

THE INTEGRATION OF ISLAMIC CROWDFUNDING IN MEASURING THE SME'S SUSTAINABILITY IN SELANGOR

Al Sarah Alyaa Al Buhari¹
Noraini Farhana Mohd Zulhairi²
Abdul Aziz Zakaria³
Azrif Nizam Mhd Razak⁴
Nur Amira Husna Hasrin⁵
Norasekin Abd Rashid⁶
Sara Shakira Shari⁷

¹Faculty of Business and Accountancy, Universiti Selangor (UNISEL), Malaysia, (E-mail: alsarahalyaa@gmail.com)

²Faculty of Business and Accountancy, Universiti Selangor (UNISEL), Malaysia, (Email: ainizulradzi23@gmail.com)

³Faculty of Business and Accountancy, Universiti Selangor (UNISEL), Malaysia, (Email: abdulaziz199842@gmail.com)

⁴Faculty of Business and Accountancy, Universiti Selangor (UNISEL), Malaysia, (Email: azrif023@gmail.com)

⁵Faculty of Business and Accountancy, Universiti Selangor (UNISEL), Malaysia, (Email: meera.husnaa@gmail.com)

⁶Faculty of Management and Business, UiTM Campus Puncak Alam, Malaysia, (Email: norasekinrashid@uitm.edu.my)

⁷Faculty of Business and Accountancy, Universiti Selangor (UNISEL), Malaysia, (Email: sarashakirashari@gmail.com)

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Abstract: *Small and Medium-Sized Enterprises (SMEs) are one of the largest contributors to the economy of Malaysia and they can be categorized as non-subsidiary, local companies that employ fewer than several employees. However, SMEs face a problem with how to sustain the economy. Thus, this study aims to examine whether technology adoption, competitive advantage, financial literacy skills, and Islamic crowdfunding affect SMEs' sustainability. Two types of data collection were used in this study which are primary and secondary data. A self-administrated questionnaire is used to collect the primary data with a total number of 259 respondents received from SMEs in Selangor. The data were analysed by using descriptive analysis and correlation analysis. The findings show that Islamic crowdfunding has the strongest relationship ($r = .521$) followed by competitive advantage with ($r = .497$), technology adoption with ($r = .433$), and financial literacy skills with ($r = .377$) All identified factor shows a significant relationship with SMEs sustainability with ($p = .000$). The sustainability of SMEs is essential to be developed to ensure the economy continues to grow. Therefore, this study helps SMEs consider Islamic Crowdfunding as one of the tools to sustain their business industry.*

Keywords: *Islamic Crowdfunding, SMEs Sustainability, Financial Literacy Skills, Competitive Advantages, Technology Adoption*

Introduction

Small and Medium-Sized Enterprises (SMEs) are categorized as non-subsidary, local companies that employ fewer than several employees. This number may vary between countries, and the frequent upper limit is 200 employees. SMEs consist of two broad categories: manufacturing and services and other sectors. SMEs also play an important role as the primary players of economic growth and development in job creation (Ghazali. N.H, 2018). However, it is undoubtedly difficult for SME companies to have sufficient and secure funding to succeed in economic development.

As in Malaysia, SMEs can be categorized according to the size of income and activity, such as manufacturing categories related to agriculture industries where an annual sale is less than RM 50 million and employees not exceeding 200 employees. Also, services and other sector categories have either an annual sale of less than RM 20 million and employees not exceeding 75 employees. SMEs also contribute to many factors in generating the economy, such as income and employment generation, and widespread products and services in the city and rural areas (SME Corp. Malaysia, 2013). Thus, the government has enforced a regulation regarding SMEs. According to SME Corporation Malaysia (2016), 98.5 per cent of Malaysia's business establishments are SME companies cut across all sizes and sectors.

Nowadays, SMEs have a problem, and it is one of the biggest obstacles facing start-ups, such as insufficient capital raise for companies which has been a long-standing one. New SME companies might encounter some of the criteria impediments faced, including the absence of collateral, lack of protection, etc. Furthermore, the company's experience and unimpressive business ideas are not compelling to the government department's expectations or financial institutions for the approval of loans. However, with the advance of technology, entrepreneurs have become more independent and creative in raising capital through a process known as crowdfunding.

Crowdfunding is a new technology-enabled innovative process to raise money for an idea, product, or entire business (Md Husin & Haron, 2020). Other than that, crowdfunding is also defined as an internet-enabled way for businesses or other organizations to raise money in the form of donations or investments from multiple individuals (World Bank, 2013). It can be classified into four categories: donation, rewards, lending, and equity, where the differences between these categories lie between the situations or type of project and businesses. The technological efficiency and success of the crowdfunding model have benefited an important impact on various sectors, including agriculture technology and real estate (Saiti et al., 2018).

The government can provide many initiatives to help the sustainability of the SMEs' economy. Still, due to the recent pandemic outbreak, which is COVID-19, the government had faced difficulty in providing a fund to SMEs. Thus, SMEs choose other initiatives such as using different platforms to gain financial support or crowdfunding. These challenges and issues have put SMEs in a difficult phase throughout the pandemic outbreak. The additional challenges that Muslim SMEs might face when seeking financial support through crowdfunding are usury (Riba') since Islamic law prohibited Muslims from paying and receiving usury (Riba') in any transaction stated in The Quran in surah Al-Baqarah, verse 275. Besides, SMEs and other SMEs

are concerned about Shariah requirements in crowdfunding or Islamic crowdfunding since it focuses on the core values of Islamic products through quality to develop a business model that focuses on ethical principles and social responsibility. Hence, this study is to examine the relationship between technology adoption, competitive advantages, financial literacy skills, and Islamic crowdfunding with SMEs sustainability in Selangor.

Literature Review

Sustainability in the economy or industries is one of the most crucial elements and goals for any organization, including SMEs. The contribution of SMEs to the economic contribution emphasizes the need for not only the formation of new SMEs and the survival of all SMEs in the economy but, more importantly, to ensure that SMEs sustain their growth (Wakkee et al., 2015).

SMEs Sustainability

The number of SMEs in Malaysia is increasing day by day and receiving multiple good responses. However, since the COVID-19 pandemic outbreaks, most Malaysian losing their jobs and lost their opportunity in the industry, especially the SME industry. SMEs contribute millions in economic growth; thus, it is very important to ensure SMEs' sustainability in the industry. In fact, since the 1990s, the idea of sustainability and the various aspects of its action purpose was becoming particularly widespread in the business community. Such integration of environmental and social aspects with profit-seeking goals is also defined as triple-bottom-line (TBL) performance toward organizational sustainability (Malesios et al., 2018). In this context, organizational sustainability refers to the configuration of business strategies and practices that contribute to sustainable development by endorsing social cohesion and environmental conservation in the long term while simultaneously meeting the economic imperatives of profitability and growth (Malesios et al., 2018)

Furthermore, sustainability recognizes that companies are fully aware of the impact of SMEs' behaviour on the material and immaterial situations of SMEs' direct and indirect environment (Sarango-Lalangui et al., 2018). Besides, it is also important to remind that sustainability contributes greatly to the economic and non-economic development of a country because it creates employment sources, improves products and processes, establishes new companies, and will change another person's lives (Szopik-Depczyńska et al., 2017). Thus, SMEs need to sustain their performance in the industry by using multiple way or strategies even though there is barrier or obstacles such as limited resources and capabilities. These directly put many SMEs at risk since SMEs have a limitation in warranty and experiences or a track record which means creditors hesitate over SMEs in giving credit (Prabawani, 2013).

Technology Adoption

Technology adoption is commonly referred to as technology acceptance at an individual level. Besides, adoption refers to the stage in which technology is selected for use by an individual or organization (Abdullah et al., 2013). SMEs need to have a piece of sufficient knowledge regarding technology adoption to ensure sustainability in the economy. SMEs' ability to leverage technology will make SMEs internationally competitive and sustainable, but technology adoption among SMEs in Malaysia is not clear. SMEs' characteristics in technology adoption are postulated in four constructs: awareness, analysis of benefits, feasibility, and organizational willingness. Furthermore, it should be recognized that technology adoption at an organizational level is intricately connected to various determinants. Thus, the success of

technology adoption will depend on various factors such as technical characteristics, organizational characteristics, and external factors (Abdullah et al., 2013).

According to (Bakar et al., 2020), the sustainability of technology needs to be developed not only for SME usage but also within Malaysian society which could get benefit from the country's foray into sustainable practices. Moreover, the government should also play an important role in ensuring that technology adoption is helping SMEs in sustaining their businesses besides developing it hence the Malaysian government introducing and implementing sustainable technology as an effort to increase the competitiveness of businesses in the particular and sustainable Malaysian economy as a whole (Bakar et al., 2020). Also, the Malaysian government introduced an investment tax allowance in 2003 to reduce business taxes on any sustainable investment since this initiative aimed to lighten the burden of any organizations that adopted sustainable technology (Treasury, 2003).

Competitive Advantages

Competitive advantage lies in the resources and capabilities that produce products or services (Papula & Jana, 2013). Competitive advantage over competitors is called competence, which can be costly, product differentiation, and product portfolio (Ahsan Munir et al., 2011). According to (Daud Ismail, 2014), customer value a firm's offering more than that of its competitors, and the firm attain a competitive advantage. A firm has a sustained competitive advantage when throughout time it performs better than rivals (Ngah et al., 2015). Thus, SMEs need to have a competitive advantage in a way to sustain in the industry nowadays. Besides, emphasized that the source of competitive advantage is an intangible asset comprised of human capital, structural capital, relational capital, and customer capital (Ngah et al., 2015).

Developing competitive advantage among SMEs is very difficult since SMEs need to acquire knowledge before improvising or sustaining besides SMEs also need to have intelligence in innovating the products and services in a way to gain a benefit or advantages from the differences between SMEs and competitors. Although SMEs is a poor knowledge user, knowledge is scattered at every level. Therefore, knowledge management can be used to capture and acquired knowledge in developing and sustaining operations, activities, and processes (Alawneh. et al., 2009). Also, many bits of intelligence or strategy is related to the competitive advantage of SMEs, such as competitive intelligence, financial intelligence, emotional intelligence, and multiple intelligence (Ngah et al., 2015). There are two crucial forms of intelligence needed by SMEs which are emotional and innovative (Weiss & Claude, 2011).

Financial Literacy Skills

Financial literacy played a crucial role in helping individual or entrepreneurs to manage their money and capital wisely (Thabet et al., 2019). According to the Organization for Economic Cooperation and Development (2014), financial literacy is defined as knowledge and understanding of financial concepts and risk, the skills, motivation, and confidence to apply such knowledge and understanding to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life. Moreover, financial literacy can be concluded with financial knowledge, financial behaviour, and financial attitude (Potrich et al., 2015). Besides that, the SME management process is related to financial management whereas beginning with financing decisions, operational control, performance management, and future planning or, in other technical terms, called financial literacy skills (Ripain et al., 2017).

Financial literacy skills play a crucial part in SMEs because they affected the loan repayment of SMEs. According to (Mutegi et al., 2015), there has been a lot of initiative made by the government, NGOs, and private sector for SMEs for them to efficiently manage the finance of their business in terms of access to affordable credit and financial management that can help the SMEs improve the enterprise performance and access to loan capital in which effected overall the loan repayment behaviour among SMEs. The initiative made can help SMEs in decreasing the resilience risk and manage to grow and attain the economy. The problem faced by SMEs is budgeting, which is the problem of not being accountable, lack of cooperation or participation, and lack of understanding of the budgeting process that is caused by the inability to meet deadlines, padding the budgets, or providing unrealistic numbers and sheer ignorance of the importance of budgeting by the business owners become one of the challenges of SMEs in developing their business (Prisca Chepngetich, 2016).

Islamic Crowdfunding

Islamic crowdfunding, relatively known as Shari'ah-based crowdfunding, has become potential financial assistance for entrepreneurial development. Crowdfunding is conceptualized as "Shari'ah compliance" once it conforms to Shari'ah law (Islamic law) that promotes profit-and-loss sharing and ethical and socially responsible investment (Mohd Nor & Hashim, n.d.). Besides, according to Islamic-Crowdfunding.com (2020), Islamic crowdfunding is known as a Shariah-compliant fund-raising option that involves financing a project with funds from a group of investors in support of a Muslim borrower and where the funding campaign and related transactions are carried out through an Islamic crowdfunding platform that follows Islamic principles.

Islamic crowdfunding is divided into four types, donation-based, rewards-based, debt-based, and equity-based (Muhammad & Yuningsih, 2020). For SMEs to sustain and enhance their businesses in the industry while helping economic growth and comply with Shariah requirements by using crowdfunding, Islamic crowdfunding using the Shariah compliance contract such as Musharakah (capital venture) and more (Mohd Nor & Hashim, 2020). Islamic crowdfunding assures the root of the funding did not involve or contain any unpermitted and uncertain resource or method which contradicts the Shariah law such as usuary and the fund from unpermitted businesses such as the business of wine, pork, etc.

Research Framework:

According to the above discussion, a research framework has been established between independent variables and dependent variables. Figure 1: Illustrate the conceptual framework of this study.

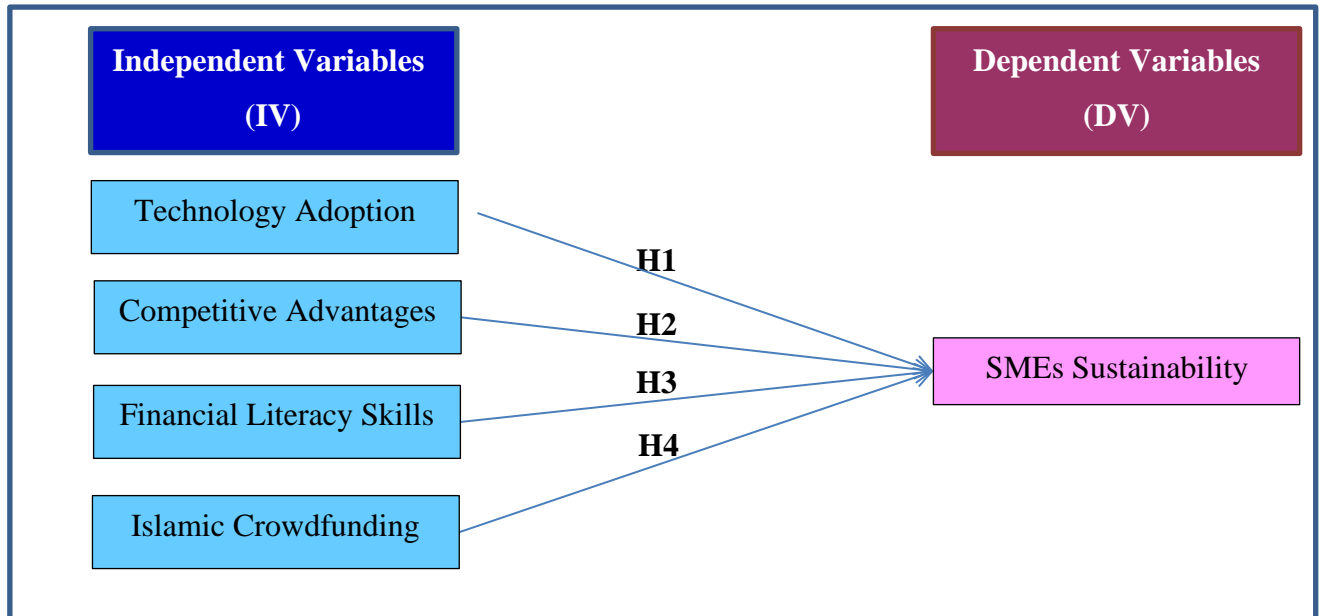


Figure 1: The Conceptual Framework

Methodology:

Research design provided specific procedures that act as the plan for the study used by the researcher as a guideline to test the hypothesis and the research objectives formulated for the studies. This study used descriptive research design, which refers to the study describing something that could be a phenomenon, a current situation, or the characteristic of a group, organization, people, etc. Thus, this research's objectives describe the current situation that affects SMEs' sustainability in Selangor.

A cross-sectional study was conducted under the descriptive design as it will interpret all the data, including demographic data, independent variables, dependent variables, and the reliability analysis. It will also indicate the summarization of the data collected represented SMEs in Selangor. The study will also be conducted using a quantitative approach that focuses on a statistical analysis of numerical data collected using a questionnaire or structured interview as a data collection method and shown in large-scale survey research. The descriptive analysis acts as the interpreter of the data collected in terms of demographic data, dependent variable, independent variable, and the data's reliability.

The researcher has collected data among SMEs in Selangor. The questionnaires were published through google forms and face-to-face. This study managed to collect feedback from 259 respondents among SMEs in Selangor and the data collection lasted for a month. This questionnaire consists of six sections that conclude all variables specified as sections A, B, C, D, E, and F. Independent variables questions are related to technology adoption, competitive advantages, financial literacy skills, and Islamic crowdfunding. Meanwhile, dependent variable questions are related to SMEs' sustainability. The questions in sections B, C, D, E, and F need to be answered based on a scale of 1 to 5. Ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Then, the data were analyzed using Statistical Package for the Social Sciences (SPSS).

Results

Demographic Analysis

Respondents' demographic information was tested using descriptive statistics, which consist of 52.1 per cent of male and 47.9 per cent of female respondents. Moreover, the majority of the respondent was from the age of 41-50 at 43.6 per cent followed by those from the age of 51-60 at 41.7 per cent, 31-40 years old at 10 per cent, and 61 and above with a percentage of 4.6 per cent. The education of the respondents mostly from undergraduate (Diploma/Degree) with a percentage of 52.9 per cent followed by PMR at 23.2 per cent, SPM with a percentage of 14.3, no formal education with 6.2 per cent, postgraduate (Master/Ph.D.) with a percentage of 2.3 and 0.4 per cent each for UPSR, STPM/Foundation and Vocational. In addition, the majority of the respondents is the business owner with a percentage of 72.2 per cent and the remaining 27.8 per cent are from the top management of the organization. The majority of the company conducted food stall business with a percentage of 44.4 per cent followed by the restaurant at 26.3 per cent, food manufacturer at 21.2 per cent and Frozen food business at 8.1 per cent. Most of the business has been operated for 1 to 5 years with a percentage of 48.3 followed by more than 5 years with 47.5 per cent, 6 to 11 months with 2.3 per cent and 2 to 6 months with 1.9 per cent. Next, the majority of the business had 1 to 9 workers with a percentage of 55.2 followed by 10 to 49 workers at 42.9 per cent and 50 to 199 with 1.9 per cent. Last but not least, most of the respondents are from Shah Alam, with a percentage of 35.5 per cent followed by Klang with a percentage of 26.3 per cent, Gombak with a percentage of 19.7 per cent, Kuala Lumpur with 10.4 per cent, Subang Jaya with 3.5 per cent, Hulu Selangor 2.7 per cent, Kuala Selangor with 1.2 per cent, Kuala Langat with 1.2 per cent and Hulu Langat with 0.8 per cent.

Table 1: Demographic Analysis (N=259)

	Frequencies	Percentage
Gender		
Male	135	52.1
Female	124	47.9
Age		
31-40	26	10.0
41-50	113	43.6
51-60	108	41.7
61 and above	12	4.6
Education		
UPSR/ Penilaian Darjah Lima	1	0.4
PMR/ Sijil Rendah Pelajaran	60	23.2
SPM	37	14.3
STPM/ Foundation	1	0.4
Vocational	1	0.4
Undergraduate (Diploma/Degree)	137	52.9
Postgraduate (Master/ PhD)	6	2.3
No Formal Education	16	6.2
Position in The Company		
Owner	187	72.2
Top management	72	27.8
Type of Business		
Restaurant	68	26.3
Frozen food	21	8.1

Food stall	115	44.4
Food manufacturer	55	21.2
Duration of Business Operation		
2 to 6 Months	5	1.9
6 to 11 Months	6	2.3
1 year to 5 years	125	48.3
More than 5 years	123	47.5
Number of Employees		
1 to 9	143	55.2
10 to 49	111	42.9
50 to 199	5	1.9
Region		
Shah Alam	79	30.5
Hulu Langat	2	0.8
Klang	68	26.3
Gombak	51	19.7
Kuala Langat	3	1.2
Sepang	10	3.9
Kuala Selangor	3	1.2
Hulu Selangor	7	2.7
Kuala Lumpur	27	10.4
Subang Jaya	9	3.5

Reliability Test

Table 2 shows, Cronbach's Alpha's overall result was higher than 0.7, which shows no question discharged from this analysis. The Cronbach's Alpha for all of the independent variables is above 0.7, a total of 7 to 11 items. Based on Table 2, The Cronbach Alpha for the independent variables which are technology adoption is 0.879, competitive advantages are 0.737, financial literacy skills are 0.840, Islamic crowdfunding is 0.918 and the dependent variable which is SMEs sustainability is 0.849.

Table 2: Reliability Test

Variable	Cronbach Alpha	No. of Item
Technology Adoption	0.879	8
Competitive Advantage	0.737	7
Financial Literacy Skills	0.840	11
Islamic Crowdfunding	0.918	7
SME Sustainability	0.849	6

Correlation Analysis

Table 3 shows all of the independent variables which are technology adoption, competitive advantages, financial literacy skills and Islamic Crowdfunding have a positive and significant relationship with the SMEs' sustainability which is the dependent variable. The correlation for independent variables which are technology adoption is 0.433, competitive advantages are 0.497, financial literacy skills are 0.377 and Islamic crowdfunding is 0.521 which shows all of the independent variables have a positive correlation with the SMEs' sustainability. Moreover, the result of all of the independent variables shows $p < 0.01$ which is 0.000 which indicated the variables have a significant relationship with the dependent variable which is SMEs sustainability.

Table 3: Correlation Analysis

		SMEs Sustainability	Technology Adoption	Competitive Advantages	Financial Literacy Skills	Islamic Crowdfunding
SMEs Sustainability	Pearson Correlation	1	.433	.497	.377	.521
	Sig. (2-tailed)		.000	.000	.000	.000
	N	259	259	259	259	259

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

Hypothesis Testing

Table 4 shows that all of the hypothesis is accepted. It shows that the relationship between technology adoption and SMEs sustainability in Selangor has a positive and significant relationship which a p-value is less than 0.01 which is 0.000 which indicates there is enough evidence to support the hypothesis. Next, there is a positive and significant relationship between competitive advantages and SMEs sustainability in Selangor which the p-value shows it is less than 0.01 which is 0.000. The relationship between financial literacy skills and SMEs sustainability in Selangor also shows a positive and significant relationship as the p-value is less than 0.01 which is 0.00. lastly, the relationship between Islamic crowdfunding and SMEs sustainability in Selangor is positive and significant as the p-value is 0.000 which is lower than 0.01.

Table 4: Hypothesis testing

Hypothesis	Hypothesis Testing	Sig. (p-value) less than 0.01	Pearson Correlation
H1: There is a positive relationship between technology adoption and the SMEs' sustainability in Selangor	H1 is accepted	.000	.433
H2: There is a positive relationship between the competitive advantage of SMEs and the SMEs and the SMEs sustainability in Selangor	H2 is accepted	.000	.497
H3: There is a positive relationship between financial literacy skills and the SMEs' sustainability in Selangor	H3 is accepted	.000	.377
H4: There is a positive relationship between Islamic crowdfunding and SMEs sustainability in Selangor	H4 is accepted	.000	.521

Findings & Discussion

This study is to identify the factor that affects the sustainability of SMEs in Selangor which consists of the following factors: i) The relationship between technology adoption and SMEs sustainability in Selangor. ii) The relationship between the competitive advantage of SMEs and SMEs' sustainability in Selangor. iii) The relationship between financial literacy skills and SMEs sustainability in Selangor. iv) The relationship between Islamic crowdfunding and SMEs sustainability in Selangor.

i. To examine the relationship between technology adoption and SMEs sustainability in Selangor.

There is a positive and significant relationship between technology adoption and SMEs' sustainability. The Pearson correlation shows that technology adoption is slightly moderate, which is 0.433, suggesting it has a slightly moderate relationship with the SMEs' sustainability in Selangor. The success of technology adoption will depend on various factors such as technical characteristics, organizational characteristics, and external factors (Abdullah. N. H et al., 2013). This is because technology adoption is one of the major factors that affect SMEs' sustainability in Selangor. However, the reflected result is the same as previous studies stated that the sustainability of technology needs to be developed not only for SMEs usage but also within Malaysian society which could get benefit from the country's foray into sustainable practices (Abu Bakar. M. F et al., 2020). On the other hand, perceived ease of use is defined as the extent to which a user thinks that technology that is simple to use is associated with a higher intent to use it. However, SMEs in poor nations, often lack access to the internet, email addresses, and websites, making it difficult for them to implement modern technologies in their businesses (Kulathunga et al., 2020). Therefore, it is evident that poor technological adoption in emerging nations threatens SMEs' existence and impairs their performance.

ii. To examine the relationship between SMEs' competitive advantage and SMEs' sustainability in Selangor.

There is a positive and significant relationship between competitive advantage and SME sustainability. Pearson Correlation for competitive advantage is slightly moderate, which is 0.497 which suggests it has a slightly moderate relationship with the SMEs' sustainability in Selangor. However, according to Ngah. R., Abd. Wahab. I. and Salleh. Z. (2015), every SME have a different unique characteristic that can be differentiated from one another. In today's globally competitive business world, the sustainability of an organization is of the utmost importance. Business organizations around the world, especially small and medium-sized businesses, are striving to build the right people resources and relationships that enable them to be competitive and have a competitive advantage. Many industries and enterprises in Malaysia are still learning about sustainability, and many of them do not comprehend the advantages of using sustainable practices (Goh, Seow & Goh, 2013; Yacob, Aziz, Makmor & Zin, 2013). Koe and Majid (2013) and Yacob, et al. (2013) indicated that although SMEs were aware of sustainable practices and had intentions to apply them as well, the implementation of sustainable practices was less widespread. According to previous research, Malaysian SMEs face a variety of difficulties in a globalised world, including a lack of financing, low productivity, a lack of managerial skills, a workforce with low levels of skill, an inability to adopt technology, a lack of knowledge about potential markets and customers, and international competition (Hashim, 2012; Hoq, Ha & Said, 2009; Kee-Luen, et al 2013; Saleh, Caputi & Harvie, 2008). Due to the requirement for SMEs to gain information to improve and maintain their businesses, developing a competitive advantage among SMEs is particularly challenging. Additionally, SMEs must be smart while developing new products and services so that they can profit from the distinctions between themselves and their rivals. However, the reflected result is the same as previous studies stated a good leader of SMEs to gain competitive advantage must possess multiple intelligence such as emotional intelligence, analytical intelligence, and innovative intelligence in driving innovation in the organization. (Weiss & Claude, 2011).

iii. To examine the relationship between financial literacy skills and SMEs sustainability in Selangor.

Pearson Correlation for financial literacy skills is moderate, which is 0.377 which suggests it has a moderate relationship with the SMEs' sustainability in Selangor. According to Mutegi et al. (2015), there has been a lot of initiative made by the government, NGOs, and private sector for SMEs for them to efficiently manage the finance of their business in terms of access to affordable credit and financial management that can help the SMEs improve the enterprise performance and access to loan capital in which effected overall the loan repayment behaviour among SMEs. Besides, SMEs will benefit from financial management strategies that will aid in budgeting, planning for business fund savings and overall financial performance. Furthermore, one of the most crucial strategic dynamic talents is the capacity for organisational learning through problem-solving activities (Purwanto et al., 2020). The development of financial literacy abilities will elevate the discussion about problem-solving to the level of business analysis in the future. Remund (2010) asserts that successful businesses learn through problem-solving, either in terms of problem-solving inventiveness or from the perspective of speed, which will set them apart from rivals. However, the reflection of the result is the same as previous studies stated that financial distress that leads to business failure often associates with the absence of financial literacy skills and financial management skills which limits SMEs' ability to undertake rational analysis of the business or to adequately assess viable options (Hussain et al., 2018). Thus, financial literacy skills moderately influence SMEs' sustainability.

iv. To examine the relationship between Islamic crowdfunding and SMEs sustainability in Selangor.

There is a positive and significant relationship between Islamic crowdfunding and SMEs' sustainability. Pearson Correlation for Islamic crowdfunding is the highest, which is 0.521 which suggests it has the strongest relationship with the SME's sustainability in Selangor. However, the reflection of the result is the same as previous studies stated for SMEs to sustain and enhance the businesses in the industry while helping economic growth and comply with shariah requirements by using crowdfunding, Islamic crowdfunding is using the shariah compliance contract such as Musharakah (capital venture) and more (Mohd Nor. S. & Hashim. N. A., 2020) and Hiwalah contract also cannot be used or applied in Islamic crowdfunding as it contains Tabarru' which is a help or non-profit (Yuningsih. A. et al. 2019). Hence, Islamic crowdfunding is one of the crucial elements for SMEs or start-ups as it protects the benefits and the right of both parties involved. On the other hand, perceived ease of use is defined as the degree to which a person believes that easy-to-use technology was associated with greater intent to use it (Davis, 1989). Thus, the easier to involve with the Islamic crowdfunding model, it will attract more Malaysian SMEs to raise a fund using this platform. Meanwhile, perceived ease of use was positively associated with perceived usefulness. It means that the easier the system was to use, the more useful it was perceived to be. According to Abdul Razak et.al (2021), Islamic crowdfunding is a very helpful tool for new enterprises that may have creative ideas for making money and creating jobs through new ventures and eventually assisting to improve the community. Traditionally, start-ups and SMEs needed a solid business strategy and a track record of financial stability to apply for a loan from banks. These applications will often be turned down because, in the eyes of the banks' credit and risk assessment, they are regarded to be too risky. Fortunately, start-ups and SMEs now have access to a sizable network of investors online thanks to cutting-edge delivery models like online Islamic crowdfunding platforms (Abdul Razak et.al, 2021). When these same start-ups are highlighted on crowdfunding websites, thousands of small and major investors and supporters may choose to invest in the start-ups and support them. Moreover, the SMEs model may need to have features that are

useful to the user particularly SMEs, who are looking for external funds. Therefore, Islamic crowdfunding has strongly influenced the sustainability of SMEs sustainability.

Conclusion

In a nutshell, adopting digital technology offers several benefits for SMEs, particularly during the lockdown period, as it allows individuals, enterprises, governments, and economies to address the development of new technology usage. It is suggested that SMEs need to take the initiative to improve their performance of SMEs by using innovative methods to facilitate the navigation of the digital business environment and keep up with the rapid changes in this environment. SMEs should concentrate on their internal resources to increase sustainable competitive advantage since intellectual capital, also known as an intangible resource of businesses, is always a key focus of sustainable competitive advantage (Nghah et al., 2015). Although SMEs may not have the power to change entire markets, mergers are a great tactic they can use to build market clout and a stronger competitive edge. Besides, financial literacy is a strong predictor of access to funding, financial risk attitude, and sustainability in SMEs, even though good management of the business's finances and funds can help SMEs remain viable. It is suggested that in hopes of providing SMEs with essential financial management abilities, financial management education must be given substantial consideration while building the entrepreneurial programme. According to the study's findings, Islamic crowdfunding is the primary element that significantly affects the viability of SMEs in Selangor, which may offer alternate methods of raising money for the SMEs that were impacted by the Covid-19 pandemic epidemic (Razak et al., n.d.). Islamic crowdfunding is an additional resource the government may provide to be utilized when aiding the poor. There should be increased efforts made to raise knowledge of the usage of new technology, such as Fintech, which can offer more possibilities than the banking sector (Razak et al., n.d.). Future research should certainly include more regions to get more reliable empirical data.

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