator are 0.206 and 0.224 respectively, indicating good predictive relevance of the current research model.

## 5.0 CONCLUSION, IMPLICATION AND LIMITATIONS

The study examined the mediating role of perceived benefit on the relationship between perceived government support, religiosity, awareness and intention to accept Islamic micro-financing among smallholder Rice/Wheat Farmers in Jigawa State. It was found that perceived benefit mediates the relationship between perceived government support, religiosity, awareness and intention to accept Islamic micro-financing. It implied that perceiving the benefit of Islamic micro-financing plays significant role and serve as mechanism through which government support, religiosity and awareness influence the intention to accept Islamic micro-financing among Smallholder Rice/Wheat Farmers in Jigawa State.

### 5.1 Implications

The study has implications to both policy and theory. For policy, the policymakers and other stakeholders need to understand that establishing good perception about the benefit of Islamic micro-financing is a key to its acceptance intention no matter the level of government support, religiosity of an individuals and awareness established if individuals failed to understand the benefits they will receive from Islamic micro-financing they will not have intention towards the products or service. Thus, the benefits of Islamic financial products and services including micro-financings should be made known to individuals through various awareness campaigns, government support services as well as religious preaching.

For the theory, the study contributed to the TPB and SET. For the TPB, the study expands the understanding of behavioral intention in the context of Islamic micro-financing through awareness, government support and religiosity especially among the smallholder Rice/Wheat farmers in the context of Nigeria and specifically in Jigawa state. It also contribute to SET through the study of mediating role of perceived behavioral control, which to the best of the researchers knowledge there have been no study which explored this possible mediating effects in the context of Islamic finance.

### 5.2 Limitations

Despite its immense contribution in the area of Islamic micro-financing, the study is associated with number of limitations. First, the used of non-probability sampling technique is one of the limitation of the study, this happened due to the lack of sampling frame on the subjects of the study. Future study should explore the possibility of obtaining a sampling frame to enable the use of probability method of

sampling to enhance the reliability of findings. Notwithstanding the use of non-probability sampling, the posthoc analysis conducted indicated that the findings could be reliable as the samples are enough to draw reasonable conclusion on the study's findings. Second, despite the fact that the R-squared of the model is medium which explained less than 35% of the changes or variation in the intention to accept Islamic micro-financing, there is still room for expanding the research models by future researchers to optimized the R-squared as study other factor that could possible add explanation on the intention to accept Islamic micro-finance among the smallholder farmers. Lastly, perceived benefit has a partial mediating effect of the influence of government support, religiosity, and awareness on the intention to accept Islamic micro-financing among smallholder Rice/Wheat Farmers in Jigawa State, indicating the existence of other mediating variables in such a relationship. Future research should explore on the other mediating variables on such a relationship.

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