

An Empirical Evidence of Amanah Ikhtiar Malaysia (AIM) Microcredit Programme Participants' Quality of Life

Zuraidah Mohamed Isa

Faculty of Business and Administration, Universiti Teknologi MARA (UiTM), Kedah Branch, Sungai Petani, Kedah 08400, Malaysia

ABSTRACT

Since the inception of microcredit programmes, various studies have been carried out to assess their impacts. Earlier studies seemed to highlight this on the participants' income and consequently poverty. However, recent impact studies of microcredit programmes have been looking into participants' quality of life. Thus, this study attempted to investigate the impact of *Amanah Ikhtiar Malaysia's* microcredit programme on the participants' quality of life and analyse the differences between the new and old participants. This study took on a different perspective by examining aspects of personal attitude, subjective norm, perceived behavioural control, as well as entrepreneurial intention and behaviour. In selecting the samples, a probability sampling (disproportionate stratified) technique was employed. The hypotheses were tested using cross-sectional data of 638 *Amanah Ikhtiar Malaysia* participants. The findings of the study showed that all the hypotheses were significant and supported, where there was significant influence between participants' personal attitude and entrepreneurial intention, participants' subjective norm and entrepreneurial intention, participants' perceived behavioural control and entrepreneurial intention, participants' perceived behavioural control and entrepreneurial behaviour, participants' entrepreneurial intention and entrepreneurial behaviour, including participants' entrepreneurial behaviour and participants' quality of life. On the contrary, the findings of the study revealed no difference in the quality of life between new participants and old participants. This study may contribute to the policy implications of *Amanah Ikhtiar Malaysia's* microcredit programme, especially in improving training and guidance.

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E-mail address:

zuraidah588@uitm.edu.my

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INTRODUCTION

A microcredit programme is one of the most innovative tools in poverty alleviation. In the past, some literature argued on the negative impacts which microcredit programmes have on participants' quality of life. Some of the arguments pointed out that these programmes develop dependency syndromes to the participants, as well as, become a financial burden to them due to high interest rates and administrative rate charges. In time, however, quite a number of literature have started to discuss the positive and significant impacts of microcredit programmes on participants' lives. As a matter of fact, an abundance of studies indicated positive differences brought by the credits offered through such programmes like improved living conditions, education, health, savings, and income.

In support of this, Ghalib et al. (2011) discovered that microcredit programmes possessed the potentials to alleviate poverty. Other studies also showed that participants of microcredit programmes had performed well economically than those who did not participate in the programmes. For example, a study by Tilakaratna et al. (2005) found that compared to non-participants, microcredit enabled the participants to improve the assets, expenditure, and income of their households.

Aside from the above, it is believed that microcredit programmes are capable to improve the quality of life among the poor. The study by Ghalib et al. (2011) too indicated that some studies in Pakistan exhibited that such programmes had brought significant impacts on the quality

of life. On the same note, Khandker (2005) investigated the impacts of microcredit programmes and discovered similar positive welfare effects on all credit-receiving households. Additionally, Morduch (2000) and Rahman and Hossain (1995) claimed that the microcredit programme allowed their clients to achieve a better quality of life. In short, it intrinsically suffices to mention that microcredit programmes still bring about positive contributions to the participants' income and lives. Henceforth, to some extent, microcredit programmes are still relevant in improving the poor society's quality of life.

While the achievements of microcredit institutions in enhancing the income of the poor and alleviating poverty should be much-admired, it appears that most of these studies concentrated their investigations on the economic impact of microcredit programmes. This in turn has raised another interesting question: does the microcredit programme has an impact on a broader development goal, which is the participants' quality of life? Indeed, this question is relevant as argued by Murphy (2015) who stated that the use of microcredit programmes was not only limited to poverty alleviation but might also include other dimensions of development goals. As a case in point, participants' quality of life is more prevalent than poverty alleviation in the impact study of microcredit programmes in Malaysia due to the country's reduced poverty rate which was reported to be less than 1% in 2016 (Economics Planning Unit, 2015). Therefore, investigations of the impact of microcredit programmes on

the participants must go beyond the poverty impact studies. With respect to this, greater attention must be given to improve the poor's quality of life.

Insofar, most of the studies mentioned earlier assumed a direct relationship between microcredit and participants' quality of life. Nevertheless, Hulme (2000) stated that there was either a direct or indirect effect between the impact of microcredit programmes and participants' quality of life. For this reason, this study attempted to investigate the impact of *Amanah Ikhtiar Malaysia's* microcredit programme on the participants' quality of life via a different perspective by examining the aspects of personal attitude, subjective norm, perceived behavioural control, plus entrepreneurial intention and behaviour on participants' quality of life. Furthermore, this study analysed the differences in quality of life between the new and old participants.

THEORETICAL DEVELOPMENT

In general, the intervention of something can affect behavioural change and practices that lead to the achievement of desired outputs. In other words, behavioural change may not be the end goal, but a transition after an intervention that may enhance the result of other outcomes. This can also be drawn from the money that the participants receive from the microcredit programmes in assisting them to become entrepreneurs and start doing businesses. As a result, they can improve their quality of life.

In reference to behavioural change model, it can be seen that there is quite a number of literature in which behavioural

change is theorised and conceptualised. From past literature, the most widely cited and applied theory of planned behaviour was developed by Ajzen (1991), i.e., the Theory of Planned Behaviour (TPB). A search of the online database showed a large number of published studies using Ajzen's theory of planned behaviour. These studies addressed such areas relating to health and behaviour (Godin & Kok, 1996), predicting dishonest action (Beck & Ajzen, 1991), internet purchasing (George, 2004), understanding and predicting electronic commerce adoption (Pavlou & Fygenon, 2006), self-identity (Sparks & Shepherd, 1992), and many more.

The TPB proposes a model that predicts the occurrence of a particular behaviour; whereby this particular behaviour is intentional. As stated by Ajzen (2006), individual behaviour can be deliberative and planned. TPB is a useful method for identifying a particular influence on behaviour that could be targeted for a change. As stated by Ajzen (2006), human behaviour is directed by three main determinants. They are personal attitude, subjective norm, and perceived behavioural control (see Figure 1). Ajzen (2006) also added that personal attitude yielded either a favourable or unfavourable attitude toward the behaviour which were values of the behavioural outcomes. Subjective norms caused by perceived social pressure or by what other people think the person should do affect the person's perception (to engage or not to engage). In other words, the subjective norms are about the positive suggestions,

encouragements, or even advice from people surrounding the participants with regards to whether they should engage in the entrepreneurial intention. Finally, perceived behavioural control is an individual's perceptions of his abilities or feelings of self-efficacy to perform a behaviour. These three main constructs were used to predict the intention to perform a behaviour.

Meanwhile, in relation to the quality of life, literature has also shown that microcredit programmes bring a great impact on participants' quality of life. Chowdhury and Bhuiya's (2004) study of microcredit programmes in Bangladesh revealed that such programmes had a positive impact on human well-being, survival rate, and schooling of children. Similarly, another study by Khandker (2005) on the microcredit programme's impact in Bangladesh had found that the welfare effect was also positive for all households receiving credits. Much later, Ghalib et al. (2011) stated that a few studies in Pakistan had shown that microcredit programmes contributed positively to the poor's quality of life. Their finding indicated that out of four dimensions of study, asset accumulation tends to be a

better indicator of economic well-being. Later, Quraisy et al. (2017) reported that a microcredit programme of *BaitulMaal Wat Tamwil* (BMT) in Indonesia had a positive impact on its participants' quality of life. Henceforth, it intrinsically suffices to mention that microcredit programmes bring about positive contributions and improvement to the participants' quality of life.

To further support the above findings, Hossain (1988), Morduch (2000), and Rahman and Hossain (1995) claimed that microcredit programmes allowed their clients to achieve a better quality of life. Additionally, Hulme and Bhattacharya (1996) revealed the same result where they found that microcredit programmes helped improve the borrowers' well-being and standard of living by improving their income and food consumption.

In the past, Cummins (1996) proposed seven core domains of life in his study, namely material well-being, health, productivity, intimacy, safety, community, and emotional well-being. Deriving from this, Cummins (1996) was decisive with seven main domains – material well-being, health, productivity, intimacy, safety,

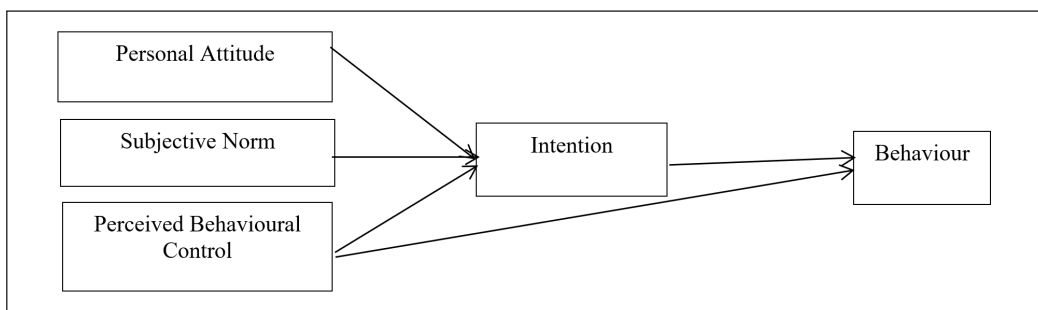


Figure 1. Ajzen's Model of Theory of Planned Behaviour

community, and emotional well-being as important in assessing a person's quality of life. Cummins (1996) received favourable appraisal for his Comprehensive Quality of Life Scale (ComQol) where he stated that quality of life could be accessed through seven ComQol. Notwithstanding, his ComQol was abandoned in 2001 due to two main issues (Cummins, 2002). As a result of this, the Personal Wellbeing Index (PWI) was established to replace ComQol (The International Wellbeing Group, 2013). On the same matter, Malaysia introduced the Malaysian Quality of Life (MQL) in 1999 to examine the quality of life among Malaysians. The initial edition of the MQL index consisted of 10 components and 38 indicators. The more current version, however, consists of 11 components and 45 indicators. The components are income and distribution, working conditions, transport and communications, health, education, housing, environment, family life, social participation, public safety, as well as culture and leisure.

Nevertheless, due to its inability to effectively measure the impact of microcredit programmes on improving the participants' quality of life, a benchmark for the efficient measurement of microcredit programmes and participants' quality of life is urgently needed. Therefore, this study restructured the domains of life used in the key dimensions of PWI and MQLI to reflect the following dimensions: a) income earnings, b) health, c) productivity, d) friendship, e) personal safety, f) education, g) future security, h) food, i) housing conditions, j) personal savings, and k) spirituality in measuring the participants' quality of life. The selection of these key dimensions was based on the available studies on microcredit programmes and participants' quality of life discussing these dimensions. Thus, the key dimensions chosen are deemed as most acceptable for future studies on quality of life.

From the TPB theory and quality of life index, a model of the impact chain by Hulme (2000) (see Figure 2) was adopted.

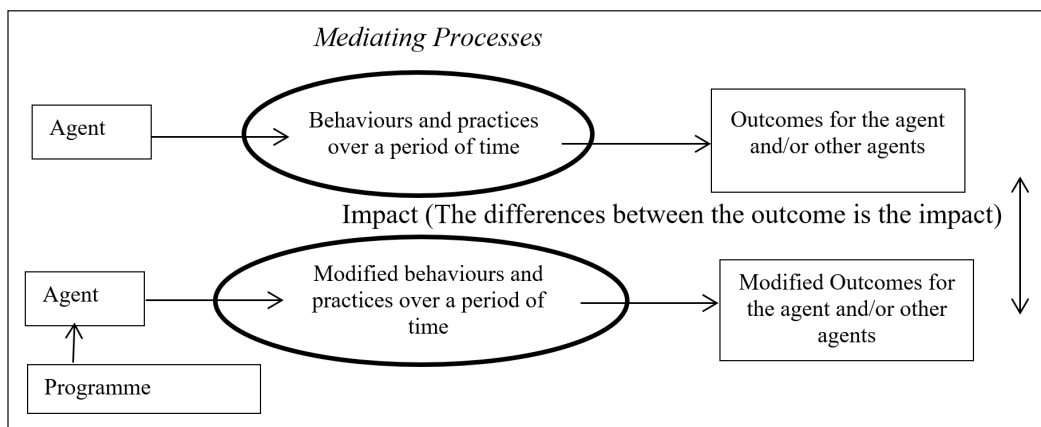


Figure 2. The conventional model of the impact chain
Source: Hulme (2000)

Hulme’s model describes that when the microcredit program is offered to the participants, it will possibly cause a change in participants’ behaviours and practices that lead to the achievement of desired outputs. In other words, behavioural change may not be the end goal, but a transition after an intervention that may enhance the result of other outcomes.

Therefore, the TPB and the newly structured quality of life index were added into the model as established by Hulme (2000) to come up with the theoretical framework of this study as shown in Figure 3.

HYPOTHESIS DEVELOPMENT

A study by Ghalib et al. (2011) indicated that microcredit programmes had brought some positive impacts on the households’ quality of life in Pakistan. The same result also appeared in a study conducted by Chowdhury and Bhuiya (2004), Hossain (1988), Hulme and Bhattacharya (1996), Morduch (2000), Rahman and Hossain (1995), and Khandker (2005) who claimed

that microcredit programmes allowed their clients to achieve a better quality of life.

Similarly, a study by Afrane (2002) revealed an improvement in the respondents’ well-being after they received financial assistance. Furthermore, a study by Epstein and Crane (2005) reported that microcredit programmes significantly impacted the client’s quality of life. In 2011, Al-Mamun and Adaikalam (2011) assessed the impact of microcredit programmes on participants’ quality of life and concluded that participating in AIM microcredit programmes had indeed improved their life quality.

However, it appears that most of the above studies assumed a direct relationship between microcredit programmes and the quality of life of the participants. Therefore, this study argued that there are other factors that might influence the impact of microcredit programmes on participants’ quality of life. These other factors are the participants’ personal attitude, subjective norm, perceived behavioural control, as well as entrepreneurial intention, and entrepreneurial behaviour. In parallel to

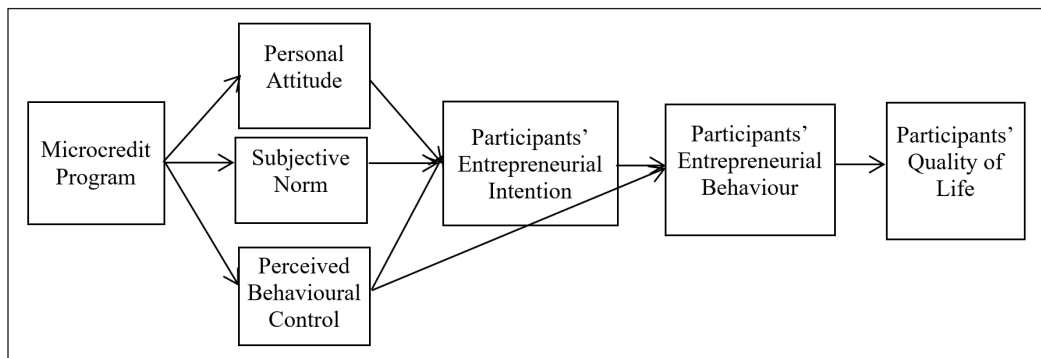


Figure 3. The theoretical framework of assessing the impact of a microcredit programme on participants’ quality of life

this, it is, therefore, hypothesised that microcredit programmes do have an impact on participants' quality of life.

For this study, a hypothesis (H1) was formulated to examine the impact of the microcredit programme on participants' quality of life:

- a) H1a: Participants' personal attitude has a positive influence on participants' entrepreneurial intention.
- b) H1b: Participants' subjective norm has a positive influence on participants' entrepreneurial intention.
- c) H1c: Participants' perceived behavioural control has a positive influence on participants' entrepreneurial intention.
- d) H1d: Participants' perceived behavioural control has a positive influence on participants' entrepreneurial behaviour.
- e) H1e: Participants' entrepreneurial intention has a positive influence on participants' entrepreneurial behaviour.
- f) H1f: Participants' entrepreneurial behaviour has a positive influence on participants' quality of life.

Furthermore, another hypothesis (H2) was also designed to analyse the differences in the quality of life of new and old participants. There are a number of studies that embarked on the same purpose. For example, a study conducted by Al-Mamun et al. (2010) reported that old participants seemed to have a better quality

of life, where they tended to live in a bigger house with more rooms and better structural conditions, as well as used permanent housing materials to build their house. The study also revealed that compared to new participants, the old participants used environmentally less destructive cooking fuel and environmentally safe toilet facilities, as well as owned a refrigerator, a washing machine, and a television.

Consequently, analysing the differences in the quality of life of new and old participants will improve the understanding of the impact of microcredit programmes have on participants' quality of life. Thus, it was hypothesised that there are differences in the quality of life between new and old participants.

RESEARCH METHOD

Population

The population of this study was the participants of *Amanah Ikhtiar Malaysia (AIM)* in Kedah, Penang, and Perlis as at the end of 2013, 51,730 microcredit participants had been approved by *Amanah Ikhtiar Malaysia (AIM)* in these states. Based on this population, the minimum sample size required to conduct the research was 383. As cited in Sekaran and Bougie (2009), and Krejci and Morgan (1970), the decision was to ensure a good decision model is simplified.

Sampling Technique

However, the sample size must be larger than the calculated sample responses required to overcome the sample attrition

issue. Taking 80% as the estimated response rate as proposed by Mokhtar (2011), the calculated working sample size is required to avoid problems such as bias and incomplete responses. Henceforth, the appropriate sample size for this study was equivalent to 478 samples drawn from the total 51,730 participants. However, this study decided to distribute a total of 677 questionnaires to the participants of *Amanah Ikhtiar Malaysia* in Kedah, Penang, and Perlis (Table 1). To be more specific, 377 (55.69%), 200 (29.54%), and 100 (14.77%) questionnaires were distributed to the participants of *Amanah Ikhtiar Malaysia* in Kedah, Penang, and Perlis, respectively. The number of distributed questionnaires was sufficient to address any future problems pertaining to sample error and missing error.

Through several meetings with the heads of selected branches, it was agreed that they would select suitable centres to distribute the questionnaires. Among the reasons why these centres were selected were because of various unaccepted conditions, such as lack of attendance among respondents to the stated meeting, the low literacy level among respondents in certain centres, centres with a too small number of respondents, centres conducting confidential meeting which did not permit other agenda, and centres which

refused to cooperate in completing the questionnaires without any reason.

Furthermore, this study attempted to make a comparison of the quality of life between new and old participants of *Amanah Ikhtiar Malaysia (AIM)*. In conjunction with this, the *AIM* participants were divided into two groups, old and new. Participants who took part less than or equal to 12 months were grouped into the new participants and those who took part more than 12 months were denoted as old participants.

However, as the researcher did not know the number of respondents who were new or old during the time of data collection, a disproportionate stratified sampling procedure was also employed. This was in line with the proposition by Sekaran and Bougie (2009) who posited the applicability of disproportionate sampling when the selected strata were too small or too large. Therefore, practically, this type of sampling technique enabled the study to distinguish between new and old participants under the programme. Thus, a disproportionate sampling method was an appropriate approach to select respondents from districts and groups to represent a sample.

Finally, the questionnaires were distributed during the *Amanah Ikhtiar Malaysia* weekly meeting and the researcher

Table 1
Sample size for *Amanah Ikhtiar Malaysia* participants in Kedah, Penang, and Perlis

State	Number of AIM Participants as at the end of 2015	Number of Samples	Number of Samples (%)
Kedah	40,807	377	55.69
Penang	6,463	200	29.54
Perlis	4,460	100	8.58
Total	51,730	677	100

instantly checked for any unanswered responses. As some of the respondents were not willing to participate in the survey, only 638 out of 677 questionnaires were received and usable for data analysis in this study. Although 39 incomplete questionnaires with a response rate of 94.24 percent (638/677) were identified, the number was adequate and equivalent to previous studies which recorded response rates between 60 to 90 percent (Mokhtar, 2011). Thus, from the 638 completed questionnaires collected from the selected centres, 146 were recognised as new participants and 492 as old.

Measurement

The questionnaire development was adapted from the Personal Wellbeing Index (PWI), Liñán and Chen (2009), McGee et al. (2009), and Mokhtar (2011). Data were collected during the *Amanah Ikhtiar Malaysia* weekly meeting and the researcher instantly checked for any unanswered responses. In this study, all eleven items of participants' quality of life were assessed using an 11-point Likert Scale. In the same way, an 11-points Likert Scale was used to measure the participants' personal attitude, subjective norm, perceived behavioural control, as well as participants' entrepreneurial intention and behaviour in assessing the impact of microcredit programmes on their quality of life.

After the coding and editing process, data screening and cleaning were conducted. The final step was to conduct a descriptive analysis and an inferential analysis. Descriptive analysis was carried out using IBM SPSS Statistics 22 software while the

inferential analysis was conducted using software SmartPLS version 3.0. PLS, which is a structural equation modelling (SEM) technique that tests both measurement model (relationships between indicators and their corresponding latent constructs or variables) and the structural model (relationships between the constructs or variables). This technique was considered adequate for the type of investigation carried out later.

RESULT

Evaluation of Measurement Model

In the measurement model evaluation, the convergent validity analysis was first examined. In order to assess the convergent validity, the factor loadings, composite reliability (CR), and average variance extracted (AVE) must be assessed (Hair et al., 2014a). Hence, for the present study, the factor loadings of all constructs were examined where .70 or more are considered acceptable (Hair et al., 2014a). Table 2 shows that all factor loadings were higher than .70. Therefore, all factor loadings in the study met the minimum requirement. Secondly, the composite reliability (CR) was assessed. According to Hair et al. (2014b), the composite reliability values of .60 and .70 are considered acceptable where any value less than .60 indicates a lack of composite reliability. Nunnally (1978), on the other hand, suggested the composite reliability values of .70 or higher for basic research. Table 2 displays the composite reliability (CR) values for all constructs that ranged from .927 to .975 which were

Table 2
Results of convergent validity analysis

Variables/Constructs	Items	Factor Loading (Loadings) (>.50)	Composite Reliability (CR) (>.70)	Average Variance Extracted (AVE) (>.50)
Participants' Personal Attitude	E1	.853	.961	.831
	E2	.923		
	E3	.915		
	E4	.942		
	E5	.922		
Participants' Subjective Norm	F1	.940	.927	.864
	F2	.919		
Participants' Perceived Behavioural Control	G1	.921	.960	.829
	G2	.941		
	G3	.914		
	G4	.917		
	G5	.859		
Participants' Entrepreneurial Intention	H1	.941	.975	.906
	H2	.964		
	H3	.956		
	H4	.947		
Participants' Entrepreneurial Behaviour	D1	.826	.931	.77
	D2	.913		
	D3	.881		
	D4	.888		
Participants' Quality of Life	C2A	.787	.948	.626
	C2B	.729		
	C2C	.809		
	C2D	.718		
	CDE	.830		
	C2F	.794		
	C2G	.846		
	C2H	.838		
	C2I	.829		
	C2J	.730		
	C2K	.779		

within the acceptable values. Finally, the average variance extracted (AVE) of the constructs was measured. According to Hair et al. (2014a), the ideal value of AVE should be more than .50. Table 2 too exhibits the AVE values within the range of .626 to .906, which met the minimal requirement of .50. From these assessments, the results showed that adequate convergent validity was achieved.

Once the convergent validity was assessed, the discriminant validity analysis was performed on the constructs. Discriminant validity is usually conducted to assess the extent to which a construct is different from one another. Ideally, it is conducted to compare the square root of the AVE values with the latent variable correlations, requiring the square root of each construct's AVE to be greater than its highest correlation with any other construct. In doing this, the cross-loading values are examined to establish support for the discriminant validity. Similarly, the Fornell-Larcker criterion is also examined to establish support for the discriminant validity. These are in line with the suggestions made by Hair et al. (2014b) and Chin (2010).

As a result, the cross-loading values obtained from the present study showed that the diagonal values were higher than the other values in the column and row. In the same way, the Fornell-Larcker criterion values also showed that the square roots of AVE in the diagonal setting were higher than the correlations with the other constructs. Therefore, the constructs in this study were

considered as well-discriminated. Table 3 and Table 4 present the acceptable square root of AVE in the diagonal setting.

In a nutshell, all the assessments established that the construct reliability and the validity of the measurement model met the minimum requirement. As such, it could be assumed that the structural model evaluation was reliable and valid.

The determination coefficient (R^2) denoted the percentage of variance explained by the model. Table 5 shows the percentage of variance explained by the model. It could be seen that the percentage of variance explained was between the acceptable ranges.

Evaluation of Structural Model

There were six hypotheses developed to test the direct relationship. From the bootstrapping procedure, the hypotheses results were obtained and examined. Table 6 shows the final results that exhibited the standard beta values of the path analysis and displayed the t-values of the path model significance.

Firstly, hypothesis H1a stated a positive and significant influence between participants' personal attitude and entrepreneurial intention, which was supported at a .01 level of significance ($b=.369$, $t=5.656$, $p<.01$). Secondly, hypothesis H1b asserted a positive and significant influence between participants' subjective norm and participants' entrepreneurial intention, which was supported at .01 level of significance ($b=.154$, $t=3.649$, $p<.01$). Thirdly, hypothesis H1c

Table 3
Results of cross loadings

	Participants' Quality of Life	Participants' Entrepreneurial Behaviour	Participants' Personal Attitude	Participants' Subjective Norm	Participants' Perceived Behavioural Control	Participants' Entrepreneurial Intention
C2A	0.787	0.534	0.500	0.419	0.523	0.379
C2B	0.729	0.477	0.463	0.365	0.439	0.381
C2C	0.809	0.510	0.500	0.441	0.528	0.399
C2D	0.718	0.500	0.500	0.467	0.511	0.421
C2E	0.830	0.485	0.513	0.435	0.489	0.445
C2F	0.794	0.496	0.476	0.384	0.493	0.408
C2G	0.846	0.487	0.473	0.428	0.498	0.424
C2H	0.838	0.478	0.474	0.411	0.489	0.424
C2I	0.829	0.479	0.443	0.383	0.437	0.344
C2J	0.730	0.460	0.402	0.351	0.443	0.348
C2K	0.779	0.508	0.466	0.448	0.429	0.401
D1	0.518	0.826	0.608	0.441	0.560	0.504
D2	0.595	0.913	0.715	0.543	0.658	0.595
D3	0.515	0.881	0.608	0.441	0.615	0.553
D4	0.559	0.888	0.705	0.529	0.655	0.582
E1	0.534	0.676	0.853	0.550	0.655	0.575
E2	0.553	0.708	0.923	0.619	0.720	0.682
E3	0.575	0.666	0.915	0.651	0.701	0.736
E4	0.555	0.708	0.942	0.663	0.733	0.727
E5	0.525	0.681	0.922	0.684	0.723	0.744
F1	0.500	0.528	0.686	0.940	0.612	0.646
F2	0.471	0.510	0.606	0.919	0.582	0.558
G1	0.542	0.662	0.722	0.587	0.921	0.688
G2	0.552	0.667	0.738	0.597	0.941	0.702
G3	0.539	0.635	0.707	0.602	0.914	0.682
G4	0.575	0.684	0.719	0.598	0.917	0.705
G5	0.563	0.582	0.642	0.542	0.859	0.670
H1	0.518	0.620	0.718	0.624	0.730	0.941
H2	0.467	0.608	0.737	0.616	0.731	0.964
H3	0.480	0.605	0.741	0.626	0.728	0.956
H4	0.451	0.595	0.715	0.609	0.694	0.947

indicated a positive and significant influence between participants' perceived behavioural control and participants' entrepreneurial intention, which was supported at a .01 level of significance ($b=.372$, $t=5.646$, $p<.01$).

Fourthly, hypothesis H1d pointed to a positive and significant relationship between participants' perceived behavioural control and participants' entrepreneurial behaviour, which was supported at a .01

Table 4
Results of Fornell and Larcker Criterion

	Participants' Entrepreneurial Behaviour	Participants' Entrepreneurial Intention	Participants' Perceived Behavioural Control	Participants' Personal Attitude	Participants' Quality of Life	Participants' Subjective Norm
Participants' Entrepreneurial Behaviour	0.878					
Participants' Entrepreneurial Intention	0.638	0.952				
Participants' Perceived Behavioural Control	0.710	0.757	0.911			
Participants' Personal Attitude	0.753	0.765	0.775	0.912		
Participants' Quality of Life	0.624	0.504	0.608	0.601	0.791	
Participants' Subjective Norm	0.559	0.650	0.643	0.698	0.523	0.930

Table 5
Results of Determination Coefficient (R²)

Constructs	R ²	Predictive Power
Participants' Entrepreneurial Intention	0.664	High
Participants' Entrepreneurial Behaviour	0.528	High
Participants' Quality of Life	0.390	High

Table 6
Results of hypotheses testing

Hypothesis 1	Relationship (Exogenous-->Endogenous)	Standard Beta	Standard Error	t-Values	p Values	Decision
H1a	PA -> PEI	.369	.065	5.656	.00***	Supported
H1b	SN -> PEI	.154	.043	3.649	.00***	Supported
H1c	PBC -> PEI	.372	.066	5.646	.00***	Supported
H1d	PBC -> PEB	.533	0.047	11.434	.00***	Supported
H1e	PEI -> PEB	.234	.046	5.076	.00***	Supported
H1f	PEB -> PQL	.624	.030	20.927	.00***	Supported

Note: ***p<.01

level of significance (b=.533, t=11.434, p<.01). Fifthly, hypothesis H1e established a positive and significant relationship between participants' entrepreneurial intention and behaviour, which was supported at a .01 level of significance (b=.234, t=5.076, p<.01). Finally, hypothesis H1f showed that participants' entrepreneurial behaviour

positively and significantly influenced the participants' quality of life at .01 level of significance ($b=.624$, $t=20.927$, $p<.01$).

Multi Group Analysis

In this study, multi group analysis was also conducted to test the differences between path coefficients in the structural model across two groups of data. This was in line with Hair et al.'s (2014a) who claimed that a multi group analysis must be conducted to assess PLS path models between two groups to detect whether there were differences in parameter estimates for each group. In the context of this study, the different paths concerning the impact of AIM microcredit programme on its participants' quality of life can be revealed using the result of path coefficients across the two groups of data. As such, multi group analysis was conducted to observe the path coefficients across the two groups.

In order to conduct this assessment, the researcher divided the participants' length of years joining the AIM microcredit programme using SPSS analysis which

created separate data sets of two groups; participants who joined the microcredit for less than one year (new participants=146) and participants who joined the microcredit for more than one year (old participants=492). A comparison between the new and old participants was analysed using the p-value.

Table 7 shows the results of multi group analysis in detail. Overall, the path coefficients between the two groups showed no difference in the quality of life of the new participants and the old participants. As shown in Table 7, the results of p-value at .181 indicated no significant difference in the effect of the participants' subjective norm on their entrepreneurial intention between the new participants and the old ones. Similarly, a p-value of .994 demonstrated no significant difference in the effect of the participants' perceived behavioural control on their entrepreneurial intention between the new participants and the old participants. In addition, the p-value at .881 indicated no significant difference in the effect of the participants' perceived behavioural control on their entrepreneurial

Table 7
PLS multi group analysis results in details

	New Participants (146 Respondents)		Old Participants (492 Respondents)		Diff	p-Value	sig
	β	SE	β	SE			
PA -> PEI	.550	.098	.322	.073	.228	.033	*
SN -> PEI	.219	.080	.134	.047	.085	.181	-
PBC -> PEI	.152	.082	.431	.074	.280	.994	-
PBC -> PEB	.446	.084	.564	.053	.117	.881	-
PEI -> PEB	.370	.080	.190	.051	.179	.032	*
PEB -> PQL	.588	.074	.637	.031	.049	.716	-

behaviour between the new participants and the old. In fact, the results of p-value at .716 also revealed no significant difference in the effect of the participants' entrepreneurial behaviour on their quality of life between the new participants and the old participants.

Although the overall path coefficients between the two groups showed no difference in the quality of life between the new participants and the old participants, there were only two relationships (path coefficients) that differed significantly across the two groups.

DISCUSSION

This study attempted to investigate the impact of *Amanah Ikhtiar Malaysia's* microcredit programme on the participants' quality of life from a different perspective. The examined aspects involved personal attitude, subjective norm, perceived behavioural control, as well as entrepreneurial intention and behaviour. Besides, this study also analysed the differences in the quality of life between the new and the old participants.

In conjunction with investigating the impact of *Amanah Ikhtiar Malaysia's* microcredit programme on the participants' quality of life, the path coefficients were examined. Firstly, the result supported hypothesis H1a which states a positive and significant influence of participants' personal attitude on participants' entrepreneurial intention. This finding is in parallel with the studies by Autio et al. (2001), Engle et al. (2010), Fayolle et al. (2006), Liñán and Chen (2009), Karimi et al. (2012), and Krueger et al. (2000) who claimed that

personal attitude had significant effects on entrepreneurial intention.

Secondly, the result confirmed there is a positive and significant influence of participants' subjective norm on their entrepreneurial intention as indicated by hypothesis H1b. This finding is consistent with findings by Autio et al. (2001), Engle et al. (2010), Fayolle et al. (2006), Liñán and Chen (2009), Karimi et al. (2012), and Krueger et al. (2000) who revealed that subjective norm had significant effects on entrepreneurial intention.

Thirdly, Hypothesis H1c indicates a positive and significant influence of the participants' perceived behavioural control on their entrepreneurial intention. This finding is in line with the findings of Autio et al. (2001), Engle et al. (2010), Fayolle et al. (2006), Liñán and Chen (2009), Karimi et al. (2012), and Krueger et al. (2000) who agreed that perceived behavioural control had significant effects on entrepreneurial intention.

Fourthly, H1d hypothesis affirmed that a positive and significant influence of participants' perceived behavioural control on their entrepreneurial behaviour as supported by the result. Evidently, findings by Autio et al. (2001), Engle et al. (2010), Fayolle et al. (2006), Liñán and Chen (2009), Karimi et al. (2012), and Krueger et al. (2000) are in accordance with the study's finding where they revealed that perceived behavioural control had significant effects on entrepreneurial intention.

Fifthly, Hypothesis H1e is in tandem with the result where it shows that there is a positive and significant influence of

participants' entrepreneurial intentions on their entrepreneurial behaviour. This finding is parallel with the studies conducted by Autio et al. (2001), Engle et al. (2010), Fayolle et al. (2006), Liñán and Chen (2009), Karimi et al. (2012), and Krueger et al. (2000) which unveiled that participants' entrepreneurial intentions had significant effects on their entrepreneurial behaviour.

Lastly, the result showed a positive and significant influence of the participants' entrepreneurial behaviour on their quality of life, which is consistent with hypothesis H1f. Hulme (2000) claimed that microcredit will cause changes in participants' behaviour which would end in another outcome. By the same token, Darnton (2008) stated that behavioural change would affect a person's quality of life rather than being the end outcome. In fact, this is also in line with Nader (2008) who stated that self-esteem and confidence were enhanced through microcredit which led to improvement in the participants' quality of life.

From the above findings and discussion, it is concluded that microcredit programmes will have an impact on participants' quality of life through their personal attitude, subjective norm, perceived behavioural control, as well as entrepreneurial intention, and behaviour enhancements. Hence, microcredits are offered to participants of microcredit programmes for self-employment activities. The microcredits promote positive personal attitude, subjective norm, perceived behavioural control, as well as entrepreneurial intention and behaviour that boost income-generating

activities to improve the participants' quality of life and take care of themselves and their families.

While, in order to analyse the differences in the quality of life between the new and old participants, the multi group analysis was conducted. In line with this, hypothesis H2 was tested to meet the study's objective. When comparing the two groups, i.e., new participants who joined the microcredit programme for less than one year (new participants) and old participants who joined the microcredit programme for more than one year (old participants), it was found that there was no difference in their quality of life. This finding lies in stark contrast with a past study conducted by Al-Mamun et al. (2010) where they reported different qualities of life between the new and the old participants.

Although the researcher expected to see a different quality of life between the new participants who joined the microcredit programme for less than one year and the old participants who joined the microcredit programme for more than one year, the present findings indicated that the old participants who joined the microcredit programme for more than one year might insufficiently expand their potentials and opportunities to achieve a better quality of life.

CONTRIBUTIONS OF THE STUDY

AIM microcredit programme was established with the objective to reduce poverty among the households and provide low-income earners with microcredit

facilities to improve their income earnings through income-generating activities. The establishment of the AIM microcredit programme was also with the objective to provide guidance and training to the poor. Despite the great achievement of the AIM microcredit programme, especially in poverty alleviation and improvement in the quality of life of the poor, this study revealed a new finding that suggests the need for further improvement in guidance and training in the programme.

The AIM microcredit programme is a great initiative for the poor. Therefore, this present study suggests for the AIM microcredit programme to set up and improve their training and development programmes for the participants. This is necessary to help facilitate the sustainable development of the participants. Providing participants with training and development programmes is compulsory because it is a significant strategy to monitor the effectiveness of the poverty alleviation strategy.

Discussion with experts from local universities may also help to facilitate the AIM's training and development programmes. Further discussion between AIM and the local universities should be conducted to see how the experts can bring a significant arrangement to the participants, especially in training and development programmes. AIM should take this opportunity as a continuing effort for a greater impact and sustainability.

On the other hand, an establishment of entrepreneurship mentoring programmes may also further increase the significance

of AIM's training and development programmes. A mentoring entrepreneurship programme is a strategic concept of learning and development between mentors and mentees. The mentors will be able to help the mentees by advising and recommending necessary actions. This mentoring programme of entrepreneurship may perhaps help to contribute to the development of a talented pipeline for particular businesses among the participants.

CONCLUSION

The present study aimed to investigate the impact of *Amanah Ikhtiar Malaysia's* microcredit programme on the participants' quality of life via a different perspective by examining the aspects of personal attitude, subjective norm, perceived behavioural control, as well as entrepreneurial intention and behaviour. From the findings, all the reported hypotheses were significant and supported. In short, they were influential to the participants' quality of life.

Furthermore, this study also analysed the differences in the quality of life between the new and the old participants. However, the present findings revealed no difference. In conjunction with this, *Amanah Ikhtiar Malaysia* microcredit programme, on that front, falls short. In response to this, new guidance and training programmes for the participants should be implemented as motivational, professional, and emotional support. These are the key links for the old participants to not attempt on businesses merely for survival but also to ensure that they improve and increase their productivity

for their business success. Therefore, the *Amanah Ikhtiar Malaysia* microcredit programme must initiate efforts for the sake of its participants.

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