

CHAPTER 5

DISCUSSION OF FINDINGS

5.1 Introduction

This chapter discussed on the research findings presented in chapter four, its relation to prior studies, its congruity or non-conformity with the study's underpinning theories and past literature and the probable reasons for such outcomes. Specifically, the chapter further re-examines the research questions and research objectives advanced in chapter one. This revisit was done to assess whether the research questions have been answered and the research objectives achieved. Also, the chapter presents discussions on the study findings in relation to previous studies in Islamic financial services adoption and other related areas. The chapter first discusses on the first objective which looks at the direct effects of the predictor variables on general takaful adoption. Second, the chapter elaborates on the second objective which examined the moderating effect of religiosity on general takaful adoption. The chapter concludes by highlighting the significant findings of the study.

5.2 Recapitulation of Study Findings

The present study utilized a conceptual framework derived from existing behavioural/adoption theories (i.e., DOI & UTAUT), prior loss experience and religiosity to investigate the adoption behaviour of MSMEs owner-managers in North-West Nigeria towards general takaful. Specifically, two major objectives and two research questions were developed based on the study's problem statement. The first research objective was to investigate the influence of noneconomic factors (i.e., relative

advantage, compatibility, complexity, uncertainty, awareness, social influence, government support, religiosity & prior loss experience) on general takaful adoption among MSMEs owner-managers in North-West Nigeria. The second research objective was to examine the moderating effect of religiosity on the relationship between the predictor variables in the study and general takaful adoption among MSMEs owner-managers in North-West Nigeria. Furthermore, the first research question seeks to answer whether the noneconomic factors highlighted in the research objective influence the adoption of general takaful among MSME owner-managers in North-West Nigeria. Similarly, the second research question seeks to answer whether religiosity moderates the relationship between the predictor variables in the study and general takaful adoption. These research objectives and research questions were answered as follows:

5.2.1 Research Objective One

The first research objective/question which seeks to investigate the direct influence of the exogenous variables on general takaful adoption was answered based on the findings of the main effect structural model. The results showed that 6 out of 9 proposed hypotheses were substantiated. Specifically, relative advantage (H1), compatibility (H2), awareness (H5), social influence (H6), religiosity (H8) and prior loss experience (H9) were positively and significantly related to general takaful adoption. On the contrary, the study did not find support for the direct influence of complexity (H3), government support (H7) and uncertainty (H4) on general takaful adoption.

5.2.2 Research Objective Two

The second research objective/question was to examine and validate the moderating effect of religiosity on the structural model. This research question was answered based on the findings of the moderating effect structural model. The findings indicated that 4 out of 8 hypotheses developed were validated. Specifically, religiosity moderates the relationship between relative advantage (H10a), Complexity (H10c), government support (H10g) and prior loss experience (H10h) and general takaful adoption. On the contrary, religiosity did not moderate the relationship between uncertainty (H10d), awareness (H10e), social influence (H10f), and general takaful adoption. Furthermore, religiosity was found to moderate the relationship between compatibility (H10b) and general takaful adoption. However, the hypothesis (i.e., H10b) was not supported in this study because the findings was contrary to the hypothesized relationship postulated.

Table 5.1: Summary of Findings

S/N	Research Question	Findings
RQ1	Do relative advantage, compatibility, complexity, uncertainty, awareness, social influence, government support, religiosity, and prior loss experience influence general takaful adoption among MSMEs owner-managers in North-West Nigeria?	Relative advantage (H1+), compatibility (H2+), awareness (H5+), social influence (H6+), religiosity (H8+) and prior loss experience (H9+) were positively and significantly related to general takaful adoption.
RQ2	Does religiosity moderate the impact of relative advantage, compatibility, complexity, uncertainty, awareness, social influence, government support and prior loss experience on general takaful adoption among MSMEs owner-managers in North-West Nigeria?	The findings indicated that 4 out of 8 hypotheses developed were validated. Specifically, religiosity moderates the relationship between relative advantage (H10a+), Complexity (H10c-), government support (H10g+) and prior loss experience (H10h+) and general takaful adoption.

5.3 Discussion

This section elaborates on the study findings presented in chapter four. Specifically, the subheadings of this section were structured based on the research objectives and research questions mentioned in chapter one. First, the direct effect of the predictor variables (i.e., noneconomic factors) on the criterion variable (i.e., general takaful adoption) are discussed. Second, the moderating role of religiosity on the relationships between the predictor variables and general takaful adoption are elucidated.

5.3.1 Relative Advantage and General Takaful Adoption

As stated in chapter two, relative advantage “is the extent to which an innovation is perceived to be better than its predecessor or substitute” (Rogers, 2003). Relative advantage comprises all the perceived benefits and advantages the potential adopters see in an innovation. The results of the main effects structural model (see Figure 4.4 & Table 4.29) indicated that relative advantage had a positive and significant effect on MSMEs owner-managers’ intention to adopt general takaful. This means that the more the perceived relative advantage, the higher will be the adoption of general takaful by MSMEs owner-managers. This finding is consistent with DOI theoretical expectation (Rogers, 2003) which postulates that relative advantage is positively related to innovation adoption. Additionally, this result corroborates the findings of a great deal of the previous empirical studies in Islamic banking and finance adoption behaviour (Latip, Yahya & Junaina, 2017; Mahdzan et al., 2017; Yahaya et al., 2014; Thambiah et al., 2011). Moreover, the study finding supports the work of other related studies in the area of takaful adoption behaviour linking relative advantage with takaful adoption (Salman & Hassan, 2020; Hassan & Abbas, 2019; Raza et.al., 2019; Ali et.al., 2019;

Shaikh et.al., 2019; Aziz et.al., 2019; Mokhtar et.al., 2017; Coolen-Maturi, 2013). For instance, Mokhtar et al (2017) found that takaful subscription among business organizations in Malaysia is more influenced by the value propositions, product offerings and efficient services than its religious compliance. Moreover, Coolen-Maturi (2013) found that affordable pricing (i.e., cost factor motive) influences the choice of insurance by Muslims in the UK.

However, this finding contradicts the findings of other past studies in the takaful adoption literature (Kirfi et al., 2019; Echchabi, & Ayedh, 2015; Echchabi, Olorogun & Azouzi, 2014; Ayinde & Echchabi, 2012). A plausible explanation for this finding is that MSME owner-managers as business-oriented individuals seek the best out of every option. Also, as business owners, MSME owner-managers tend to be pragmatic and are motivated by extrinsic rewards in their selection of alternative options (Benzing & Chu, 2009). Hence, it is not surprising that relative advantage was found to be positively and significantly related to general takaful adoption among this group (i.e., owner-managers). Furthermore, this finding suggests that it is important for takaful operators and takaful agents to embark on a strategic marketing campaign that highlights the advantages and usefulness of general takaful products to MSMEs. These advantages should not be limited to the religious conformity of takaful only but should extend to the economic, social and service quality dimensions.

5.3.2 Compatibility and General Takaful Adoption

Rogers (2003) refers to compatibility as “the degree to which an innovation is perceived to agree with the values, beliefs, past experience and needs of potential adopters”. The main effect model (see Figure 4.4 & Table 4.29) revealed that compatibility had a positive and significant effect on MSMEs owner-managers’

intention to adopt general takaful. This means that the more general takaful is perceived to be compatible with an MSME owner-manager's beliefs, values and his need for property protection, the higher the probability of adoption. This outcome is congruent with DOI theoretical position (Rogers, 2003) which assert that compatibility is positively related to innovation adoption. Additionally, this result agrees with the previous findings of most empirical studies in Islamic banking and finance adoption behaviour (Mahdzan et al., 2017; Yahaya et al., 2014; Amin et al., 2013; Thambiah et al., 2011; Al-Gaith et al., 2010; Thambiah et al., 2010).

Furthermore, this finding is in line with past studies in takaful adoption that found a positive and significant relationship between compatibility and takaful purchase intention (Hassan & Abbas, 2019; Raza et.al., 2019; Ali et.al., 2019; Shaikh et.al., 2019; Echchabi, & Ayedh, 2015; Echchabi, Olorogun & Azouzi, 2014; Ayinde & Echchabi, 2012). For instance, Echchabi, & Ayedh (2015) using an extended DOI model found that only compatibility was significant in influencing takaful adoption in Yemen. A possible explanation for the positive influence of compatibility can be attributed to the religion and ethical values of the North-West region of Nigeria. Majority of the population in the region are Muslims which denotes that takaful will be perceived as compatible with their religious beliefs and ethical values. Previous findings in the takaful literature revealed that potential adopters of Islamic insurance give high importance to the compatibility of takaful to their beliefs, lifestyle, social and ethical values (Echchabi, & Ayedh, 2015; Echchabi, Olorogun & Azouzi, 2014). Consequently, in their advertisements and promotional campaigns, takaful operators and agents should emphasize that their companies' operations, policies and business philosophy are in consonance with the beliefs and ethical values of their customers (both actual and prospective). Likewise, it is essential for takaful operators to display the

relevance and appropriateness of general takaful products to an MSME owner-manager's risk management strategy.

5.3.3 Complexity and General Takaful Adoption

According to Rogers (2003) "complexity is the degree to which an innovation is perceived as difficult to understand and use". The results in the analysis chapter (Figure 4.4 & Table 4.29) showed that complexity had an insignificant effect on general takaful adoption. This implies that MSMEs owner-managers do not perceive general takaful as complex and difficult to understand. This finding contradicts the proposition of the DOI theory that complexity is negatively associated with innovation adoption. Also, this finding is in contrast with some previous studies on innovation adoption (Ali et al., 2019; Jamshidi et al., 2014; Thambiah et al., 2011; Tornatzky & Klein, 1982).

Furthermore, in the takaful adoption literature, the influence of complexity on takaful adoption shows mixed results. Some studies have confirmed the negative influence of complexity on takaful adoption behaviour (Ali et al., 2019; Mokhtar et al., 2017). For example, Mokhtar et al. (2017) identified complexity as one of the factors preventing takaful subscription among business organizations in Malaysia. However, a contrary finding by Shaikh et al. (2019) revealed that complexity was not significant in explaining family takaful adoption in Pakistan. Previous studies in innovation adoption behaviour have shown that the negative effect of complexity diminishes with increased knowledge, familiarity and experience (Obeid & Kaabachi, 2016; Rogers, 2003).

A probable reason for the insignificant effect of complexity on general takaful adoption among MSME owner-managers is that religious labelled products are viewed more favourably and therefore the issue of complexity is not given much attention. As the MSME owner-managers were all Muslims, takaful was not considered to be difficult

and complex. Thus, the negative effect of complexity on general takaful adoption was not validated in this study.

5.3.4 Uncertainty and General Takaful Adoption

According to Bauer (1960) uncertainty refers to “the degree of apprehension and the perception of negative consequences associated with the purchase or use of a service or product”. Rogers (2003) indicated that uncertainty is a common characteristic of new innovations. The finding of this study (Figure 4.4 & Table 4.29) showed that uncertainty was not a significant predictor of general takaful adoption among MSME owner-managers. This result is contrary to the DOI theoretical expectation and some previous findings in the innovation adoption literature (Yahaya et.al., 2016a; Echchabi & Aziz, 2012; Teo & Pok, 2003; Tan & Teo, 2000). Nevertheless, the study finding is in line with other past studies in the takaful adoption literature (Echchabi & Ayedh, 2015; Echchabi, Olorogun & Azouzi, 2014; Ayinde & Echchabi, 2012).

A possible explanation for this outcome could be attributed to the religious connotation that takaful symbolizes, which unlike conventional insurance, follows the Islamic principles, which reduces the uncertainty issues surrounding insurance services. As the MSME-owner-managers are Muslims, uncertainty might not play a significant role in influencing their behaviour towards general takaful adoption. This finding also suggest that religious labelled products and services are viewed favourably by the Muslims in the North-West region of Nigeria and therefore the perception of uncertainty was not given much consideration.

5.3.5 Awareness and General Takaful Adoption

According to Bickford & Reynolds (2002) awareness refers to an “individuals’ passive involvement and raised interest towards certain issues”. Rogers (2003), Kotler & Armstrong (2001) argued that awareness is the first step towards the adoption of an innovation. The result of analysis presented in the previous chapter (Figure 4.4 & Table 4.29) revealed that awareness had a positive and significant relationship with general takaful adoption among MSME owner-managers in North-West Nigeria. This means that awareness plays a significant role in influencing MSME owner-managers to adopt general takaful. This result corroborates the findings of a great deal of the previous work in the innovation adoption literature (Kehinde & Sharofiddin, 2021; Al Balushi et al., 2018; Mahdzan et al., 2017; Islam & Rahman, 2017; Bodibe et al., 2016; Yahaya et al., 2016b; Dalhatu et al., 2015; Ringim, 2013; Thambiah et al., 2013; Unegbu & Onuoha, 2013; Fada, 2012; Awan & Bukhari, 2011; Loo, 2010). The result is also consistent with the anticipated propositions of extended models of DOI theory (Mahdzan et al., 2017; Yahaya et al., 2016b; Thambiah et al., 2013). Also, the study result is in line with the majority of previous findings in the takaful/insurance adoption literature (Dandago et al., 2020; Husin & Haron, 2020a; Hassan & Abbas, 2019; Raza et al., 2019; Ali et al., 2019; Shaikh et al., 2019; Aziz et al., 2019; Adamu, 2018; Mokhtar et al., 2017; Sheik & Jama, 2016; Maiyaki & Ayuba, 2015; Coolen-Maturi, 2013; Ayinde & Echchabi, 2012).

However, this result was contrary to some published works in the takaful adoption literature (Kazaure, 2019; Khan & Siddiqui, 2017; Husin & Rahman, 2016a, 2016b; Echchabi & Ayedh, 2015; Echchabi, Olorogun & Azouzi, 2014). For instance, a study by Kazaure (2019) indicated that awareness was not a significant predictor of Islamic health insurance (takaful) among microenterprises in North-West Nigeria. He

explained that the insignificance was due to low awareness in the sampled subjects. However, in this study a moderate level of awareness was found among the sampled respondents. A plausible explanation to this increase in level of awareness can be attributed to the increase in the number of licensed takaful operators in the Nigerian insurance market and their increased visibility in the insurance market. Hence, for takaful operators to penetrate the insurance market, they have to embark on enlightenment and promotional campaigns to persuade prospective clients to participate in takaful schemes.

5.3.6 Social Influence and General Takaful Adoption

According to Venkatesh et al., (2003) social influence refers to the influence others (i.e., reference group) have on an individual's behaviour towards the adoption or use of an innovation. The result of the main effect structural model (Figure 4.4 & Table 4.29) indicated that social influence had a positive and significant impact on general takaful adoption among MSMEs owner-managers. This finding suggest that referent groups influence MSME owner-managers perceptions towards general takaful adoption. The study finding is congruent with the theoretical expectation of UTAUT which showed that social influence significantly influences behavioural intention in the early stages of adoption. Additionally, the result is consistent with many of the previous findings in the takaful adoption literature (Aziz et al 2020; Salman & Hassan, 2020; Hassan & Abbas 2019; Bhatti & Husin 2019; Kirfi et.al., 2019; Kazaure, 2019; Hasyim, 2018; Husin et.al., 2016).

However, the insignificance of the effect of social influence on takaful purchase intention have also been established in previous studies (Husin & Rahman, 2016a, 2016b; Echchabi, & Ayedh, 2015; Echchabi, Olorogun & Azouzi, 2014; Ayinde &

Echchabi 2012). These contrary findings could be as a result of the prior knowledge and understanding the sampled subjects of these studies have regarding takaful which diminishes the need for other people's views (Husin & Rahman, 2016b; Venkatesh et al., 2003). A plausible reason for the significant and positive impact of social influence in this study can be connected with the fact that takaful adoption is at the early stage and hence the need for other people's opinion becomes more apparent (Venkatesh et al., 2003). Furthermore, another possible explanation for this finding is that MSME owner-managers need to seek religious scholars' views on takaful to ascertain its validity. Takaful as a religious labelled product requires the support of Islamic scholars for it to be accepted by the common people.

5.3.7 Government Support and General Takaful Adoption

According to Amin et al. (2011) government support refers to “government actions, regulations, policies, and political support that favourably influences the decisions of individuals and business firms”. The result from Figure 4.4 and Table 4.29 revealed that government support had no significant influence on general takaful adoption among MSMEs owner-managers. Although this finding is contrary to some findings in the innovation adoption literature and the theoretical stand of UTAUT (Mandari & Chong, 2018; Lajuni et al., 2017; Nawi et al., 2013; Venkatesh et al., 2003; Tan & Teo, 2000), it is however consistent with the findings of Amin et al. (2011).

A possible explanation for the insignificant effect of government support can be attributed to the perception among sampled respondents' that the government has not provided enough support to facilitate the adoption of takaful in Nigeria. This explanation is plausible since takaful was operational in Nigeria for nearly 10 years (2003 to 2013) without any formal regulatory and legal framework (Dandago et al.,

2020; NAICOM, 2013). Hence, there is the need for government to setup structures, formulate policies and actively promote the significance of takaful to the public. The active engagement and support of government can positively influence the perception and subsequent adoption of takaful products among the citizenry.

5.3.8 Religiosity and General Takaful Adoption

According to Johnson (2001), religiosity is the extent to which a person is devoted to his religion and expresses such through his attitude and behaviour. As anticipated, the hypothesized direct influence of religiosity on general takaful adoption was significant and positive. Based on the t-value and effect size results (Tables 4.29 & 4.31, respectively), religiosity was the most important factor influencing general takaful adoption among MSME owner-managers in North-West Nigeria. The result of this study substantiate the findings of a great deal of the previous studies in the Islamic banking and finance adoption behaviour (Janah et al., 2020; Bananuka et al., 2019; Kaakeh et al., 2019; Yasin & Hati, 2017; Obeid & Kaabachi, 2016; Tara, Irshad, Khan & Yamin, 2014; Amin et al., 2014; Echchabi & Abd Aziz, 2012; Amin et al., 2011). Also, this result agrees with the findings of numerous empirical studies in the area of takaful adoption behaviour (Salman & Hassan, 2020; Dandago et al., 2020; Hassan & Abbas, 2019; Ali et.al., 2019; Shaikh et.al., 2019; Aziz et.al., 2019; Kirfi et al., 2019; Hassan, Mwaura-Tenambergen & Eunice, 2017; Khan & Siddiqui, 2017; Ustaoglu, 2015; Kamil & Nor 2014; Siala, 2013; Gustina & Abdullah, 2012).

However, the result contradicts some findings reported in the takaful adoption literature (Adamu, 2018; Mokhtar et al., 2017; Husin & Rahman, 2016b; Coolen-Maturi, 2013). A possible reason for the contrary findings can be linked to the sampled respondents. For instance, Adamu (2018) draws his sample from the North-West,

North-East, and North-Central sections of Northern Nigeria. Apart from the North-West, Islamic religious beliefs are less conspicuous in the other regions of the North. Similarly, Mokhtar et al. (2017) draw their sample from business organizations that are concerned with the value propositions and service quality of takaful rather than its religious compliance. However, in contrast to this previous studies, particularly that of Adamu (2018), the sampled subjects were limited to the North-West region of Nigeria, where Islamic beliefs are more salient. Thus, the study outcome is consistent with the general characteristics of the North-West region of Nigeria.

5.3.9 Prior Loss Experience and General Takaful Adoption

Prior loss experience has been acknowledged as a significant factor influencing insurance purchase decisions (Innocenti, et al., 2019; Norris, Smith & Kaniasty, 1999; Weinstein, 1989). Individuals and businesses that have experienced loss of assets and properties are more likely to subscribe to insurance policies than those without such prior experience. This study predicted that past loss experience will have a positive and significant influence on general takaful adoption among MSMEs owner-managers in North-West Nigeria. The result (Table 4.29 & Figure 4.4) was as predicted. Prior loss experience had a positive and significant effect on general takaful adoption. This finding supports previous research in the conventional insurance purchase behavior which linked prior loss experience with insurance subscription (Innocenti, et al., 2019; Thistlethwaite et al., 2018; Turner et al., 2014; Norris, Smith & Kaniasty, 1999; Weinstein, 1989). This further validates the applicability of their findings to general takaful purchase behaviour.

A plausible explanation for the significance of prior loss experience can be attributed to the fact that most of the sampled respondents (76.3%) have experienced

loss in their business undertakings (see Table 4.22). This finding also agrees with the study of Dandago et al. (2020) which highlighted the vulnerability and risk exposures of businesses to hazards (especially fire related hazards) in Kano, North-West Nigeria. Hence, the higher the prior loss experience among MSME owner-managers, the more the adoption rate of general takaful.

5.3.10 Moderating Effect of Religiosity

This subsection elaborates on the findings of the moderating role of religiosity in the structural model. The second research objectives/questions seek to answer whether religiosity has a moderating effect on the research model. As proposed in this study, the moderation analysis results showed that religiosity had a moderating effect on the relationships between (i) relative advantage and general takaful adoption (H10a); (ii) complexity and general takaful adoption (H10c); (iii) government support and general takaful adoption (H10g); and (iv) prior loss experience and general takaful adoption (H10h) (see Table 4.34).

These results agree to some extent with the findings of other related studies in the Islamic banking and finance adoption behaviour, in which religiosity was found to have a moderating effect on adoption/purchase behaviour (Ku Amir et al., 2021; Ajetunmobi et al., 2018; Thambiah et al., 2013). For example, Thambiah et al. (2013) found that religion had a moderating effect on some of the DOI constructs' (i.e., relative advantage, compatibility & complexity) relationship with Islamic retail banking adoption in Malaysia. Equally, Ajetunmobi et al. (2018) found that religion moderates the relationship between attitude (cost benefits), subjective norm (social influence), perceived behavioural control (facilitating conditions) and Islamic home financing adoption intention.

Specifically, the moderating effect of religiosity on relative advantage (H10a) revealed that those with high level of religiosity perceive general takaful as having more relative advantage than those with low religiosity. This result is consistent with the finding of Ku Amir et al. (2021) who found that high levels of religiosity moderates the perception of cost of general takaful products. Those with high levels of religiosity prefer general takaful products even if the price of alternatives (such as conventional insurance) is lower. A plausible explanation for this behaviour can be linked to the importance highly religious individuals attach to the dictates of their religion. They will prefer to choose a religious compliant product even if the price is higher than those of conventional products.

Furthermore, as hypothesized, religiosity was found to moderate the relationship between complexity and general takaful adoption (H10c). The perception of complexity of general takaful differs based on an MSME owner-manager's level of religiosity. Those with high level of religiosity perceive general takaful as less complex compared to those with low level of religiosity (see Figure 4.6) This result is in accord with the study of Thambiah et al. (2013) which showed that religion had a moderating effect on the relationship between complexity and Islamic retail banking adoption in Malaysia. In the direct effect model, complexity was insignificant, however with the addition of the moderating variable complexity was found to be more significant and more salient in MSME owner-managers with low religiosity. A possible reason for this behaviour is that those individuals with high level of religiosity give less consideration to the complexity aspect of general takaful in comparison to the less religious. For them, religious observance is the most important motivation to adopt general takaful products and services. This also further clarifies the reason for the contradictory results reported in previous studies.

Also, government support (H10g) (a facilitating condition factor) which was insignificant in the main effect model, was found to be moderated by religiosity in the interaction effect model. Although, this result contradicts the findings of Masnita et al. (2019), it is consistent with that of Ajetunmobi et al. (2018). This suggests that those owner-managers with high levels of religiosity tend to have a more positive perception of government support towards general takaful than the less religious owner-managers (see Figure 4.7). This positive perception among the religious owner-managers can be attributed to the recent developments in the Nigerian insurance sector wherein certain regulations and frameworks were introduced to accommodate the Islamic insurance (takaful) alternative in the insurance industry (Dandago et al., 2020; NAICOM, 2013). As for the less religious, this finding suggest that they perceive government support for general takaful as grossly inadequate.

Additionally, the interaction effect model showed that the relationship between prior loss experience and general takaful adoption was moderated by religiosity (see Table 4.34 & Figure 4.9). This finding indicates that although prior loss experience has a direct and positive influence on general takaful adoption in both groups (high and low religiosity), it is more salient among owner-managers with high level of religiosity (see figure 4.8). This outcome means that prior loss experience provides more justification and impetus for MSME owner-managers with high level of religiosity to adopt general takaful as compared to the less religious. Thus, it can be argued that prior loss experience positively influences general takaful adoption among owner-managers such that the effect is more salient among those with high level of religiosity compared to those with low level of religiosity.

The results of three out of the four hypothesized significant moderating effects (i.e., RA*RG; GS*RG; & LE*RG) suggests an interaction effect that can be classified

as strengthening/enhancing, while the fourth significant moderating effect in the model (CX*RG) indicates a weakening/buffering effect (Gardner, Harris, Li & Mathieu, 2017; Cohen, Cohen, West & Aiken, 2003). In these scenarios, the strengthening and weakening interactions means that “the whole (i.e., the combined effect of the predictors and moderator) is greater than the sum of the parts (i.e., the effect of the individual predictors on the criterion)” (Cohen et al., 2003 p. 255).

On the other hand, one unanticipated result was found in the interaction effect model that contradicts the hypothesis postulated. The results of H10b was significant but conflicting with the predicted relationship path. Religiosity moderates the relationship between compatibility and general takaful adoption. Specifically, the result of interaction effect of H10b showed that religiosity moderates the positive influence of compatibility on general takaful adoption, such that the impact becomes stronger (instead of weaker as hypothesized) with decreased religiosity and weaker (instead of stronger as hypothesized) with increased religiosity (see Table 4.34). This surprising finding suggest that compatibility is more salient for those with low religiosity compared to those with high religiosity. Although the finding is unanticipated, it has support from the literature on interaction effects. This type of interaction has been classified as an “interference or antagonistic interaction in which both predictors (i.e., the predictor and moderator) work on the criterion in the same direction, and the interaction is of opposite sign” (Cohen et al., 2003 p.286). This moderating effect has also been termed as a “substituting effect” by scholars (Gardner et al., 2017).

A substituting effect implies that “both the predictor and moderator variables have the same directional effects on the dependant variable (i.e., positive effects or negative effects); nevertheless, unlike the enhancing effects, neither adds value beyond the other” (Gardner et al., 2017 p.7). In essence, the interaction outcome between compatibility

and religiosity on general takaful adoption indicate a compensatory or substituting effect. This means that for those MSME owner-managers that are high in religiosity, compatibility has less importance to their adoption of general takaful (i.e., religiosity substitutes or compensates for it) as compared to those MSME owner-managers that exhibit low religiosity. Hence, the influence of compatibility on general takaful adoption was more salient among owner-managers with low level of religiosity compared to those with high level of religiosity. This finding indicates that the low religious group place more importance on the compatibility features of takaful products to their business needs rather than its religious connotation. Furthermore, although most previous studies in the takaful adoption literature have validated the positive association between compatibility and adoption, they have not distinguished the effect of compatibility based on the level of religiosity of individuals.

This finding is perhaps the most interesting and intriguing aspect of the study outcome and opens up avenue for further research on the substituting effect of religiosity in the Islamic banking and finance adoption research. Instead of finding a synergising and enhancing interaction effect, the study found a substituting/compensatory interaction effect between compatibility and religiosity.

Finally, religiosity was not found to moderate the relationship between (i) uncertainty and general takaful adoption (H10d) (ii) awareness and general takaful adoption (10e); and (iii) social influence and general takaful adoption (H10f) (see Table 4.34). The results indicated no interaction effects between awareness and religiosity, social influence and religiosity on general takaful adoption, as well as, between uncertainty and religiosity on general takaful adoption. This denotes “that the whole equals the sum of the parts” (Cohen et al., 2003 p.255). In other words, the interactions (AW*RG; SI*RG; UC*RG) did not add any change in the relationship between the

predictors and general takaful adoption. The insignificance of the interaction effect of religiosity with awareness and uncertainty corroborates the findings of Thambiah et al. (2013), which showed that religion has no moderating influence on awareness and uncertainty on the adoption of Islamic retail banking in Malaysia.

The failure of religiosity to moderate the influence of uncertainty on general takaful adoption indicates that the perception of uncertainty (which was insignificant in the main effect model) is not contingent on the level of an owner-manager's religiosity. This finding is plausible since the sampled population were Muslims and Islamic labelled products/services are viewed favourably by the Muslim population. Hence, the perception of uncertainty does not vary much based on one's level of religiosity. Equally, the positive influence of awareness on general takaful adoption does not vary based on the level of an MSME owner-manager's religiosity. This implies that the influence of awareness on general takaful adoption is similar among the two groups (i.e., low religiosity & high religiosity). A possible reason for this finding can be attributed to the fact that awareness, independent of the level of religiosity, informs one of the positive benefits of takaful which appeals to both the highly religious and otherwise.

Additionally, the non-significance of the interaction effect between social influence (subjective norm) and religiosity contradicts some previous findings in the Islamic finance services adoption (Atal, Iranmanesh, Hashim & Foroughi, 2020; Ajetunmobi et al., 2018; Farouk, Idris & Saad, 2018; Patwary, Mohammed, Hazbar & Kamal, 2018), it is however consistent with other published studies (Memon, Azhar, Haque & Bhutto, 2019; Yusuf, Fisol & Yusuff, 2018; Ashraf, Hafeez, Yaseen & Naqvi, 2017). One possible explanation why religiosity failed to moderate the impact of social influence on general takaful adoption may be attributed to the fact that social influence

plays an equally fundamental role in influencing adoption as much as religiosity does in the Nigerian context (Farouk et al., 2018). An MSME owner-manager's religiosity does not significantly change the impact of social influence on general takaful adoption. This implies that both religiosity and social influence independently impact general takaful adoption among MSMEs owner-managers. Furthermore, this finding suggests that there is no significant variation in the effect of social influence on general takaful adoption based on the level of religiosity.

5.4 Chapter Summary

In summary, the present chapter provided an in-depth explanation of the study findings and the reasons for such findings. First, the findings related to research objective one was elaborated. Second, the findings associated with research objective two was discussed. Religiosity, relative advantage and prior loss experience were found to be the most significant factors influencing general takaful adoption among MSMEs owner-managers in Nigeria.

The next chapter presents the study's contribution to theory and practice, study limitations, suggestion for future research and conclusion.