



















microtakaful and halal small business sustainability, this finding confirms the result of [Mohd Fauzi and Laldin \(2022\)](#) where it was discovered that microtakaful operators show little interest in the provision of microtakaful schemes for the protection of properties belonging to low-income earners, as they focus more on other schemes, such as disability, health, and family protection schemes. Moreover, compared to other microtakaful schemes, property microtakaful may be perceived as expensive as in the case of regular property takaful. Similarly, since there is no compulsion to buy property microtakaful, several halal small businesses might be unwilling to opt in to avoid the monthly expense, causing them to suffer severe damage to vehicles, machinery, equipment, and stock due to floods or other disaster.

Regarding the insignificant relationship between health microtakaful and halal small business sustainability, this could be attributed to their sizes, as they relied more heavily on the part-time workforce and employ lower-wage workers compared to big businesses. Additionally, disability microtakaful might have been perceived as a better scheme in term of halal small business sustainability compared to health microtakaful, since the former offers financial protection against injuries and illnesses. This finding is in line with the study of [Htay et al. \(2015\)](#) where it was disclosed that participants were interested in subscribing to health microtakaful, but unable to pay high premium as demanded by takaful operators; thus, they may not see this product as potential contributor to halal small business sustainability.

Meanwhile, this study has made substantial contributions to the theory and practice. Unlike several extant studies, such as [Bangaan Abdullah et al. \(2021\)](#) and [Htay et al. \(2015\)](#), where only one aspect of microtakaful schemes was the main area of focus, the present study has investigated all aspects of microtakaful schemes, covering property, health, disability, and family. Besides, this study has employed SEM to reveal the microtakaful schemes (disability microtakaful and family microtakaful) that contribute to halal small business sustainability in Malaysia when used as risk management tools. Similarly, by documenting important findings with respect to which of the microtakaful schemes contribute to halal small business sustainability, the findings of this research have shown that disability microtakaful and family microtakaful are inevitable for sustaining halal small businesses, particularly in Malaysia.

Our findings that property and family microtakaful schemes are not significantly related to halal business sustainability reveal something interesting that halal small business owners and managers need more awareness and education to truly understand how microtakaful schemes work. Most halal business owners and managers might have remained in misplaced anxiety around how much property and family microtakaful schemes cost. When compared the cost of buying most of these microtakaful schemes to the potential risks faced by halal small business, it is really a smart thing that halal business owners and managers perceived all microtakaful schemes as crucial for their business sustainability because most of them cannot afford to take any kind of major hit to their businesses.

## **5. Conclusion, Limitations and Future Research**

As microtakaful schemes have become increasingly crucial for risk management among halal small businesses ([Asai, 2019](#)), it is important to understand which of the schemes offered contribute to halal small business sustainability. To address this issue, a survey questionnaire was developed and used to collect data from owners and managers of halal small businesses in Malaysia. Based on the analysis performed using SEM, it was discovered that the sustainability of halal small businesses is significantly influenced by disability microtakaful and family microtakaful. Whereas property and family microtakaful schemes are insignificant contributors to the sustainability of halal small businesses. Overall, it can be established that subscribing to disability and family microtakaful schemes as risk management tools by halal small businesses would significantly enhance their sustainability.

To place the findings of this study in the proper context to which it should be interpreted, it is important to discuss the limitations of this study, especially since a convenient sampling technique was used during the data collection. In truth, the fact that our respondents were drawn from Klang Valley in Malaysia limit the generalisability of the findings of this study, despite that the population of Klang Valley represents about a quarter of Malaysia's total population. Thus, conducting further research based on adequate data from other cities in Malaysia would increase our understanding about the impacts of microtakaful schemes as risk management on halal small business sustainability.

Besides, we did not differentiate between male and female respondents, and this may have an effect since there are clear evidence that male and female do not share the same perceptions in similar issues as addressed

in this study (García-González et al., 2019; Jaiyeoba et al., 2020). Hence, future researchers may use sufficient data to shed light on this issue. Nonetheless, this study will benefit halal small business owners and managers, microtakaful operators, researchers and academicians, relevant agencies, and halal industry.

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