

APPENDICES

Appendix 1: Questionnaire for expert validation



UNIVERSITI SAINS ISLAM MALAYSIA
جامعة العلوم الإسلامية الماليزية
ISLAMIC SCIENCE UNIVERSITY OF MALAYSIA

UNIVERSITI SAINS ISLAM MALAYSIA (USIM)

**TITLE: GENERAL TAKAFUL (ISLAMIC INSURANCE)
ADOPTION AMONG MSMEs IN NORTH-WEST
NIGERIA**

Dear Prof / Dr /Mr / Ms,

I am currently doing the aforementioned research as my PhD thesis undertaking. The main aim of this study is to examine the role played by perceived characteristics of innovation (i.e., relative advantage, compatibility & complexity), uncertainty, awareness level, social influence, government support and religiosity on MSMEs owner-managers behavioural intention to adopt general takaful in North-West Nigeria. The study will also examine the moderating effect of MSME owner-manager's characteristics (i.e., age, gender, education, prior loss experience & religiosity) on the relationship between the dependent and independent variables of the study.

I have prepared an instrument with measurement items adapted from previous studies to measure the constructs of interest. The current stage is to *face validate* and *content validate* the measurement items in order to establish whether they are matching their respective construct operational definition. I would be much grateful if you could spend some time to read through the questionnaire, assess and provide feedback on face validity and specifically rate the measurement items to assess their content validity.

Thank you in advance for your time, support and expertise.

Yours sincerely,

Nurudeen Abdulkadir (+60162559601)

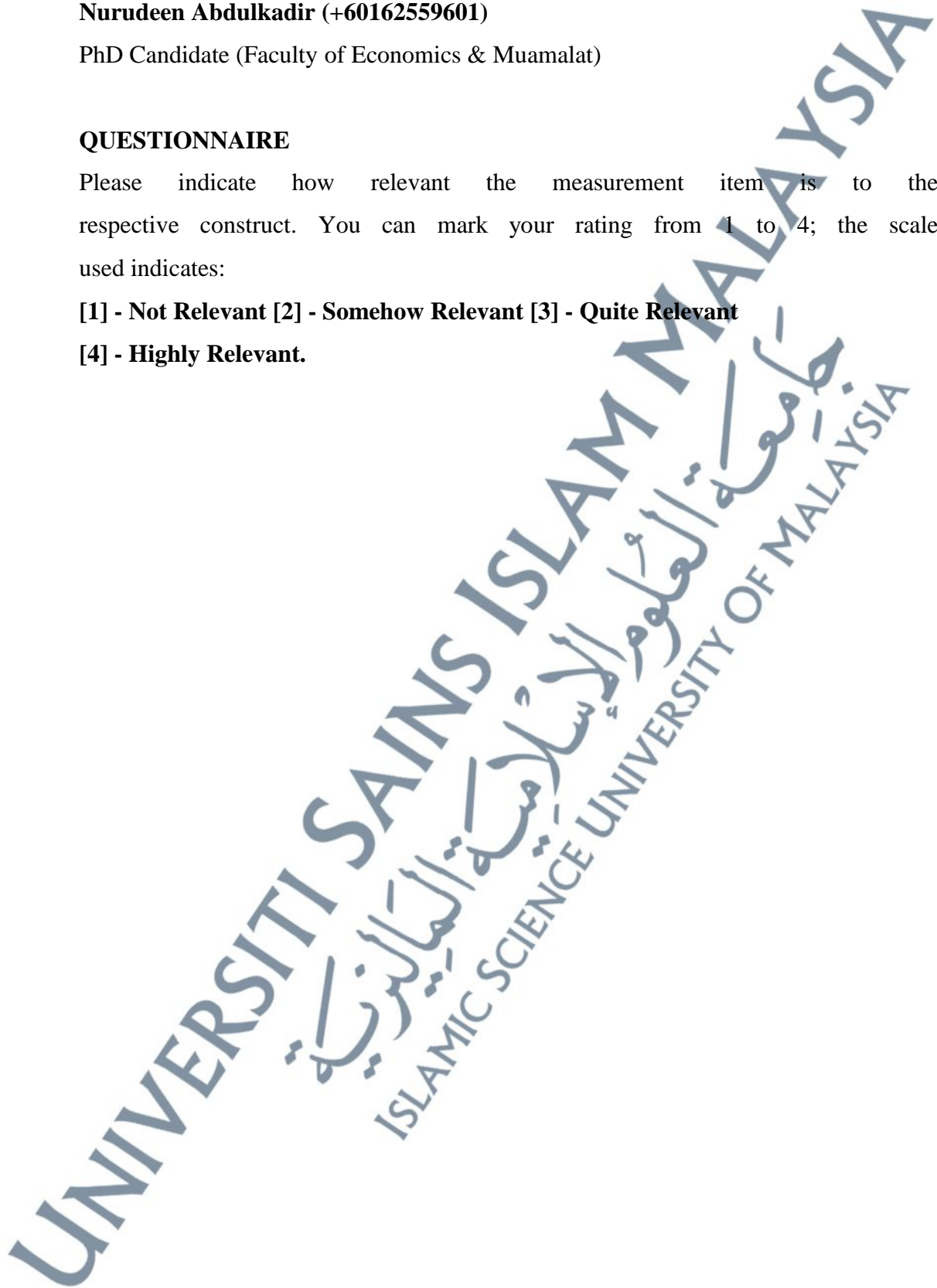
PhD Candidate (Faculty of Economics & Muamalat)

QUESTIONNAIRE

Please indicate how relevant the measurement item is to the respective construct. You can mark your rating from 1 to 4; the scale used indicates:

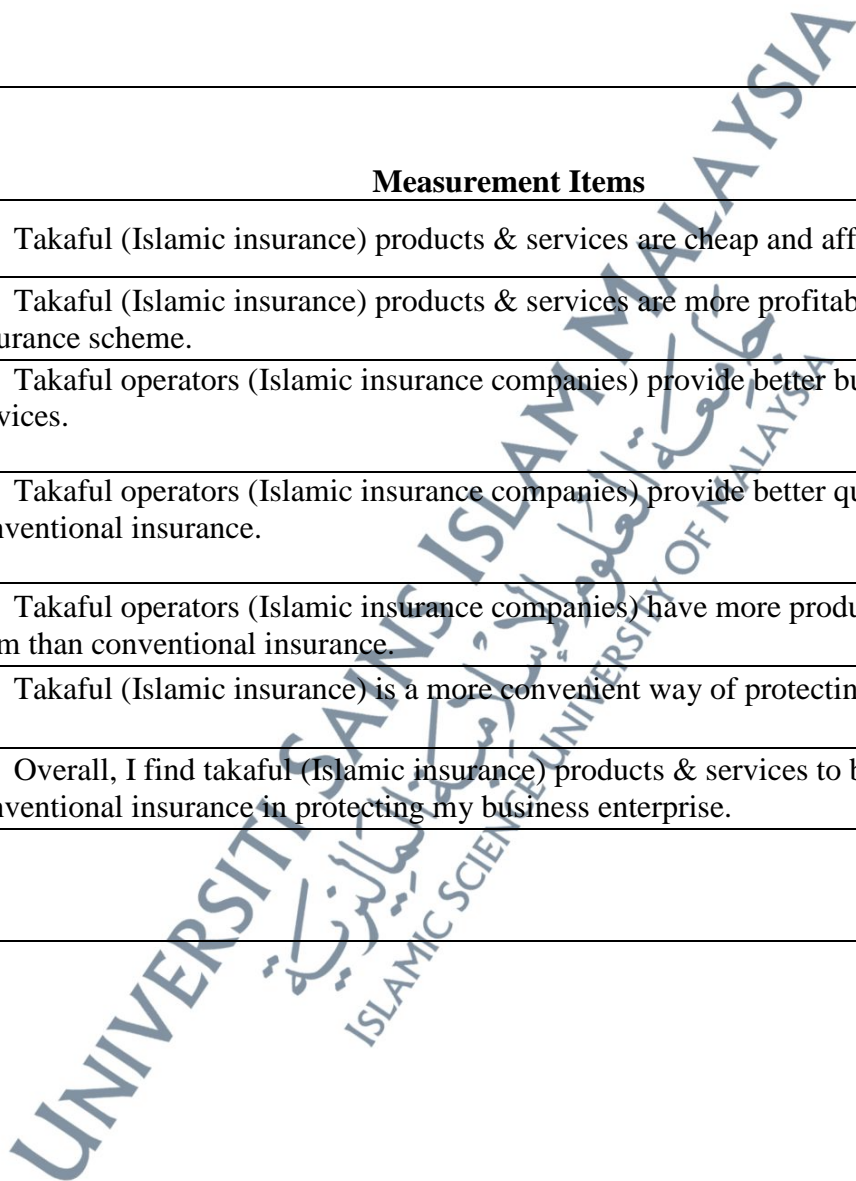
[1] - Not Relevant [2] - Somehow Relevant [3] - Quite Relevant

[4] - Highly Relevant.



RELATIVE ADVANTAGE

Operational Definition		Scale			
		1	2	3	4
<p>Relative Advantage is the extent to which an MSME owner-manager perceives general takaful products & services to be better than conventional insurance.</p>	Measurement Items				
	1. Takaful (Islamic insurance) products & services are cheap and affordable.				
	2. Takaful (Islamic insurance) products & services are more profitable than conventional insurance scheme.				
	3. Takaful operators (Islamic insurance companies) provide better business support services.				
	4. Takaful operators (Islamic insurance companies) provide better quality of service than conventional insurance.				
	5. Takaful operators (Islamic insurance companies) have more product options to choose from than conventional insurance.				
	6. Takaful (Islamic insurance) is a more convenient way of protecting my business assets.				
	7. Overall, I find takaful (Islamic insurance) products & services to be better than conventional insurance in protecting my business enterprise.				
Additional Comments (If any):					



COMPATIBILITY

Operational Definition	Measurement Items	Scale			
		1	2	3	4
<p>Compatibility is the degree to which general takaful products & services are perceived to be in agreement with the values, beliefs, past experience and needs of an MSME owner-manager.</p>	1. Takaful products & services fit well with the way I want to manage my business risk.				
	2. Takaful products & services are compatible with my habit of risk management.				
	3. Takaful products & services are suitable for my business risk management needs.				
	4. Takaful products & services are compatible with my worldview and religious beliefs.				
	5. Takaful products & services are compatible with my culture.				
Additional Comments (If any):					

COMPLEXITY

Operational Definition	Measurement Items	Scale			
		1	2	3	4
<p>Complexity is the degree to which general takaful products & services are perceived to be difficult to understand and use by an MSME owner-manager.</p>	1. Takaful products & services require a lot of mental effort to understand.				
	2. Takaful products & services are difficult to comprehend.				
	3. Takaful products & services involve complex procedures.				
	4. Using takaful products & services requires technical skills.				
	5. Takaful products & services are confusing.				
Additional Comments (If any):					

UNCERTAINTY

Operational Definition	Measurement Items	Scale			
		1	2	3	4
<p>Uncertainty is the degree of doubt and negative consequences perceived with the purchase or use of general takaful service or product by an MSME owner-manager.</p>	1. Subscribing to takaful (Islamic insurance) products & services involve potential financial loss.				
	2. I worry that subscribing to takaful (Islamic insurance) products & services will not protect my business from potential loss.				
	3. Takaful (Islamic insurance) products & services will not meet my business expectations.				
	4. I fear takaful operators (Islamic insurance companies) will not keep their commitment in the event of loss.				
	5. I fear takaful operators (Islamic insurance companies) that provide Islamic insurance are not Shariah-compliant.				
	6. I fear takaful operators (Islamic insurance companies) that provide Islamic insurance services do not have sufficient expertise in insurance services.				
Additional Comments (If any):					

AWARENESS

Operational Definition	Measurement Items	Scale			
		1	2	3	4
<p>Awareness is the level of comprehension, knowledge and understanding of general takaful features, concept, benefits, and principles an MSME owner-manager.</p>	1. I am acquainted of the existence of takaful (Islamic insurance) products & services for MSMEs.				
	2. I understand the difference between takaful (Islamic insurance) and conventional insurance.				
	3. I know the basic principles & concepts applied in takaful (Islamic insurance).				
	4. I am aware that takaful (Islamic insurance) is offered to both Muslims and non-Muslims.				
	5. I receive enough information from Islamic insurance companies (Takaful operators) about using takaful products & services.				
	6. I receive enough information from Islamic insurance companies (Takaful operators) about the benefits of takaful products & services to my business development.				
	7. I receive enough information from the government about the features & advantages of various takaful (Islamic insurance) products & services.				
	8. I know the different takaful (Islamic insurance) product & services available for MSMEs.				
Additional Comments (If any):					

SOCIAL INFLUENCE

Operational Definition		Scale			
		1	2	3	4
<p>Social Influence is the degree of influence that reference groups have on an MSME owner-manager’s decision towards the adoption & subsequent use of general takaful products & services.</p>	Measurement Items				
	1. Recommendation from reputable religious leaders influences my decision to adopt general takaful				
	2. Recommendation from reputable public figures influences my decision to adopt general takaful				
	3. Recommendation from my parents influences my decision to adopt general takaful				
	4. The expectation by others that I should use general takaful for my business risk management influences my choice of takaful				
	5. The people who are important to me influence my choice of general takaful.				
	6. Recommendation by staff & shareholders of my firm influence my decision to adopt general takaful				
	7. Advice from my bankers & financial consultants influence my decision to adopt general takaful.				
	8. Recommendation from my friends & colleagues influence my decision to adopt general takaful.				
9. The use of general takaful by my business partners in the industry influence my decision to adopt takaful.					
Additional Comments (If any):					

GOVERNMENT SUPPORT

Operational Definition	Measurement Items	Scale			
		1	2	3	4
<p>Government support refers to government actions, regulations, policies, and political support that favourably influences the decisions of individuals and business firms (MSMEs) to use general takaful.</p>	1. Nigerian government promotes the use of takaful (Islamic insurance) among MSMEs.				
	2. National Insurance Commission (NAICOM) encourages the use of takaful (Islamic insurance) among MSMEs.				
	3. The Nigerian government regulations & laws related to takaful (Islamic insurance) products & services makes me feel comfortable.				
	4. The Nigerian government & National Insurance Commission (NAICOM) current efforts make me feel comfortable in using takaful (Islamic insurance).				
	5. National Insurance Commission (NAICOM) has provided a clear framework guiding the operations of Islamic insurance companies (Takaful operators).				
	6. The Nigerian government is active in setting-up relevant facilities such as policies, programmes, and schemes so that MSMEs are well informed about takaful (Islamic insurance).				
Additional Comments (If any):					

RELIGIOISITY

Operational Definition	Measurement Items	Scale			
		1	2	3	4
<p>Religiosity is the extent to which an MSME owner manager value and adheres to Shariah principles and dictates in the conduct of his affairs.</p>	1. I try to follow Islamic injunctions in all matters of my life.				
	2. I have a firm belief in all basic ideological dimensions of Islam.				
	3. I feel sorrow and dissatisfaction when I do something against my faith.				
	4. Takaful products & services are Shariah-compliant.				
	5. Religious obligation motivates me to subscribe to takaful (Islamic insurance) products & services.				
	6. As a businessman/woman, I should be using takaful (Islamic insurance) products for my business risk management strategy.				
Additional Comments (If any):					

GENERAL TAKAFUL ADOPTION INTENTION

Operational Definition	Measurement Items	Scale			
		1	2	3	4
Adoption Intention is defined as an MSME owner-manager's willingness to participate and make use of general takaful products and services in the future.	I am interested in using general takaful (Islamic insurance) products & services in managing my business risk.				
	I intend to adopt general takaful (Islamic insurance) products & services in the future.				
	I expect to use general takaful (Islamic insurance) continuously to protect my business assets and liabilities.				
	I will strongly recommend others to use general takaful (Islamic Insurance) products & services.				
Additional Comments (If any):					

Thank you so much for your kind participation in this research!

Appendix 2: Main survey questionnaire



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GENERAL TAKAFUL (ISLAMIC INSURANCE) ADOPTION AMONG MSMEs IN NORTH-WEST NIGERIA

Dear Sir/Madam,

The purpose of this survey is to ascertain the key factors influencing the adoption of takaful (Islamic insurance) products and services among Micro, Small and Medium Enterprises (MSMEs) owner-managers in North-West Nigeria. The viewpoint of MSMEs on Islamic insurance alternative can provide useful information to policymakers and financial regulators as well as support to takaful institutions in developing takaful products appropriate to the needs of the MSME sector.

Your participation is very important to the success of this research work. It is significant that you **ANSWER ALL QUESTIONS** to the best of your knowledge, even if some may appear to be similar. Regrettably, partly answered questionnaires are not useable. Therefore, I request that you should not leave any question unanswered. There are no right or wrong answers to the questions been asked.

All responses will be kept **PRIVATE** and **CONFIDENTIAL** and will not be traceable to an individual respondent or company. If you are unable to complete the questionnaire yourself, please entrust the task to a representative that is competent enough to answer the survey.

I will appreciate much if you could spare some time and thought to complete this survey. Thank you in advance for your cooperation and in case of enquiry, please do not hesitate to contact the undersigned.

Thank you.

Nurudeen Abdulkadir

PhD Student

Faculty of Economics & Muamalat,

Universiti Sains Islam Malaysia

Bandar Baru Nilai, 71800, Nilai, Negeri Sembilan, Malaysia

Mobile: +2347038350023/+60162559601

Email: nuraalkas1@gmail.com

SECTION A: RESPONDENT PROFILE

Instructions: Please tick (✓) at the appropriate box/column or write in your answers where appropriate:

1. Position in the Company:

- Owner Director Senior Manager Manager Others

2. Age

- 18-29 years 30-40 years 41-50 years Above 50

3. Gender

- Male Female

4. Education Level

- Primary School Junior Secondary School Senior Secondary School
- Vocational certificate Diploma/NCE (Nigeria Certificate in Education)
- Degree/HND (Higher National Diploma) Postgraduate

5. Type of Organization/Company

- Sole proprietorship Partnership Private limited company
- Public limited company Others

6. Religion

- Islam Christianity Others

7. Marital Status

- Married Single Others

8. Number of years your company have been in operation.

- 0-4 years 5-10 years 11-15 years More than 15 years

9. Number of employees/ workers employed in your organization:

- 1-10 11-25 26-50 51-100 more than 100

10. Which of the following best describe your organization's line of business?

- Transport & storage Construction Machinery & Equipment
- Electronics/Computer/Power Manufacturing
- Food and Beverages/Accommodation Agriculture/poultry
- Wholesale/retail trade Others

11. Location of your organization:

- Kano Kaduna

12. Are you aware of general takaful (Islamic insurance) products and services provided for MSMEs?

- Yes No

13. Which of the following general takaful (Islamic insurance) products is your organization using?

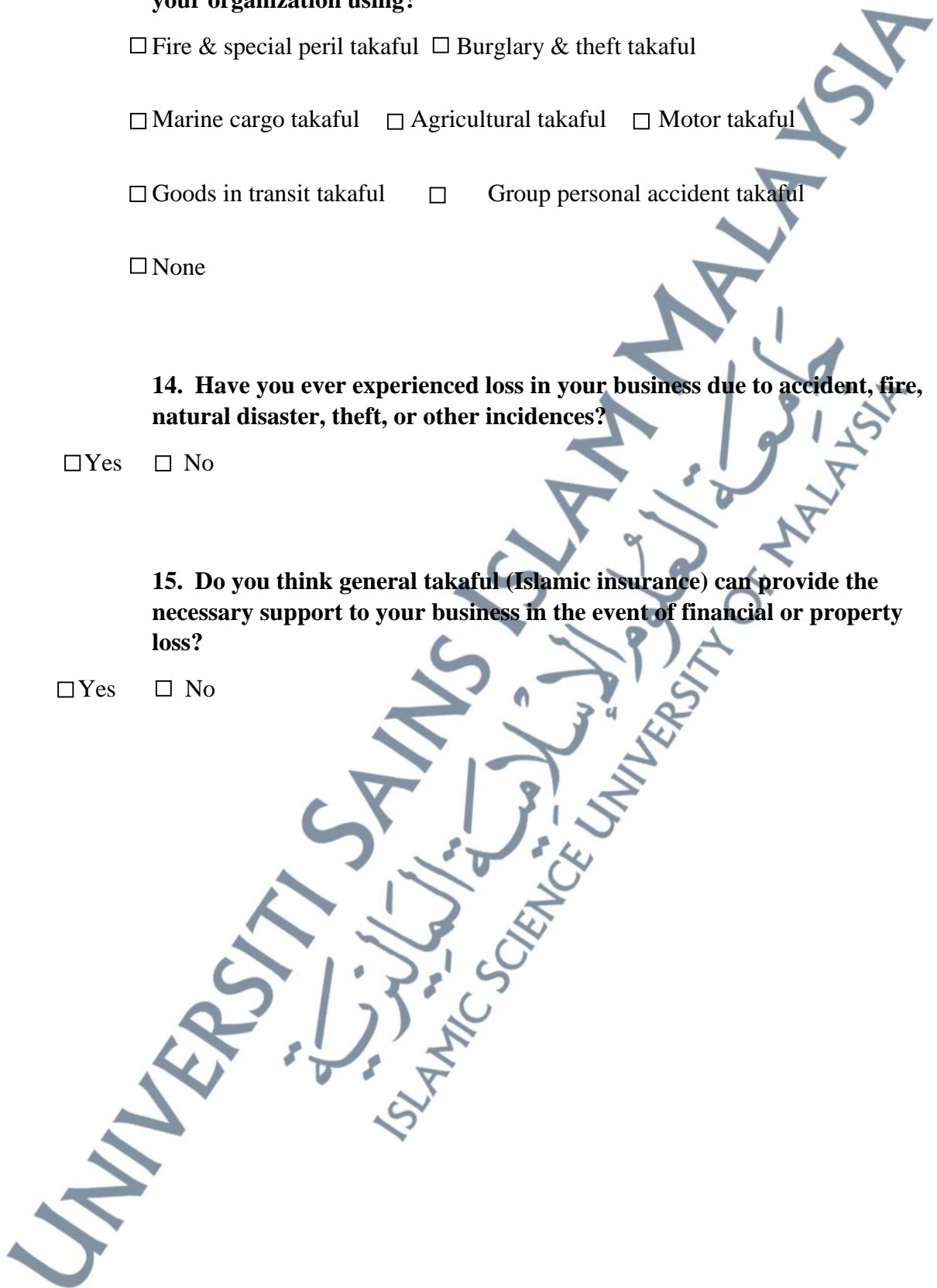
- Fire & special peril takaful Burglary & theft takaful
- Marine cargo takaful Agricultural takaful Motor takaful
- Goods in transit takaful Group personal accident takaful
- None

14. Have you ever experienced loss in your business due to accident, fire, natural disaster, theft, or other incidences?

- Yes No

15. Do you think general takaful (Islamic insurance) can provide the necessary support to your business in the event of financial or property loss?

- Yes No



SECTION B: FACTORS INFLUENCING THE ADOPTION OF GENERAL TAKAFUL (ISLAMIC INSURANCE)

Please indicate the extent to which you agree or disagree with the following statements

The instruction below will assist you in completing the questionnaire:

- Below is an example of how to complete the questionnaire

Code	The rating is from 1 to 7. 1=Extremely Disagree to 7=Extremely Agree							
	Measurement item							
PA1	Takaful (Islamic insurance) products & services are cheap and affordable	1	2	3	4	5	6	7

By circling **2**, your response is more towards extremely disagree and by circling **6** your response is more towards extremely agree.

CODE		RELATIVE ADVANTAGE						
		Our business would choose takaful (Islamic insurance) products because:						
RA1	Takaful (Islamic insurance) products are cheap and affordable.	1	2	3	4	5	6	7
RA2	Takaful (Islamic insurance) products are more profitable than conventional insurance scheme.	1	2	3	4	5	6	7
RA3	Takaful operators (Islamic insurance companies) provide better business support services.	1	2	3	4	5	6	7
RA4	Takaful operators (Islamic insurance companies) provide better quality of service than conventional insurance.	1	2	3	4	5	6	7
RA5	Takaful operators (Islamic insurance companies) have more product options to choose from than conventional insurance.	1	2	3	4	5	6	7
RA6	Takaful (Islamic insurance) is a more convenient way of protecting our business assets.	1	2	3	4	5	6	7
RA7	Overall, we find takaful (Islamic insurance) products to be better than conventional insurance in protecting our business enterprise.	1	2	3	4	5	6	7
		COMPATIBILITY						
		Our business would choose takaful (Islamic insurance) products because:						
CP1	Takaful products fit well with the way we want to manage our business risk.	1	2	3	4	5	6	7
CP2	Takaful products are compatible with our habit of risk management.	1	2	3	4	5	6	7
CP3	Takaful products are suitable for our business risk management needs.	1	2	3	4	5	6	7
CP4	Takaful products are compatible with our worldview and religious beliefs.	1	2	3	4	5	6	7
CP5	Takaful products are compatible with our business culture.	1	2	3	4	5	6	7
		COMPLEXITY						
		Our business would NOT choose takaful (Islamic insurance) products because:						
CX1	Using takaful products require a lot of mental effort.	1	2	3	4	5	6	7
CX2	Understanding takaful products is cumbersome.	1	2	3	4	5	6	7

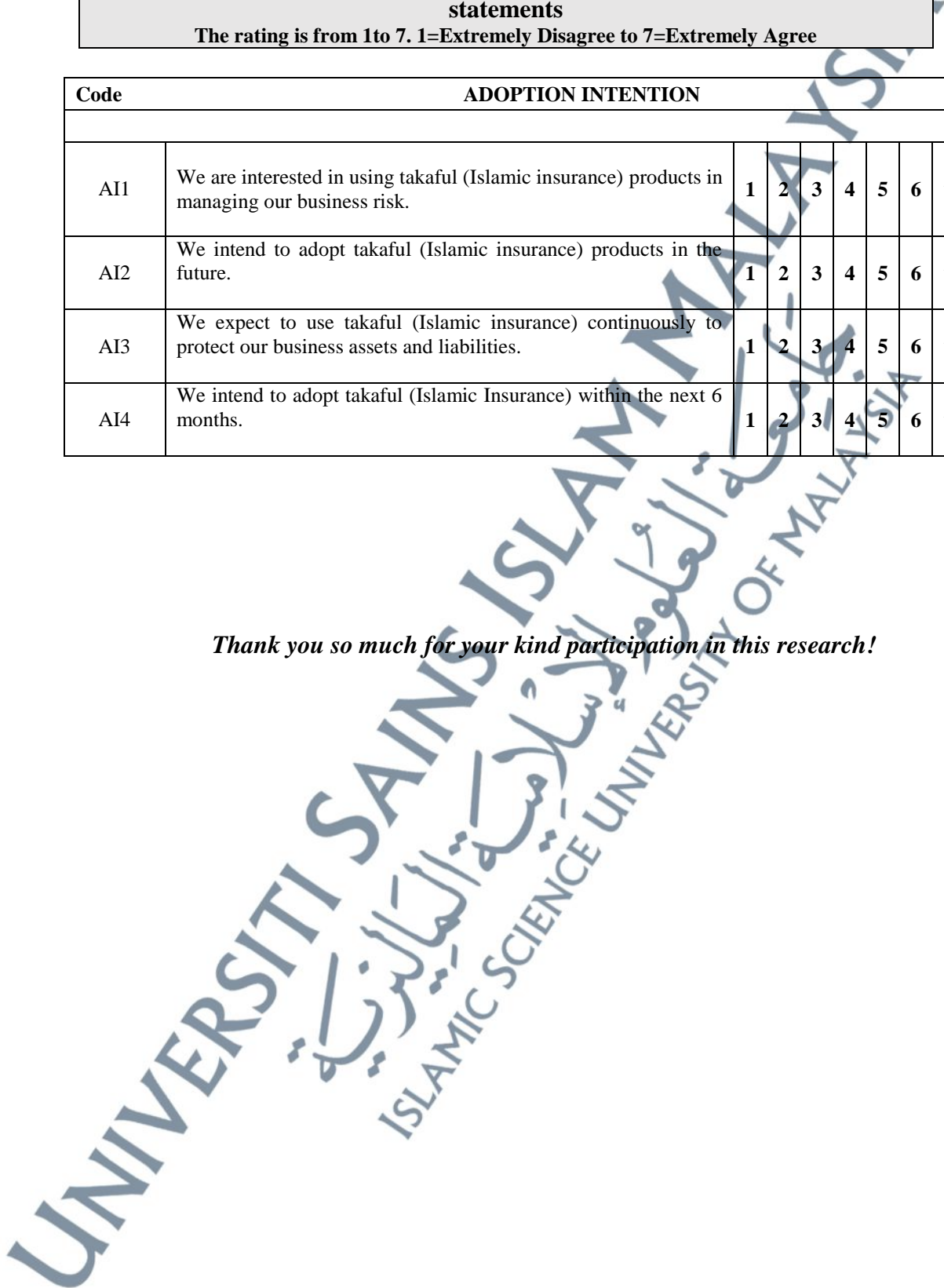
CX3	Takaful products involve complex procedures.	1	2	3	4	5	6	7
CX4	Using takaful products requires technical skills.	1	2	3	4	5	6	7
CX5	Takaful products are confusing.	1	2	3	4	5	6	7
UNCERTAINTY								
Our business would NOT choose takaful products & services because:								
UC1	Subscribing to takaful (Islamic insurance) products involve potential financial loss.	1	2	3	4	5	6	7
UC2	We worry that subscribing to takaful (Islamic insurance) products will not protect our business from potential loss.	1	2	3	4	5	6	7
UC3	Takaful (Islamic insurance) products will not meet our business expectations.	1	2	3	4	5	6	7
UC4	We fear takaful operators (Islamic insurance companies) will not keep their commitment in the event of loss by our business.	1	2	3	4	5	6	7
UC5	We fear takaful operators (Islamic insurance companies) that provide Islamic insurance are not Shariah-compliant.	1	2	3	4	5	6	7
UC6	We fear takaful operators (Islamic insurance companies) that provide Islamic insurance services do not have enough experience in insurance undertakings.	1	2	3	4	5	6	7
AWARENESS								
Our business would choose takaful (Islamic insurance) products & services because:								
AW1	We are acquainted of the existence of takaful (Islamic insurance) products & services for MSMEs.	1	2	3	4	5	6	7
AW2	We understand the difference between takaful (Islamic insurance) and conventional insurance.	1	2	3	4	5	6	7
AW3	We know the basic principles & concepts applied in takaful (Islamic insurance).	1	2	3	4	5	6	7
AW4	We are aware that takaful (Islamic insurance) is offered to both Muslims and non-Muslims.	1	2	3	4	5	6	7
AW5	We receive enough information from Islamic insurance companies (Takaful operators) about using takaful products.	1	2	3	4	5	6	7
AW6	We receive enough information from Islamic insurance companies (Takaful operators) about the benefits of takaful products to our business development.	1	2	3	4	5	6	7
AW7	We receive enough information from the government about the features & advantages of various takaful (Islamic insurance) products.	1	2	3	4	5	6	7
AW8	We know the different takaful (Islamic insurance) products available for MSMEs.	1	2	3	4	5	6	7
SOCIAL INFLUENCE								
Our business would choose takaful (Islamic insurance) products & services because of:								
SI1	Recommendation from reputable religious leaders	1	2	3	4	5	6	7
SI2	Recommendation from reputable public figures	1	2	3	4	5	6	7
SI3	Recommendation from parents	1	2	3	4	5	6	7
SI4	The expectation by others that we should use takaful for our business risk management strategies	1	2	3	4	5	6	7

SI5	The influence of people who are important to our business undertakings.	1	2	3	4	5	6	7
SI6	Recommendation by staff & shareholders of our business enterprise.	1	2	3	4	5	6	7
SI7	Advice from our bankers & financial consultants.	1	2	3	4	5	6	7
SI8	Recommendation from friends & colleagues.	1	2	3	4	5	6	7
SI9	Our business partners in the industry are using it.	1	2	3	4	5	6	7
GOVERNMENT SUPPORT								
Our business would choose takaful (Islamic insurance) products & services because:								
GS1	Nigerian government promotes the use of takaful (Islamic insurance) among MSMEs.	1	2	3	4	5	6	7
GS2	National Insurance Commission (NAICOM) encourages the use of takaful (Islamic insurance) among MSMEs.	1	2	3	4	5	6	7
GS3	The Nigerian government regulations & laws related to takaful (Islamic insurance) products & services makes us feel comfortable.	1	2	3	4	5	6	7
GS4	The Nigerian government & National Insurance Commission (NAICOM) current efforts make us feel comfortable in using takaful (Islamic insurance).	1	2	3	4	5	6	7
GS5	National Insurance Commission (NAICOM) has provided a clear framework guiding the operations of Islamic insurance companies (Takaful operators).	1	2	3	4	5	6	7
GS6	The Nigerian government is active in setting-up relevant facilities such as policies, programmes, and schemes so that MSMEs are well informed about takaful (Islamic insurance).	1	2	3	4	5	6	7
RELIGIOSITY								
Our business would choose takaful (Islamic insurance) products & services because:								
RG1	We try to follow Islamic injunctions in all matters of our business undertakings.	1	2	3	4	5	6	7
RG2	We have a firm belief in all basic ideological dimensions of Islam.	1	2	3	4	5	6	7
RG3	We feel sorrow and dissatisfaction when we do something against our faith.	1	2	3	4	5	6	7
RG4	Takaful products are Shariah-compliant.	1	2	3	4	5	6	7
RG5	Religious obligation motivates us to subscribe to takaful (Islamic insurance) products in our business.	1	2	3	4	5	6	7
RG6	As a business enterprise, we should be using takaful (Islamic insurance) products for our business risk management strategy.	1	2	3	4	5	6	7

SECTION C: INTENTION TO ADOPT GENERAL TAKAFUL
Please indicate the extent to which you agree or disagree with the following statements
The rating is from 1 to 7. 1=Extremely Disagree to 7=Extremely Agree

Code		ADOPTION INTENTION						
AI1	We are interested in using takaful (Islamic insurance) products in managing our business risk.	1	2	3	4	5	6	7
AI2	We intend to adopt takaful (Islamic insurance) products in the future.	1	2	3	4	5	6	7
AI3	We expect to use takaful (Islamic insurance) continuously to protect our business assets and liabilities.	1	2	3	4	5	6	7
AI4	We intend to adopt takaful (Islamic Insurance) within the next 6 months.	1	2	3	4	5	6	7

Thank you so much for your kind participation in this research!



Appendix 3: Missing data statistics

Item	N	Mean	Std. Deviation	Missing		No. of Extremes ^a	
				Count	Percent	Low	High
RA1	293	4.85	1.727	2	.7	12	0
RA2	292	4.98	1.682	3	1.0	12	0
RA3	290	4.99	1.731	5	1.7	13	0
RA4	293	4.96	1.747	2	.7	9	1
RA5	292	4.66	1.808	3	1.0	0	0
RA6	289	5.21	1.661	6	2.0	0	0
RA7	291	5.15	1.725	4	1.4	0	0
CP1	292	5.18	1.841	3	1.0	0	0
CP2	291	5.18	1.740	4	1.4	0	0
CP3	291	5.29	1.616	4	1.4	7	0
CP4	290	5.40	1.729	5	1.7	0	0
CP5	289	5.32	1.770	6	2.0	0	0
CX1	294	3.94	1.952	1	.3	0	0
CX2	288	3.74	1.917	7	2.4	0	0
CX3	291	3.69	1.881	4	1.4	0	0
CX4	292	4.01	1.967	3	1.0	0	0
CX5	294	3.10	1.982	1	.3	0	0
UC1	295	3.32	2.027	0	.0	0	0
UC2	293	3.06	1.896	2	.7	0	16
UC3	295	3.21	1.969	0	.0	0	0
UC4	292	3.19	1.963	3	1.0	0	0
UC5	292	3.21	1.949	3	1.0	0	0
UC6	292	3.13	1.932	3	1.0	0	0
AW1	293	4.20	1.951	2	.7	0	0
AW2	293	4.87	1.876	2	.7	0	0
AW3	295	4.46	1.930	0	.0	0	0
AW4	291	4.95	1.899	4	1.4	0	0
AW5	294	4.32	2.005	1	.3	0	0
AW6	294	4.31	1.965	1	.3	0	0
AW7	294	3.73	1.977	1	.3	0	0
AW8	288	4.28	2.055	7	2.4	0	0
SI1	291	4.65	2.015	4	1.4	0	0
SI2	289	4.45	2.013	6	2.0	0	0
SI3	286	4.29	2.103	9	3.1	0	0
SI4	288	4.60	1.973	7	2.4	0	0
SI5	285	4.60	1.938	10	3.4	0	0
SI6	288	4.43	1.965	7	2.4	0	0
SI7	289	4.46	2.070	6	2.0	0	0
SI8	286	4.26	1.978	9	3.1	0	0
SI9	279	4.15	2.004	16	5.4	0	0
GS1	291	4.01	1.978	4	1.4	0	0
GS2	292	4.15	1.929	3	1.0	0	0
GS3	292	4.48	1.886	3	1.0	0	0
GS4	292	4.34	1.874	3	1.0	0	0
GS5	293	4.37	1.888	2	0.7	0	0

Item	N	Mean	Std. Deviation	Missing		No. of Extremes ^a	
				Count	Percent	Low	High
GS6	292	4.29	1.969	3	1.0	0	0
RG1	294	5.50	1.791	1	.3	0	0
RG2	294	5.53	1.706	1	.3	25	0
RG3	291	5.60	1.802	4	1.4	29	0
RG4	292	5.48	1.736	3	1.0	0	0
RG5	293	5.40	1.724	2	0.7	0	0
RG6	292	5.49	1.722	3	1.0	0	0
AI1	287	5.43	1.821	8	2.7	0	0
AI2	287	5.54	1.721	8	2.7	27	0
AI3	286	5.53	1.802	9	3.1	29	0
AI4	284	5.17	1.893	11	3.7	0	0

a. Number of cases outside the range (Q1 - 1.5*IQR, Q3 + 1.5*IQR).

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