



THE DETERMINANTS OF INVESTMENT IN ISLAMIC SUKUK: A STUDY OF LIBYAN INVESTORS

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ABSTRACT

The study intends to examine the determinants of investment on Islamic Sukuk using the theory of planned behavior. A structured questionnaire was issued to a sample of 309 Libyan bank customers. The data was analyzed using SPSS and PLS-SEM. The findings indicate that attitudes toward investment have a significant positive influence on intention and perceived control over investment, while subjective pressure from 'Ulamaa' have a significant positive influence on both attitude towards investment and perceived control over investment. Correspondingly, perceived control over investment impacted positively on intention and investment in Islamic Sukuk. However, Subjective pressure from Ulamaa has a negative impact on intention while intention failed to influence investment in Islamic Sukuk.

1. Introduction

The devastating effect of the global financial crisis and the urgent need of the Africa countries to achieve strong macroeconomic growth motivate the policymakers in many countries to strengthen their financial institution by providing a more comprehensive, stable financial system that can promote economic growth and stability (Norat, Pinon & Zeidane, 2015). Consistent with this noble objective is the introduction of the Islamic mode of finance which offers different investment services that conform with the Islamic Shari'ah (IIFM, 2018). One of the notable Islamic mode of business finance is the introduction of Islamic Sukuk ((Norat, Pinon & Zeidane, 2015). Worldwide, the growth of Islamic mode of business finance, in particular, Sukuk is becoming more prominent in the present years. The demand for Islamic Sukuk has rapidly grown by about 53.6% in 2017 to 59% in 2018. The need for the product (Sukuk) is anticipated to hit 64.9% in 2019 and even shoot to approximately 71.4% by 2020 and 78.5% by 2021 (World Bank, 2018). Correspondingly, the value of Islamic Sukuk increase from USD115 billion in 2017 to USD120 billion in 2018 and is expected to increase to USD124 billion in 2019 and USD129 billion in 2020 respectively (World Bank, 2018).

On the other hand, the desire for strong investment finance in North Africa with a predominantly Muslim populations drive the need for the issuance of Sukuk in the continent. Faye, Triki & Kangoye (2013) noted that most north African countries, are newcomers to the Islamic financial market. Therefore, the policymakers did not envisage any great potential in it and also, they are trying to protect the politico-religious stability of the region and avoid entries of Islamic fundamentalism which Islamic finance was thought to encourage. Only in the late years did local authorities became conscious of the need to tap from Islamic mode of investment finance especially Sukuk as seen in the case of Libya (Gait, 2009; Gait 2015). A survey conducted in Libya revealed that the Islamic financial products offered by Libyan banks are still at the lowest levels and cannot satisfy the investor's needs (Panigrahi et al., 2018). However, the investor's attitude towards Sukuk, religious beliefs and easy access to Islamic financial products and services, influence the extent to which investors intend to invest in the alternative products (Sukuk) (Ramadhan, & Nugroho, (2014). Similarly, studies have shown that the investment decision of Libyans is predominantly influenced by social forces (the council of Ulama'a and the Jurist) which ultimately shape their religious believe, cultural and social values as well as their willingness to adhere strictly to religious injunctions and comply with the behaviors of their leaders (Abdussalam, 2014; Gait & Worthington, 2015). These issues may have either positive or adverse effect on the intention to invest in Islamic Sukuk especially when investors understand that a significant social force will encourage them to invest or not to invest in Islamic Sukuk (Warsame, 2016). In line with the above background the present study aim at exploring the determinant of investment in Islamic sukuk among Libyan investors.

2. Literature Review and Hypothesis Development

Over a decade, many studies have validated the importance of TPB in predicting human behaviors (Ayob, Sheau-Ting, Abdul Jalil, & Chin, 2017; Shah Alam, & Mohamed Sayuti, 2011; Sherwani, Ali, Ali, & Hussain, 2018). Within the context of Islamic finance, Gait and Worthington (2015) used TPB in predicting attitudes of Libyan investors towards Islamic mode of business finance and established a significant relationship between the TPB variables. However, the study conducted by Gait & Worthington (2015) was undertaken in 2010 during the Libyan unrest. Therefore, the researchers have under-utilized the existing research literature. Moreover, the issues of the war have caused severe psychological trauma on the entire society with stagnated economic activities. Hence the findings cannot be generalized and need a further review. In a similar study, Ashidiqi and Arundina (2017) investigate the intention of Indonesian students to invest in Sukuk and established a statistically significant relationship between the TPB variables and intention. However, there is an urgent need to study the investors behavior because they are the key players in the sector.

In one of the most recent study, Warsame & Ileri (2016), conducted research using the TPB model to examine the use of Sukuk in Qatar. The research discovered that attitude has a significant and positive impact on the intention to use Sukuk whereas religiosity failed to influence the use of Sukuk. Perceived control (quality of customer service and knowledge) are important factors that increase people's perception of Sukuk. The Warsame & Ileri (2016) study focus on the use of Sukuk rather than intention to invest on Sukuk and the actual investment in Sukuk. Hence the need for further study in that area. Overall, the previous study adopted TPB in many research contexts. Yet, it is still not clear how this model can be used in Libya with a very intricate economics background. Similarly, the investors may likely react differently due to religious inclination. Although individual investors are distinctively unique and extremely diverse in nature. Individual investors may be emotionally bias which may, in turn, influence their ability to invest in Islamic Sukuk. Therefore, it is necessary to further examine the potential determinants of investment in Islamic Sukuk in Libya.

2.1 The Theoretical Framework

The TPB is an extended form of the theory of reasoning action TRA (Ajzen, 1985, 1991; Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1973). The theory was designed to explain how psychological factors influence behavioral performance. According to the TPB, individual's ability to perform a specific action is determined by his or her intention which ultimately leads to the behavior. Correspondingly, behavioral intention is mutually determined by the individual's attitude (The rate at which behavioral performance is positively or negative measured) and subjective norms (individual's assessment of what important referent others think that one should do) relating to the behavior in question. As a result of a situation where an individual has incomplete volitional control, the TPB introduced perceived behavioral control to take care of the issue. Hence, perceived behavioral control is the extent to which the behavior can be performed at will (Ajzen, 1985, 1991). As a general rule, the stronger the attitude towards the behavior and subjective norm, the higher the perceived behavioral control, and the greater should be an individual's intention to engage in the behavior of their interest (Ajzen, 1985; Ajzen 1991; Ajzen 2002).

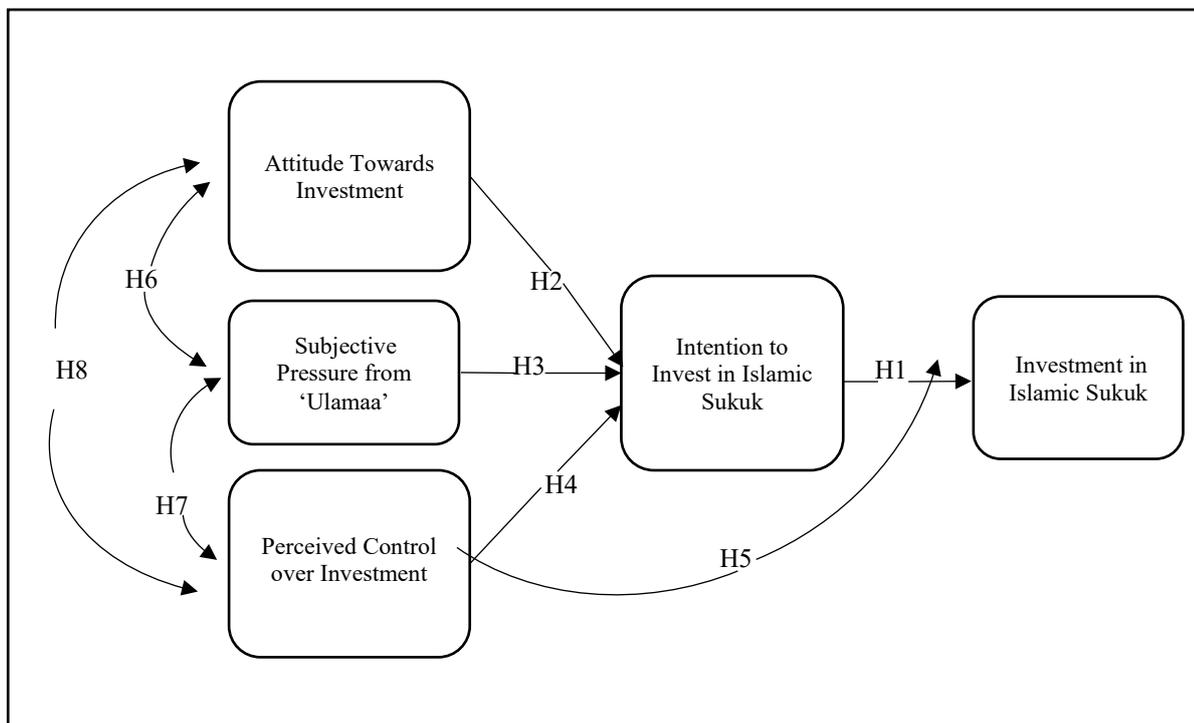


Figure 1 Theoretical framework

The philosophy behind the TRA (Fishbein, 1980 Fishbein & Ajzen, 1975) and TPB models (Ajzen, 1985, 1991) was built on the argument that most immediate and important predictors of an individual's behavior is his/her intention to engage in the behavior in question. According to the theory of reasoned action, intentions are the main predictors of behavior mediated by attitudes and subjective norms (Fishbein, 1980 Fishbein & Ajzen, 1975). In a situation where an individual's behavior is under control, behavioral intention is assumed to predict behavior with a high level of accuracy all things being equal (Ajzen, 1988). Thus, investment in Islamic Sukuk is defined as the willingness of the individual investors to invest in Islamic sukuk as it is determined by attitude towards investment in Islamic sukuk, subjective pressure from 'Ulamaa' and perceived control over investment. Although there is strong justification that individuals may overestimate the probability of behavioral performance and underestimate the chances of not performing an undesired behavior which may eventually cause inconsistencies in the relationship (Ajzen et al., 2004). However, the intention and behavior may show a high correlation if the difference in the time between the two variables is low (Fishbein & Ajzen, 1981). In view of this argument, Ajzen (1985) posits that behavioral intention always changes over time, the higher the time interval between behavioral intention and behavior, the greater the probability of changes in behavioral intention. Studies on intention to invest in Islamic sukuk are rarely found. However, intentions have been known to predict investment behaviors. In a study conducted by Koslowsky, Kluger & Yinon (1988) suggested that intention to invest has a significant positive influence on investment behavior. Similarly, Pascual-Ezama et al., (2014) reported that Individual investor's intention has a positive significant correlation with investment behavior. The present study assumed that intention to invest in Islamic sukuk will have a positive significant impact on investment in Islamic sukuk. Hence, the following hypotheses is proposed:

H1: Intention to invest in Islamic Sukuk will be positively related to investment in Islamic Sukuk.

2.2 Attitude Towards Investment in Islamic Sukuk and Intention to Invest in Islamic Sukuk

Attitudes towards behavior is one of the most important, and widely used concepts in social psychology (Ajzen, 2002). Attitude towards behavior is the rate at which an individual perceived any particular issue with some degree of positive or negative inclination. Attitude toward the behavior is determined by the sum of available behavioral beliefs linking the behavior to many outcomes and attributes (Ajzen 1991). Fishbein and Ajzen, (1975) posit that attitude towards the behavior is mediated by intention to influence behavioral performance because, under normal circumstances, intentions guides goal-directed behavior and equally served as a motivation for actual behavioral actions. Therefore, positive attitudes toward behavior is likely to influence positive intention and behavioral outcome especially if the person perceives that the behavior will yield a positive result (Ajzen 1991). On the contrary, the more negative the attitude towards the behavior, the weaker the individual's behavioral performance. Previous studies have shown that attitude towards a financial product (e.g. Sukuk) have a positive impact on investors' intention (Ashidiqi, & Arundina, 2017; Raut, Das, & Kumar, 2018) and intention to use sukuk (Warsame, & Ileri, 2016). The researchers strongly argued that attitude is one of the important factors that influences the intention of an investor. In line with these views, it is assumed that positive attitude towards investment in Islamic Sukuk will have a significant positive relationship with intention to invest in Islamic Sukuk.

H2: Attitude towards investment in Islamic Sukuk will be positively related to intention to invest in Islamic Sukuk

2.3 Subjective Pressure from 'Ulamaa' and Intention to Invest in Islamic Sukuk

The concept of subjective pressure from 'Ulamaa' is derived from the Ajzen's subjective norms which is regarded as the second determinant of behavioral intention. Subjective norm is the impact of social pressure perceived by the individual and weighted by the motivation to comply with the behavior of their referent group (Ajzen & Fishbein, 1988). Subjective norms is determined by the Normative belief which represents the social pressure from the important referent group to perform or not perform the behavior while the motivation to comply with the social pressure signifies the individual's ability to meet up with the behavior of the expected referent group. Ramdhony (2013) suggested that religious belief, influence of the third party, peers and media plays a significant role in customer's belief and motivation to invest in Islamic financial product. In another study, Zainuddin, Jahyd, and Ramayah (2004) noted that the decision-making processes of Islamic banks customers in Malaysia were influenced by strong religious motivation, spouses, relatives, and friends. Similarly, Warsame & Ileri (2016) suggested that subjective norm on the use of sukuk has no significant impact on the intention to used sukuk. In contrast, Ashidiqi, & Arundina, (2017) argued that subjective norm has significant positive impact on intention to invest in sukuk. Hence the present study assumed that subjective pressure from 'Ulamaa' will have a significant positive impact on the intention to invest in Islamic sukuk. Therefore, it is hypothesized that:

H3: Subjective pressure from 'Ulamaa' will be positively relate to intention to invest in Islamic Sukuk

2.4 Perceived Control over Investment and Intention to Invest in Islamic Sukuk

Perceived behavioral control (PBC) is the perception of the individual about the ease or difficulty of performing a particular behavior (Ajzen, 1991). Thus, the concept of perceived control over investment is regarded as the perceived ease or difficulty of investment in Islamic sukuk and it is determined by social, emotional and behavioral subskills. Investment studies conducted using TPB shows a lot of empirical evidence that perceived behavioral control has a significant impact on behavioral intention. A study conduct by Raut, Das & Kumar (2018) suggested that perceived

behavioral control have a significant positive relationship with intention to invest in stock market. Similarly, Warsame & Ileri (2016) proposed that perceived behavioral control have a significant positive relationship with intention to use Sukuk. Correspondingly, Ashidiqi and Arundina (2017) suggested that perceived behavioral control has a significant positive impact on Indonesian student's intention to invest in Sukuk. In line with these findings, the present study hypothesizes that:

H4: Perceived control over investment will be positively related to intention to invest in Islamic Sukuk

2.5 Perceived Control over Investment and Investment in Islamic Sukuk

The TPB proposed that PBC can relate directly to behavior and can often be use as a substitute of actual control. However, motivation alone cannot influence behavioral performance rather it has to be back up by adequate control over the behavior in question (Ajzen, 191; Ajzen & Madden, 1986). In line with this argument, perceived control over investment may relate with investment in Islamic Sukuk. According to Warsame & Ileri (2016), perceived behavioral control is influence by availability of information on sukuk which in due course lead to use of sukuk by the customers. Review of literature has shown that perceived behavioral control has a significant impact on behavior. Warsame & Ileri (2016), reported that perceived behavioral control have a significant positive impact on use of sukuk. In another study Schmidt, N. (2010) proposed that perceptions and ability to control investment in mutual funds have a significant positive impact on private investor general willingness to purchase mutual funds. Moreover, Maulana, Razak & Adeyemi (2018) suggested that positive beliefs about perceived behavioral control have a positive significant impact on participating in Islamic microfinance. In the view of the above discussion, it can be assumed that perceived control over investment will positively and significantly influence investment in Islamic sukuk. Therefore, the proposed hypothesis is:

H5: Perceived control over investment will be positively related to intention to invest in Islamic Sukuk

2.6 Subjective pressure from 'Ulamaa' and Attitude Towards Investment in Islamic Sukuk

The TPB states that individuals intend to behave in a way they can comfortably derive a satisfactory outcome and meet the expectation of their important referent groups (Ajzen & Fishbein 1980). Therefore, intentions to perform an act can be predicted by the combination of subjective norms and attitudes toward behavior (Ajzen, 2002; Ajzen & Fishbein, 1973, 1980). Research has shown that subjective pressure from 'Ulamaa', and Jurist with considerable authority of issuing verdicts (Fatwa) on the legality of Islamic financial products and investment instruments influence the attitude and intention of the investors (Rosly, 2010). On the other hand, when the 'Ulamaa' endorses their names to a Sukuk issue, individual investors will be more convinced that the newly-issued Sukuk is in line with shari'a principle (Godlewski, Turk-Ariss & Weill, 2016). In turn, the investors will have a positive attitude towards investment in Islamic sukuk and the intention to invest in the product. Additional, when a Sukuk issue is approved by a large number of 'Ulamaa' or shari'a scholars, a positive signal is likely to be sent to the market on the acceptability of the Sukuk financial instrument. The investors will have positive attitudes towards the product and be motivated to invest in the product (Najeeb and Ibrahim, 2014). Review of literature have shown that Subjective norms positively influence attitude towards behavior (Al-Swidi et al., 2014; Chang,1998; Sudarsono 2015; Tarkiainen, & Sundqvist, 2005). The present study therefore assumed that subjective pressure from 'Ulamaa' through verdict (Fatwa) or direct endorsement will shape the attitude towards investment in Islamic Sukuk of the investors. Thus, it is hypothesis that:

H6: Subjective pressure from 'Ulamaa' will be positively related to attitude towards investment in Islamic Sukuk

2.7 Subjective pressure from 'Ulamaa' and Perceived control over Investment

The theory of planned behavior posits that the probability of an individual to have control over his/her behavior to a large extent depends on some no motivational factors such as availability of necessary opportunities and resources such as time, money, skills, and influence of others (Ajzen, 1985). Jointly, these factors characterize control over the behavior which eventually results in behavioral intention and behavior. On the other hand, Ajzen (1980), regards subjective norm as the social pressure from members of the family friends or others who are important to the individual on whether to or not to perform the behavior in question. This entails that fundamental of behavioral control is rooted from the influence of important others (family, friends, peers or important others). Review of literature shows that subjective norm relates with perceive behavioral control. In a study conducted by Dinc, & Budic, (2016) suggested that subjective norms have a significant positive relationship with perceived behavioral control. Hence, it is hypothesized that:

H7: Subjective pressure from 'Ulamaa' will be positively related to attitude towards investment in Islamic Sukuk

2.8 Perceived control over Investment and Attitude Towards Investment in Islamic Sukuk

The TPB general rule stipulated that the greater the positive attitude towards behavior and subjective norm, the higher the perceived behavioral control, and the stronger should be an individual's intention to engage in the behavior of interest. This relationship shows that the relative importance of attitude and perceived behavioral control in the prediction of intention are expected to account for positive intentions, which will, in turn, lead to behavioral performance (Ajzen, 1991). Hence, positive attitudes towards the behavior can relates with perceived behavioral control. In line with this view, therefore, a positive attitude towards investment in Islamic Sukuk will lead to higher perceived control over investment

provided the individual investors have the necessary opportunities and resources to invest in Islamic Sukuk. He/She will have positive intention to invest in Islamic sukuk which eventually lead to investment in Islamic Sukuk. Although studies related to attitude towards investment and perceived control over investment are rarely found, previous studies were in support of the relationship between attitude and perceived behavioral control (Ajzen 1991; Ajzen, & Madden, 1986). In light of the above discussion it is hypothesized that:

H8: Attitude towards investment in Islamic Sukuk will be positively related to perceived control over investment.

3. Research Model and Hypotheses

The present study was conducted in Libya, and the unit of analysis are potential investor specifically customers from Jumhouria bank. Over 500 questionnaires were issued to the respondent via direct contact with the customers. The data collection exercise took approximately 3 months in last quarter of 2018. At the end of the exercise, a total number of 309 (61.8%) responses were captured which were then used for the final analysis. It is important to note that some returned questionnaires were discarded because they were not filled correctly. Even though most of the respondents were (randomly) selected, a convenient sampling technique was behind the success. Please refer to Table I for the presentation of the demographic features of the respondent.

Table 1: The Demographic Features of the Respondents

Demographic Items	Frequency	Percent
Gender		
Male	207	67.0
Female	102	33.0
Total	309	100.0
Age of the respondent		
20-30	66	21.4
31-40	120	38.8
41-50	104	33.7
51 and above	19	6.1
Total	309	100.0
Academic Qualification		
Total Diploma and less	64	20.7
Bachelor	136	44.0
Master	79	25.6
PhD	29	9.4
Other	1	.3
Total	309	100.0
Current Occupation		
Employee	238	77.0
Private business (free business)	47	15.2
Investor in the stock market	2	.6
Housewife	6	1.9
Student	16	5.2
Total	309	100.0
Do you have an account?		
Yes	296	95.8
No	13	4.2
Total	309	100.0

3.1 Variables Measurement

Except for the demographic features of the respondents, all the variables measures used were sourced from previous studies. The measures of Behavior and subjective pressure from 'Ulamaa' was adapted from Cameron, (2012), Attitude and perceived control from Angraini, & Siswanto, (2016) and intention to invest in Islamic Sukuk was adapted from Makanyeza, (2017). All the items were anchored on a seven-point Likert type scale with 1 being completely disagreed, and 7 completely agree. The descriptive statistics of the variables are presented in Table II.

3.2 The Analytical tool

PLS-SEM is one of the statistical tools used in many fields of studies and can estimate very complex models with few observations without affecting the distributional assumptions of the data. PLS-SEM is very useful for both exploratory and perception studies that are theoretically based and data-rich (Hair, Ringle, & Sarstedt, 2011; Hair, Hollingsworth,

Randolph, and Chong, 2017; Hair, Sarstedt, Ringle, and Mena, 2012; Sarstedt et al., 2014). Consistent with the recommendations of Hair and others', PLS-SEM was chosen in the present study because of the formative nature of the research and testing of the Theory of planned behavior.

4. Analysis and Results

4.1 The Assessment of Measurement Model

Prior to the analysis of the data to test the hypotheses, the data were verified for normality. The PLS-SEM reflective outer measurement model was used to test the normality of the data. Precisely, the normality test comprises of the convergent validity, Internal consistency and reliability and discriminant validity, while multicollinearity was tested using SPSS. Firstly, the convergent validity via Average Variance Extracted (AVE) was used to measure the extent to which the items represent the latent construct and how they relate with other measures of the same latent construct (Fornell & Larcker, 1981; Hair et al., 2006). To achieve a good convergent validity in a model, the Average Variance Extracted (AVE) of each construct should be 0.50 or higher. Consistent with the recommendation of Chin (1998), the values of AVE in table 2 exhibit high loadings ($p > .50$) on their constructs indicating good convergent validity of the model.

Table 2 Convergent validity and the Internal consistency and Reliability

Latent Variables	Cronbach Alpha	Composite Reliability	Average Variance Extracted (AVE)
Attitude Towards Investment	0.903	0.932	0.776
Intention to Invest in Islamic Sukuk	0.945	0.960	0.858
Investment in Islamic Sukuk	0.951	0.962	0.836
Perceived Control over Investment	0.911	0.937	0.789
Subjective Pressure from 'Ulamaa'	0.935	0.950	0.792

Conventionally, the most commonly used estimators of internal consistency and reliability are the Cronbach alpha and Composite reliability coefficient (Bacon, Sauer, & Young, 1995; McCrae, Kurtz, Yamagata, & Terracciano, 2011; Peterson & Kim, 2013). To evaluate the measures of internal consistency of a model entails the assessment of composite reliability, while traditionally, Cronbach alpha was used to assess the construct in the measurement model (Cronbach and Meehl, 1955; Yamagata & Terracciano, 2011; Peterson & Kim, 2013). The composite reliability coefficient provides a more suitable measures of internal consistency and reliability compared to the Cronbach alpha (Hair et al., 2014). The present study adopt the composite reliability and Cronbach alpha to assess validity of the construct. In line with the rule for assessing composite reliability coefficient, and Cronbach alpha, the generally accepted values of the Cronbach alpha should be greater than 0.5, and the composite reliability above 0.7 (Chin, 1998; Sarstedt et al., 2014). Tables 2 indicates that all the values of the composite reliability were beyond 0.7 and the Cronbach alpha of all the constructs was above 0.5 signifying that the model is fit for further analysis.

Similarly, the discriminant validity which measures the rate at which the construct differs from one another can be asses using either the cross loading of indicator, or the Fornell & Larcker criterion (Chin (1998). Thus, the present study used the cross-loadings to measure the discriminant validity of the model. Chin (1998) suggested that all the indicator loadings should be higher than the cross-loadings in any model. Thus, Table 3 relates the indicator loadings with other reflective indicators. The result obtained shows that all indicator loadings were higher than the cross-loadings, suggesting that the discriminant validity is suitable for further analysis in the main model.

Table 3. Cross-loading of the Variables

	ATI	IIS	IIS	PCI	SPU
ATI01	0.904	0.794	0.498	0.581	0.560
ATI02	0.902	0.745	0.539	0.619	0.577
ATI03	0.895	0.752	0.566	0.646	0.575
ATI04	0.819	0.659	0.475	0.532	0.454
IIS01	0.790	0.921	0.508	0.570	0.532
IIS02	0.768	0.933	0.553	0.614	0.539
IIS03	0.758	0.916	0.505	0.573	0.502
IIS04	0.795	0.936	0.54	0.588	0.561
IIS01	0.528	0.488	0.923	0.763	0.498
IIS02	0.521	0.476	0.935	0.753	0.525
IIS03	0.600	0.616	0.912	0.757	0.524
IIS04	0.551	0.536	0.904	0.706	0.522
IIS05	0.497	0.476	0.895	0.664	0.444

PCI01	0.675	0.652	0.705	0.898	0.583
PCI02	0.559	0.514	0.789	0.915	0.499
PCI03	0.626	0.585	0.644	0.855	0.528
PCI04	0.538	0.487	0.701	0.884	0.581
SPU01	0.469	0.385	0.397	0.450	0.900
SPU02	0.480	0.461	0.417	0.464	0.887
SPU03	0.594	0.532	0.516	0.582	0.942
SPU04	0.471	0.419	0.447	0.495	0.922
SPU05	0.653	0.667	0.598	0.668	0.793

4.2 Testing the Issues of Multi Collinearity

Multicollinearity is the situations where one or more constructs become highly correlated. However, multicollinearity issues increased standard errors of the coefficients, reduced the level of the correlation and change the statistical significance of the model (Chatterjee and Yilmaz, 1992; Hair, Black, Babin, Anderson & Tatham, 2006). The present study adopted the correlation matrix of the exogenous latent constructs in solving the issues of multicollinearity (Hair et al., 2011). Bryman and Cramer (2005), suggested correlation matrix measures the strength of a relationship between variables. Hair et al. (2010) proposed that the correlation matrix coefficient of 0.90 and above indicates multicollinearity issues between the exogenous latent constructs. Table 4 presents the correlation matrix, mean and standard deviation of the relationships. The results obtained suggested that the correlation matrix of the model are adequately correlated as projected (Brännback et al., 2007; Elfving et al., 2009), and the values are statistically significant.

Table 4 Correlation matrix

S/N		Mean	Std. Deviation	1	2	3	4	5
1	Behavior	4.50	1.674	1	.489**	.177**	.412**	.660**
2	Intention	5.46	1.424		1	.278**	.392**	.506**
3	Attitude	5.52	1.316			1	.155**	.229**
4	Subjective Norm	4.86	1.728				1	.429**
5	Perceived Control	4.81	1.523					1

Note: **. Correlation is significant at the 0.01 level (2-tailed).

4.3 Assessing the PLS-SEM's Structural Model

The structural model presents the relationships between the constructs being evaluated Figure 2 and Table 5 shows the structural model result of the study. According to the result displayed in Table 4, H2, H4, H5, H6, H7 and H8 were supported. However, H1 and H3 were not supported. The result further shows that H1 was significant but negative while H3. Therefore, the result presented in Table 4 indicates that Hypothesis 1, which assumed a positive relationship between intention to invest in Islamic Sukuk and investment in Islamic Sukuk was not support because intention negatively influence investment in Islamic sukuk ($\beta = 0.10$; $t = 1.91$; $p < 0.05$). Hypothesis 2, the relationship between attitude towards investment in Islamic Sukuk and intention to invest in Islamic Sukuk ($\beta = 0.74$; $t = 16.40$; $p < 0.001$) was support. However, Hypothesis 3, proposed a positive relationship between subjective pressure and intention to invest in Islamic Sukuk. The result obtained did not support the hypothesis ($\beta = 0.6$; $t = 1.4$; $p > 0.01$).

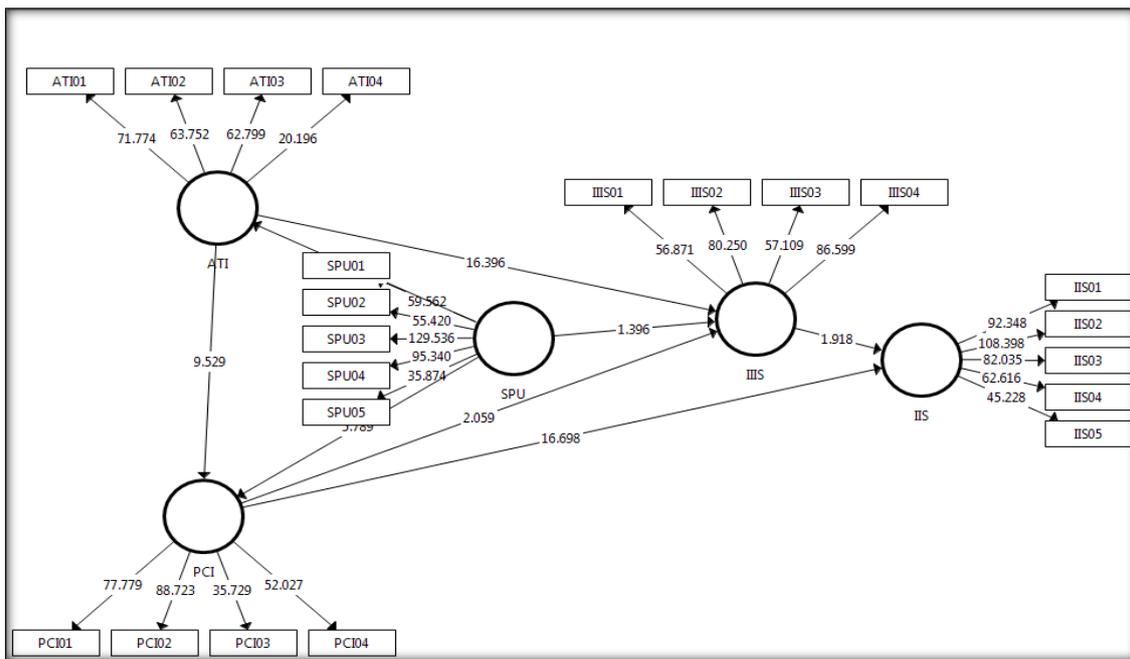


Figure 2: Structural Model

Hypothesis 4, anticipated a relationship between perceived control over investment and intention to invest in Islamic Sukuk, remained supported ($\beta = 0.09$; $t = 2.06$; $p < 0.05$). Similar, H5 which assume a positive relationship between perceived control over investment and investment in Islamic Sukuk was equally supported ($\beta = 0.73$; $t = 16.70$; $p < 0.001$). Likewise, Hypothesis 6 which proposed a positive relationship between subjective norm and attitude towards investment gained support ($\beta = 0.62$; $t = 18.90$; $p < 0.001$). Hypothesis 7 anticipates a positive relationship between subjective pressure and perceived control over invest was equally supported ($\beta = 0.62$; $t = 18.90$; $p < 0.001$). Lastly, the assumption of hypothesis 8, remained supported because there is a positive relationship between attitude towards investment and perceived control over investment ($\beta = 0.32$; $t = 5.80$; $p < 0.001$). Overall, the result obtained from the analyses was in support 6 hypothesis whereas 2 hypotheses were not supported. Table 4 present the summary of the findings while the final research model was shown in Fig. 2

Table 4 Result of the structural Model

Hypothesis	Relationship	Beta Coefficient	T- Statistics	P-Values
H1	Intention → Behavior	0.10	1.912	0.055
H2	Attitude → Intention	0.74	16.40	0.000
H3	Pressure from 'Ulamaa' → Intention	0.06	1.40	0.163
H4	Control → Intention	0.09	2.06	0.040
H5	Control → Behavior	0.73	16.70	0.000
H6	Pressure from 'Ulamaa' → Attitude	0.62	18.90	0.000
H7	Pressure from 'Ulamaa' → Control	0.32	5.80	0.000
H8	Attitude → Control	0.48	9.53	0.000

5. Discussion of the Result

The result of this study indicates that the intention to invest in Islamic Sukuk negatively influence investment in Islamic Sukuk, though the result shows negative but significant, it's an indication that investors intention towards Sukuk may not likely inspire the investors to invest in Sukuk. On the other hand, the findings of the study prove that the Libyan investors have a positive attitude towards investment which in turn shaped their intention to invest in Sukuk. However, Subjective pressure from the 'Ulamaa' does not affect the intention of the investors to invest in Sukuk. Perceived control over investment positively influenced the intention of the investors to invest in Sukuk, which means that the Libyan investors have control over their resources. Hence, they may likely have a positive intention to invest in Sukuk. The result of the study further shows that perceived control over investment has a positive impact on investment in Islamic Sukuk. Hence, the investors level of control over their resources may likely motivate them to invest in Islamic Sukuk. Likewise, subjective pressure from Ulamaa have a positive impact on shaping the attitude of the investors which in turn may influence

them to have a positive intention to invest in Islamic Sukuk. Moreover, Subjective pressure from ‘Ulamaa’ impacted positively on investors perceived control over investment leading to intention to invest in Sukuk and direct investment in Islamic sukuk. Lastly, positive attitude towards investment enhance the investors perceived control over investment because the investors may likely have full control over their resources will eventually lead to investment in intention and direct investment in Islamic Sukuk.

5.1 Theoretical Implication of the Study

The findings of this study provide strong support for the applicability of the theory of planned behavior. The study offers a new standard in the Islamic financial literature and immensely contributed to the new theoretical base which shade more light on the factors influencing intentions to invest in Islamic Sukuk. Firstly, a few numbers of studies considered the intention to invest in Islamic Sukuk. The present study evaluates, empirically, the relationships between the variables and the intention to invest in Islamic Sukuk by using the TPB as its research base. Consistent with the earlier studies, which applied TPB (e.g., Ajzen, 1991), the present research predicts behavior of investors towards investment in Islamic Sukuk. Second, the results further show that the theory of planned behavior has robust and predictive power for behavioral intention compared to the actual behavior. Thus, the study provides a good theoretical contribution by explaining and predicting the investor's decision-making process.

5.2 Managerial Implication of the Study

The findings of this study have a lot of managerial implication because the results show that attitude towards investment in Islamic Sukuk and perceived control over investment are ranked as the highest determinant of intention to invest in Islamic Sukuk. While subjective pressure from ‘Ulamaa’ influence both the attitude and perceived control over investment but failed to directly influence intention to invest in Islamic Sukuk. Therefore, bank marketers should ensure that they engage the services of ‘Ulamaa’ (Islamic Scholars) to enlighten the general public on the important of Islamic financial products and services through workshops and Khuthbah (Sermons) because the investors are more inclined towards an organized marketing forum that can explain in details the pros and cons of a product. By so doing, the advice from the ‘Ulamaa’ (scholars) will shape the attitude of the investors and enhance their level of financial control leading to positive intention towards Islamic Sukuk. On the other hand, bank marketers should endeavor to emphasis the important of Islamic financial product to their customers and potential investors across the nook and crannies of the country.

5.3 Limitations and direction for future Study

The current study has some limitations. First, we didn’t assess behavior-related beliefs about Islamic Sukuk. In the TPB model, behavioral, normative, and control beliefs (behavior-related Theories) are included to provide cognitive foundations for the direct measures, namely; attitudes, subjective norms, and perceptions of behavioral control. Normative beliefs are expectations of important individuals or groups. Control beliefs are factors that can facilitate or hinder the performance of the behavior. Behavioral theories are the likely consequences of the behavior that can produce a favorable or unfavorable attitude towards the behavior. Thus in the current study, we only investigated the direct measures in the TPB model without the behavior-related beliefs. Secondly, the study was only in the cities of Tripoli, Benghazi, and Sabha, and therefore do not represent these cities in all regions in Libya. Thus we feel that the results would have been more representative if we had broadened our study area. Thirdly, Subjective pressure from the ‘Ulamaa’ is likely to influence behavioral intention under certain circumstances, and thus it would be appropriate to investigate situations under which subjective norms are significant about behavior intention to invest in Sukuk. Is likely to influence behavioral intention under certain circumstances, and thus, it would be appropriate to investigate situations under which subjective norms are significant about behavior intention to investment in intention and direct investment in Islamic Sukuk.

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