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Adoption of Islamic finance for SMEs and very small enterprises in Morocco

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Abstract. The factors that influence the adoption of Islamic finance in SMEs are the subject of many studies. In Morocco, no study has attempted to develop a model of adoption of Islamic finance in very small businesses. Our interest is to gain a better understanding of the internal and external determinants that influence the adoption of Islamic finance in microenterprises. Based on the model developed and previous studies, we have operationalized the different constructs, developing a research questionnaire for the leaders of TPE in Morocco. Subsequently, we conducted an exploratory and confirmatory factor analysis, based on a sample of 164 SME leaders. These different analyzes gave birth to a new model explaining the path through which the leaders of the VSEs can opt for Islamic financing in the Moroccan context.

Keywords. Islamic finance, Islamic financial products, Theory of reasoned action.

JEL. G21, F65, C25.

1. Introduction

The Central Bank of Morocco has officially authorized Islamic finance activities. This segment is supposed to be conform to Sharia law under a double control: Bank Al Maghreb for the technical component and the Higher Council of Ulema for theological pane. Morocco has opened the market for participatory finance since 2017. An overview of the issues, the regulatory framework and the actors that have obtained the necessary approval for the distribution of participatory finance products. The factors that influence the adoption of participatory finance in SMEs has been the subject of many studies. In Morocco, no study has attempted to develop an adoption model of participatory finance in small firms. The interest of this study is to understand the internal and external determinants that influence the adoption of participatory finance in small firms. In addition, studying the acceptance and adopting factors of participatory Banking products in Morocco. This study is structured around five sections. The first section is an introduction, followed by section 2, which deals with the literature review. This section allows us to

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present and justify the conceptual model for our research as well as the theoretical approach adopted. In Section 3, we present the conceptual and theoretical framework from which we defined our research objects. These elements are essential for understanding the nature of the phenomenon studied as well as to highlight the problematic and the research questions. Section 4 will contain the data of our study as well as the tests that confirm the validity of our data. And Finally, in section 5 we will proceed to the discussion of our model.

2. Literature review

2.1. The theory of reasoned action (TRA)

Most authors agree that reasoned action theory remains the most fundamental and influential approach to human behavior (Giger, 2008; Valois, Godin & Desharnais, 1991). This theory is widely used to predict human behavior (Doane, Pearson & Kelley, 2014; Montano & Kasprzyk, 2015; Sensevy, 2001; Sheppard, Hartwick & Warshaw, 1988; Yzer, 2017). The application of the TRA is based on two principles. The first indicates that the behaviors studies are controlled by individuals (the full possibility of making a decision). The second principle summarizes the fact that individuals generally behave in a reasoned manner, that is to say that the behavior results from a decision. Thus, behavior is the product of a reasoned, planned and controlled decision. Ajzen & Fishbein (1975) modeled behavioral intentions based on two factors: attitude and subjective norms. Overall, the attitude corresponds to the favorable or unfavorable evaluation of the individual with regard to behavioral achievement (Ajzen & Fishbein, 1980), and the subjective norms correspond to the important respect that the individual gives to the recommendations of persons of their own behavioral realization. To predict behavioral intentions, attitude and subjective norms are the only components present in TRA.

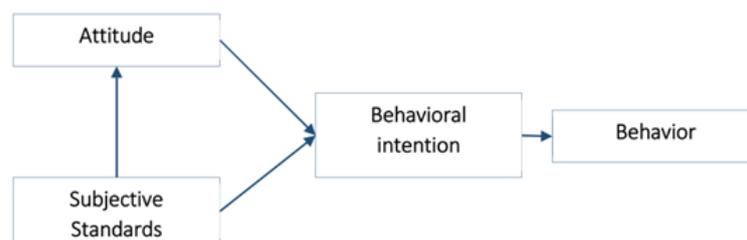


Figure 1. Theory of reasoned action (Fishbein & Ajzen, 1975).

However, Ajzen (1985) returns to the basic assumption of TRA, knowing that behavior is the responsibility of the individual, as this assumption reduces the scope of the theory too much (Ajzen, 1985). Indeed, a person may want to adopt a behavior that will be avoided by a lack of opportunities or resources. This criticism led to revise this theory by developing a new theory (Ajzen, 1991): the theory of planned behavior (TPB).

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2.2. The theory of planned behavior (TPB)

Ajzen assumes that individuals do not always have sufficient control to carry out the action (Sheeran, 2002). The purpose of the theory of planned behavior is to predict and explain the behavior of the individual at the time of voluntary and non-voluntary behavior (Conner & Armitage, 1998). This theory involves explaining the process leading to behavior from a limited number of factors. At this level, Ajzen indicates that "intentions are supposed to capture the motivating factors that influence behavior, they are an indication of what people want to do and the efforts they are willing to make to get the behavior" (Ajzen 1991, p.181). In TPB, the intent is the pivot between a causal sequence of behavioral, normative, and control beliefs, and the other of actual behavior. This theory has two important characteristics. First, control of perceived behavior has implications for motivation (Madden, Ellen & Ajzen, 1992). In addition, there is a possibility of a direct link between perceived behavioral control and behavior. Perceived behavioral control can influence behavior indirectly, through behavioral intentions, but also directly. In the case of a direct influence, the perceived behavioral control reflects the actual control of the person on the intended behavior, as well as taking into account the actual limits exerted on the individual. Two conditions must be met for perceived behavioral control to influence behavior. First, the behavior must not be under voluntary control. Second, the perception of control must be realistic. Finally, behavioral intentions and perceived behavioral control predict behavior. Attitude, subjective norms and perceived behavioral control are the explanatory components of behavioral intention. As in the TRA, TPB is part of the field of social cognition. In this context, for TPB: attitude, subjective norms and perceived behavioral control are evaluative summaries of beliefs: behavioral, normative and control (Valois *et al.*, 1991).

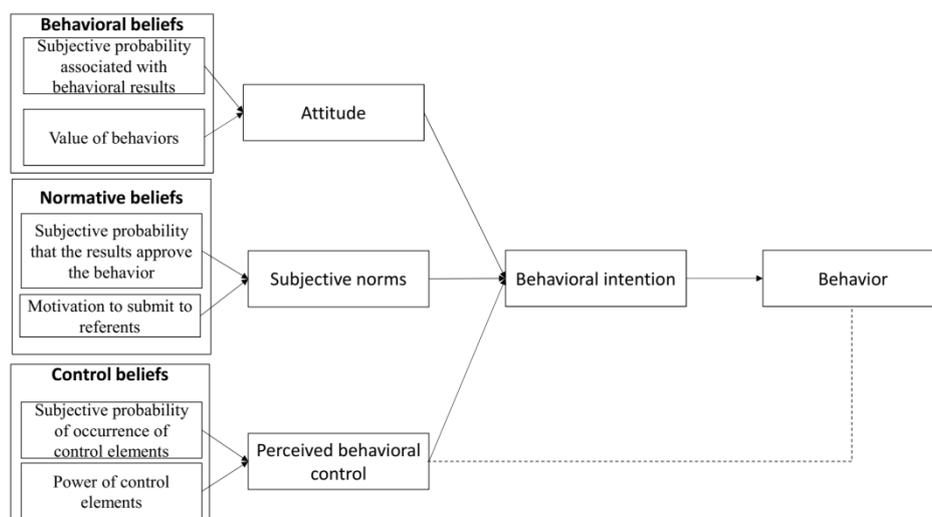


Figure 2. The theory of planned behavior (Ajzen, 1991).

3. Presentation of the conceptual model and research hypotheses

For a long time, the management research community has been questioning the factors that favor the adoption of Islamic finance products (Al-Ajmi, ABO Hussain & Al-Saleh, 2009; Alam, Gupta & Shanmugam, 2017; Butt *et al.*, 2011; Echchabi, 2012; Erol & El-Bdour, 1989; Mariatul, Jaffar & Musa, 2013; Mariatul, Aida, Jaffar & Musa, 2014, 2016; Jamshidi & Hussin, 2012; Loo, 2010; Narayan & Phan, 2017; Tara, *et al.*, 2014; Thambiah *et al.*, 2010). Our research must simply try to provide a clear answer to the different factors that favor the adoption of Islamic finance products in the Moroccan context.

3.1. Description of the variables for the search

Referring to the theory of planned behavior, Jaffar & Musa (2013) proposed a model presenting the determinants of SME attitudes towards Islamic finance, consistig of nine variables and eight hypotheses.

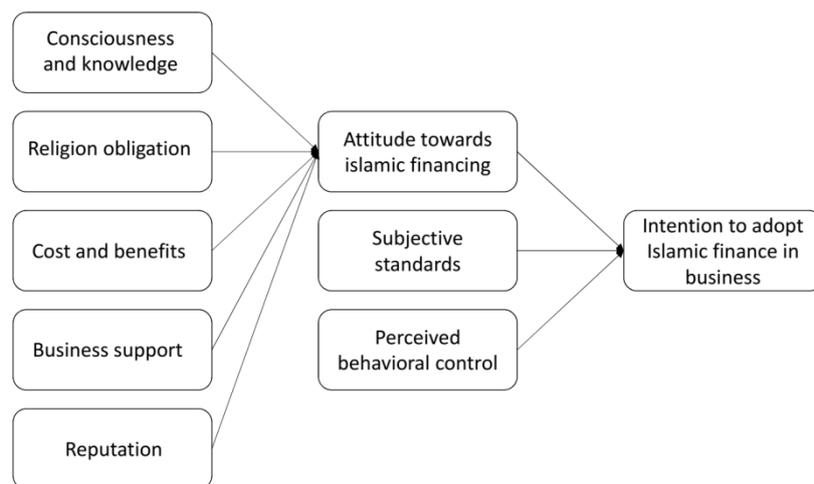


Figure 3. Attitude toward the Islamic financing (Jaffar & Musa, 2013, p.138).

Based on a model of structural equations and a random sampling technique, these two authors tested their proposed model for the first time in 2013, with 205 micro and SME entrepreneurs. Indeed, the eight hypotheses have been confirmed. The authors found that religious engagement represented the most critical attitude variable. These two authors explain this result by the perception that the respect of the criterion of sharia (bank without Riba) remains important for the entrepreneurs interviewed (Jaffar & Musa, 2016). As a result, they are orienting financial institutions towards sharia-compliant strategies (funding strategy without riba), opting for Sharia-compliant Islamic finance. Based on the logic of the theory of planned behavior, as well as the model of Mariatul & Musa (2016), we can propose a new conceptual model of research. To do so, we proposed to integrate other variables into the model of Mariatul & Musa (2016), remaining inspired by the theory of reasoned action.

Table 1. Defining variables in the search template

The variables	Definitions	Authors
Intention of adoption of IF	"Behavioral attitude can be summed up as evaluations that are favorable or unfavorable to the behavior of the individual"	(Ajzen & Fishbein, 1980)
Attitude toward IF	Positive or negative feelings considered the realization of a behavior.	(Ajzen & Fishbein, 1975).
Motivation / religious commitment	"Religious obligation refers to the role of religion in the choice and activities of everyone"	(Amin et al., 2011, p. 27)
Benefits of the costs	"The benefits in terms of costs are measured by the cost of products and the rate of return, the availability of credit on favorable terms, the reduction of service charges, the reduction of interest charges, the payment of interest rates. higher interest on deposits and less monthly payments "	(Al-Ajmi et al., 2009)
Knowledge and Awareness	Consciousness is to have or show the fulfillment, the perception of the knowledge of a situation or a fact.	Jaffar and Musa (2013,p.5)
	Knowledge is defined as the fact or the condition of knowing something with the familiarity gained through experience or education	(Wirtz & Mattila, 2003)
Reputation of IF	"Reputation is based on the perception of reliability, credibility, social responsibility and reliability of organizations"	(Fombrun, 1996)
Social Influence and Subjective Norms	"Subjective norms refer to perceived social pressures that influence an individual's behavioral intentions"	(Ajzen, 1991)
	"The term" social influence "refers to the subjective norm or prescriptive pressure and can be defined as the perception that those who are important to him should or should not adopt the behavior in question."	(Amin et al., 2011, p. 27)
Business support	"Business support can be divided into two parts: 1. Financial assistance such as mortgage funds, support activities and grants 2. Non-financial assistance such as courses, advice, management, distribution, research, and development ".	(Yusoff and Yacob, 2010)
The perceived usefulness of IF	The extent to which a person thinks the adoption of Islamic financing improves performance	(Ajzen, 1991).
Perceived behavioral control	Perception of ease or difficulty in performing the behavior	
Organizational Culture	"A system of values and beliefs shared in interaction with the population of a company, its organizational structures, and its control systems to produce standards of behavior"	(Pinot, 2006, p. 217)
	"A set of basic hypotheses that a given group has invented, discovered or developed to learn to cope with its problems of external adaptation and internal integration, and who have worked adequately to be considered valid and therefore, to be taught to new members as a correct way to perceive, think and feel about these problems. "	(Schein 1985, p. 9)
	"A system of values and beliefs, shared by all members of the Organization, that produce standards of behavior and establish a way of life" organization	(Koberg & Chusmir, 1987)
	"The set of shared references in the organization forming the support of its macro-competence"	(Abdelwahed & Antit, 2016, p. 13)
Government support	"Government support has referred to government actions and agenda that affect the behavior and decisions of households, local businesses, and international corporations."	(Amin et al., 2011, p. 28)

3.2. Choice of assumptions of research and description of the Conceptual Model of Research

At the end of the literature review, we identified the different that promote the adoption of the modality of Islamic financing. The following table gives an overview of the studies that have validated the research hypotheses.

Table 2. List of research hypotheses

Assumptions			Authors
H1	Motivation / religious commitment	→ Attitude toward the Islamic financing	(Amin et al., 2011; Bitar & Madiès, 2017; Mariatul A. Jaffar & Musa, 2013; Mariatul Aida Jaffar & Musa, 2014, 2016)
H2	Benefits of the costs	→ Attitude toward the Islamic financing	(Mariatul A. Jaffar & Musa, 2013; Mariatul Aida Jaffar & Musa, 2014, 2016)
H3	Knowledge and Awareness	→ Attitude toward the Islamic financing	(Mariatul A. Jaffar & Musa, 2013; Mariatul Aida Jaffar & Musa, 2014, 2016)
H4	Reputation of Islamic finance	→ Attitude toward the Islamic financing	(Mariatul A. Jaffar & Musa, 2013; Mariatul Aida Jaffar & Musa, 2014, 2016)
H5	Business support	→ Attitude toward the Islamic financing	(Mariatul A. Jaffar & Musa, 2013; Mariatul Aida Jaffar & Musa, 2014, 2016)
H6	Attitude toward the Islamic financing	→ Intention of adoption of Islamic finance	(Mariatul A. Jaffar & Musa, 2013; Mariatul Aida Jaffar & Musa, 2014, 2016)
H7	The perceived usefulness of Islamic finance	→ Intention of adoption of Islamic finance	(Abourrig & Rachidi, 2016; Mariatul A. Jaffar & Musa, 2013; Mariatul Aida Jaffar & Musa, 2014, 2016)
H8	Social Influence (subjective standards)	→ Intention of adoption of Islamic finance	(Antara, Musa, & Hassan, 2016; Mariatul A. Jaffar & Musa, 2013; Mariatul Aida Jaffar & Musa, 2014, 2016)(Amin et al., 2011)
H9	Perceived behavioral control	→ Intention of adoption of Islamic finance	(Antara et al., 2016; Mariatul A. Jaffar & Musa, 2013; Mariatul Aida Jaffar & Musa, 2014, 2016)
H10	Organizational Culture	→ Intention of adoption of Islamic finance	(Amin, Muhammad, Lada, Amran, & Hamid, 2006; Amin et al., 2011)
H11	Government support	→ Intention of adoption of Islamic finance	

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On the basis of these two theories and the model of Jaffar and Musa, we proposed a new twelve-variable research model. We assumed that the attitude towards Islamic finance was influenced by five variables:

- Motivation and religious commitment (H1),
- Benefits of Islamic Financing Costs (H2),
- Knowledge of Islamic financial products and awareness (H3),
- The reputation of Islamic finance (H4),
- Business support (H5).

Similarly, the attitude towards Islamic financing assumes an indirect relationship with the variable "intention to adopt Islamic financing - variable to explain" (H6). This dependent variable is supposed to be affected by other variables:

- The perceived usefulness of Islamic finance (H7),
- Social Influence ((Subjective standards)) - (H8),
- Perceived behavioral control (H9),
- Organizational culture (H10),
- Government support (H11).

The eleven hypotheses will be analyzed using a model of structural equations to determine the most important variables related to the intention of adoption of Islamic financing by Moroccan entrepreneurs.

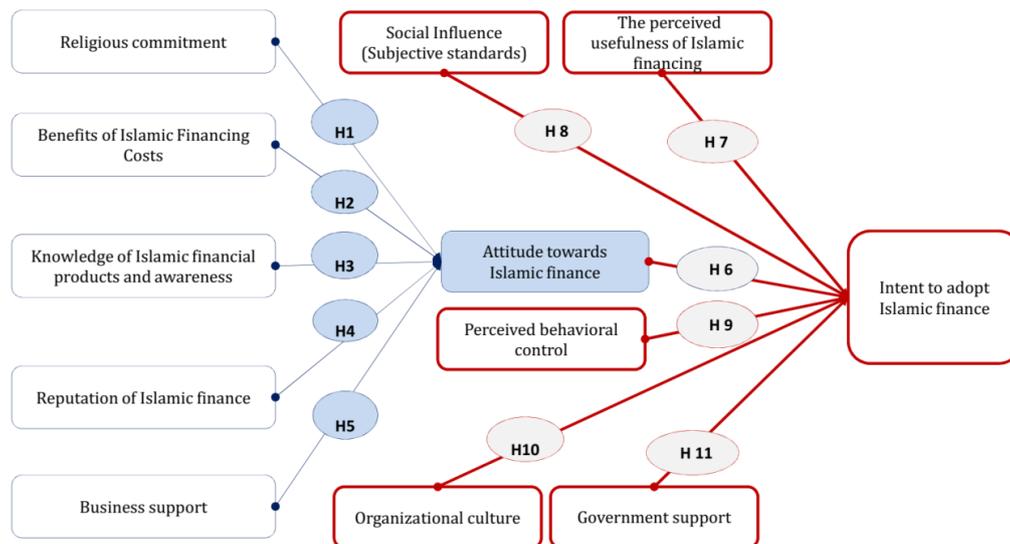


Figure 4. Conceptual model of the adoption intent factors of Islamic banking products. Case of Moroccan VSE

4. Data collection

On the basis of a critical reading of the literature, we have operationalized the different variables of our conceptual model. We have also developed and pretested our survey with the head of a VSE in Morocco. Administration of the survey with the leaders of very small enterprise in Morocco. allowed us to collect 163 valid responses. The purpose of this section is to present the main purification results and to test

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the measurement scales of the different variables used in our conceptual research model.

4.1. Descriptive statistics on the study population

Descriptive statistics provide information on the composition of individuals who responded to the research survey. The purpose of this section is to describe the composition of the leaders of the VSE who responded to our survey.

4.2. Characteristics and classification of VSE

The figure below presents a statistical description of VSEs in relation to their experiences, as well as a statistical description of respondents' characteristics in relation to their business sector.

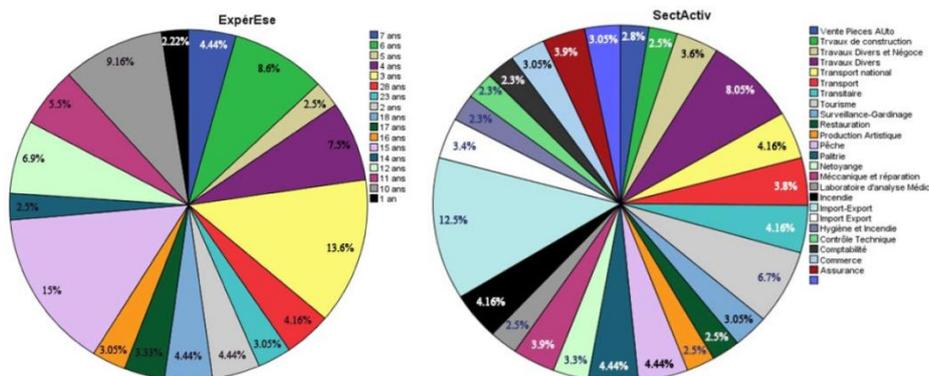


Figure 5. Characteristics and classification of enterprises

The majority of the enterprises of our study exercise their profession for more than two years. Also our data simple correspond to several sectors of activity: Sale of auto parts, construction work, various works and trading, transportation, tourism, logistics, supervision and childcare, restore, cleaning, import-export, trade, insurance.

4.3. Purification and testing of measurement scales of variables in a research model

This phase is devoted to exploratory validation of factor analysis using both software. IBM SPSS and IBM SPSS Amos 24, in order to purify and test the scales of different latent variables of our conceptual model. In order to facilitate the identification of the items, during data analysis, we proceeded to the codification of the various indicators on SPSS. Similarly, we chose to directly present the results of the main factor analysis.

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Table 3. Codifications of the items of measurement of the religious commitment

List of Items	Codes
1. The Islamic financial institutions in Morocco provide funding in accordance with Shariah.	EngRelConfChari
2. The Islamic financial institutions in Morocco provide funding without riba (without interest)	EngRelRiba
3. Muslims are prohibited to opt for the funding from traditional banks	EngRelIntMus
4. Religion motivates me to borrow Islamic financing	EngRelMotiv
5. As a contractor, I should use the Islamic financing in my company.	EngRelDevoir
6. Islamic financing is in accordance with a Islamic philosophy.	EngRelPhilIsl
7. An introduction to Islamic financing is based on the Koran and the Hadith.	EngRelCorHadith
8. Islamic financing is free of fraud.	EngRelFraude

To measure the internal coherence (or the reliability) of the questions asked during a test, we proceed to calculate Cronbach alpha, its value is less than or equal to 1, being generally considered "acceptable" from 0.71. the following table shows the results of this test which confirmed the validity of our responses.

Table 4. Summary of test scale results, Cronbach's Alpha

The variables	No. of items	Items	Cronbach α
Motivation & religious commitment	6	Islamic financial institutions in Morocco provide financing in accordance with Islamic sharia	0.819
		Islamic financial institutions in Morocco provide interest-free financing	
		Muslims are forbidden to opt for financing traditional banks	
		The IF conforms to Islamic philosophy.	
		An introduction to Islamic finance is based on the Quran and Hadith.	
		The IF is free of fraud.	
Cost Advantage of IF	4	The FI provides credits in favorable conditions.	0.839
		The IF declines the service charge and decreases the monthly repayment.	
		Islamic financing is more profitable than conventional financing. The costs of borrowing the funds in the IF are lower than the conventional.	
Knowledge of the islamic financial products	3	I understand the difference between Islamic and conventional financing.	0,754
		I know that the Islamic financing is offered to Muslims and non-Muslims.	
		I am informed of the existence of Islamic financing for VSE and SMEs.	
Reputation of IF	4	The Islamic financial institutions improve the well-being of community.	0.866
		The Islamic financial institutions are transparent	
		The Islamic financial institutions contribute to the social protection The Islamic financial institutions support the reputation and image Islamic.	
Support to Businesses	4	The Islamic financial institutions are fast in terms of approval of loans.	0.903
		The Islamic financial institutions share the commercial risk.	
		The Islamic financial institutions encourage the management of enterprises. The Islamic financial institutions prefer to finance large corporations that VSE and SME	
Perception of the usefulness of IF	5	I appreciate Islamic finance	0,871
		Islamic financing is one of the best banking products	
		Islamic financing is advantageous.	
		Opt for Islamic financing, is a good idea. Islamic financing is positive.	
Perception of the social influence	7	Most people who are important to me believe that I have to adopt an IF for my business.	0,936
		It is expected that I should adopt the Islamic financing in my business.	
		Most of the important people for me think that the IF is useful.	
		The people close to me think that I must choose the IF.	
		Most of the important people for me think that the IF is advantageous. It is expected by the other that I should choose an IF.	

Shareholder recommendation may influence my decision to use the IF			
Attitude toward the IF	5	The IF is just The IF is flexible The IF is fair The IF is useful The IF is beneficial	0.946
Perceived behavioral control	3	If I wanted to, I could adopt the Islamic financing. For me the adoption of Islamic financing is possible. How much control do you think you need to adopt the Islamic financing in the business?	0.865
Organizational Culture	3	Our company encourages innovation Our company adopts a strategy of flexibility Our company is oriented to the performance	0.876
Government support	3	Bank Al Maghreb encourages innovation in the operations of Islamic Bank. The Moroccan Government provides incentives to the Islamic banking sector. The Moroccan Government guarantees the stability of the industry of Islamic finance.	0.934
Intention of adoption of IF	3	I am interested in the use of Islamic financing in the future I am interested by the adoption of IF I will use the Islamic financing a day	0.858

5. Results and discussion

5.1. Test results of research hypotheses

Table 5. Structural relations between the different variables of the model for the study of factors that promote the adoption of IF

List of Research hypotheses				Estimate	H.e.	Q.c.	P	Hypothesis
H1	Motivation & religious commitment	→	Attitude toward the IF	.817	.064	12,814	***	Confirmed
H2	Benefits of the costs	→	Attitude toward the IF	.164	.126	1,373	.194	Rejected
H3	Knowledge and Awareness	→	Attitude toward the IF	.739	.125	5,888	***	Confirmed
H4	Reputation of IF	→	Attitude toward the IF	.544	.075	7,251	.008**	Confirmed
H5	Businesses Support	→	Attitude toward the IF	.061	.052	1.181	.238	Rejected
H6	Attitude toward the IF	→	Intention of adoption of IF	.759	.101	7,499	***	Confirmed
H7	The perceived usefulness of IF	→	Intention of adoption of IF	.809	.086	9,457	***	Confirmed
H8	Social Influence & subjective standards	→	Intention of adoption of IF	.119	.058	2,067	.039*	Confirmed
H9	Perceived behavioral control	→	Intention of adoption of IF	-.093	.070	-1,326	.185	Rejected
H10	Organizational Culture	→	Intention of adoption of IF	.357	.063	5,707	.004**	Confirmed
H11	Government Support	→	Intention of adoption of IF	-.151	.102	-1,472	.141	Rejected

After testing our hypothesis, we have validated seven hypotheses and rejected four of them. The validated hypotheses are: H1, H3, H4, H6, H7, H8, H10, and the rejected hypotheses are: H2, H5, H9, H11.

H 1. Relationship between motivation and religious commitment and attitude towards the IF.

The first assumption assuming the direct and positive impact on motivation and commitment on the attitude towards Islamic financing is accepted.

The results showed significant links between these two variables, they are significant with a $t = 12.814$ and a $p < 0.001$. As well as a correlation coefficient equivalent to 0.817. Therefore, the link between these two variables is very strong (0.817 ***).

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H 2. Relationship between the benefits of costs and the attitude toward IF

We have assumed a positive relationship between these two variables. This hypothesis is rejected (with $t = 1,373$; $p = 0.342$).

H 3. Relationship between the knowledge and awareness, and the attitude toward IF

We have assumed a positive relationship between these two variables. This hypothesis is accepted (with $t = 5,888$; $p = 0$). Similarly, the correlation coefficient is 0.739 which indicates that these two variables are strongly linked.

H 4. Relationship between the reputation of IF and the attitude toward IF

The fourth hypothesis assumes that the reputation of Islamic finance has a direct and positive impact on the attitude toward the IF. This hypothesis is accepted (with $t = 7,251$; $p = 0.032$). Similarly, the correlation coefficient is 0.544 which demonstrates that these two variables are related.

H 5. Relationship between the businesses support and the attitude toward the IF

We have assumed a positive relationship and direct between these two variables. This link is not significant (with $t = 1.181$; $p = 2,232$). These results reflect the lack of relationship between the businesses support and the attitude toward the Islamic financing. So, this fifth hypothesis is rejected.

H 6. Relationship between the attitude toward the IF and the intention of adoption of IF

The intent of the adoption of the IF is assumed influenced by the attitude toward this mode of funding. This hypothesis is accepted (with $t = 7,499$; $p = 0$). In addition, the coefficient of correlation ($r = 0.759$) reflects a very strong link between these two variables.

H 7. Relationship between the perceived usefulness of the IF and the intention of adoption of IF

We have assumed a positive relationship between the perceived usefulness and the intention of adoption of Islamic financing. This hypothesis is validated (with $t = 9,457$; $p = 0$). In addition, the correlation coefficient which is equal to 0.809 indicates a strong relationship between these two variables.

H 8. Relationship between social influence and the intention of adoption of IF

The eighth hypothesis assumes the existence of a link between social influence and the intention of adoption of Islamic financing. The results obtained reflect the significant links between the that the statistical links between these two variables are significant with a ($t = 2,067$ and $p = 0.039^*$). With a correlation coefficient equivalent to 0.131.

H 9. Relationship between the Perceived behavioral control of IF and the intention of adoption of IF

We have assumed a positive relationship between these two variables. This hypothesis is rejected (with $t = -1,326$; $p = .185$). Therefore, the control

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behavior perceived by the leaders of the VSEs has no influence on their intention to adoption of the funding.

H 10. Relationship between the organizational culture and the intention of adoption of IF

The 9th hypothesis which assumes the positive influence of the organizational culture on the intent of the adoption of the IF is validated, as well the results derived from the Amos software, indicate that the links statistics are significant (with a $t = 9,183$ and $p = 0$). Similarly, the correlation coefficient is 0.770 which reflect a very strong link between these two variables.

H 11. Relationship between the government support and the intent of the adoption of IF

This assumption implies a positive influence of the government support on the intention of adoption of Islamic financing, the statistical links is non-significant ($p = 0.141$). Therefore, this hypothesis is rejected.

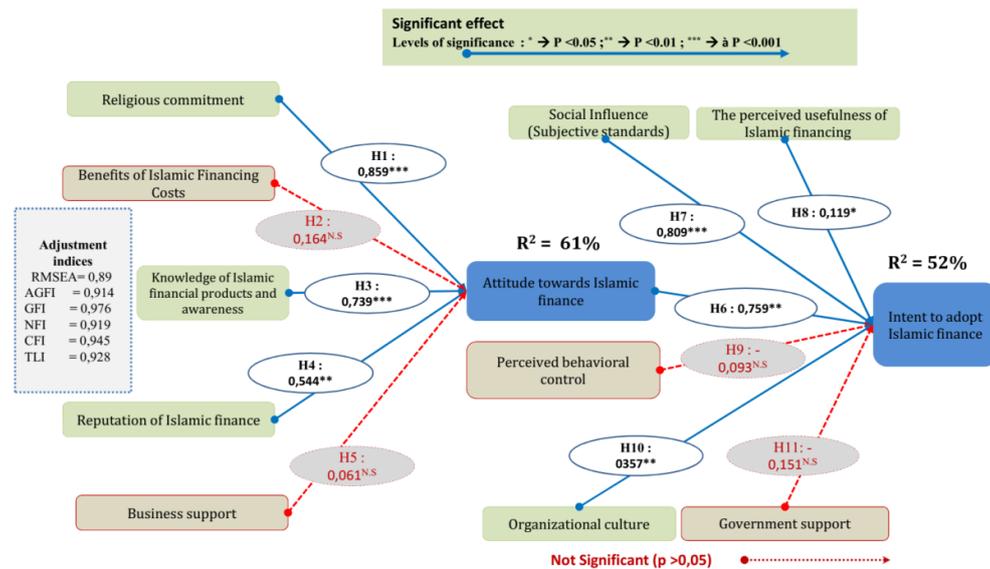


Figure 6. Summary of assumptions test results and conceptual research model

5.2. Analysis and discussion of the results of the research

The purpose of this research is to answer the main question: What are the factors that favor the adoption of Islamic financing for very small businesses in morocco (TPE)?

Referring to previous research, we have developed a new conceptual model integrating twelve variables, nine endogenous variables and two exogenous variables. The test of the proposed model and the initial hypotheses was the subject of quantitative analysis (Cronbach's alpha). This technique was used during the adjustment phase of the global model.

Discussion of the main results of a test of the scales of Measures

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The two analyzes performed allowed to provide indicators which were used to measure the different variables, in order to propose definitions according to the context of the VSE in Morocco.

The proposal of a scale to measure the motivation and religious commitment adapted to the Moroccan VSE

The motivation and religious commitment is identified as one of the factors that contribute to the improvement of the positive attitude toward the adoption of IF by the VSE. Thus, the improvement of motivation and commitment of the VSE in Morocco is based on six criteria:

- Islamic financial institutions in Morocco provide Sharia-compliant financing,
- Islamic financial institutions in Morocco provide interest-free financing,
- Muslims are forbidden to opt for traditional banking products,
- Islamic finance is in accordance with Islamic philosophy,
- The introduction to Islamic finance is based on the Quran and Hadith,
- The IF is free of fraud.

These indicators could be used as marketing or put forward by the institutions that offer Islamic financial products in order to capture (more) companies (markets) and individuals to opt for Islamic financing products in line with Islamic philosophy.

❖ Toward a new definition of knowledge of Islamic financial products & Awareness

According to the results of the confirmatory factor analysis, the attitude towards Islamic finance is directly influenced by the knowledge of the products of the Islamic Bank and by the raising awareness of Islamic finance. A better knowledge of the products of Islamic finance contributes to a positive attitude towards Islamic finance. This knowledge goes through several elements.

- I understand the difference between Islamic and conventional finance.
- I know that the Islamic finance is offered to Muslims and non-Muslims.
- I am aware of the existence of Islamic finance products for VSEs and SMEs.

❖ *The reputation of Islamic finance in the context of the Moroccan VSE*

The rating scale test of Islamic finance's reputation suggests that is tied to four criteria. The first criterion is related to the transparency of the Islamic financial institutions. The second criterion suggests that Islamic financial institutions support the reputation and image of Islam. The last two criteria concern the contribution of Islamic financial institutions in improving the welfare and social protection of communities.

The perceived usefulness of Islamic finance: what indicators to measure?

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The results of the analysis indicate that the perception of the usefulness of Islamic finance is linked to four criteria:

- Islamic financial products are one of the best banking products,
- I appreciate Islamic finance,
- Islamic finance is beneficial,
- Opting for Islamic finance, is a good idea,
- Islamic finance is positive.

Knowing that the improvement of these criteria contributes to the establishment of a positive attitude toward the adoption of Islamic finance in the VSE. Islamic banks can integrate these indicators during the implementation of their marketing strategies.

❖ The scale measurement of the social influence

Social influence is retained as a variable that directly influences the attitude toward Islamic finance. Thus, a better definition of this concept will help the actors of Islamic finance to improve their attitude to this mode of financing. Through our research, we have provided a tool for measuring social influence. In summary, this variable is related to the seven criteria:

- Most people who are important to me believe that I have to adopt an IF.
- It is expected that I should adopt the Islamic finance products in my business.
- Most of the important people for me think that the IF is useful.
 - The people close to me think that I must choose the IF.
 - Most of the important people for me think that the IF is advantageous.
 - The other expects me to choose an IF.
 - The recommendation of the shareholders may influence my decision to use IF

All the mentioned criteria can be taken into account in the marketing strategy of institutions and banks offering products of Islamic finance.

❖ The attitude toward Islamic finance

The attitude towards Islamic finance is perceived through the five criteria, which refer to the expectations of the VSE. The leaders and owners of the VSE (TPE) in Morocco believe that Islamic finance is fair, flexible, equitable, useful and beneficial. Bank managers offering Islamic finance products can draw inspiration from these measures to consider improving the expectations set by the VSE. As it is possible to put forward these different criteria when the commercialization phase of the Islamic financial products

❖ The organizational culture of VSE

The purification and validation of the measurement scale of the organizational culture concerning VSE in Moroccan context show that this variable is based on three indicators.

- Our company encourages innovation,

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- Our company adopts a flexibility strategy,
- Our company is a performance-oriented company.

According to these criteria, it is clear that the Moroccan VSE encourages innovation, adopts a flexible strategy oriented towards results (performances). It is therefore easy to attract these companies to Islamic finance. The institutions of Islamic finance are invited to take advantage of these elements that promote the adoption of financing with the VSE in Morocco, offering financial services in close connection with the cultural orientations of the VSE.

❖ The intention of adopting Islamic finance by the Moroccan VSE

In the context of the Moroccan VSEs, the intention to adopt Islamic financing is perceived according to three criteria.

- I am interested in using the IF in the future,
- I am interested in adopting IF,
- I will use IF daily.

This scale of measurement represents an effective tool, easy to use by institutions that offer products of Islamic finance, to measure the intention of small businesses, see the same individuals, the adoption of Islamic financing.

Discussion of the results of adjustment of the structural model

The analyzes performed to enable us to list the seven factors favorable to the adoption of Islamic finance products in the Moroccan context. Three factors have an indirect impact on this variable through the improvement of the attitude towards Islamic finance. While four factors are directly related and positively influence the intention to adopt Islamic finance. This second point wants to analyze these different relationships in order to draw the elements of an answer to our initial problem.

❖ Relationship between input variables and the attitude towards IF (H 1, H 2, H 3, H 4, H 5)

Of our conceptual model research, we have assumed that the attitude toward the Islamic finance deponent of five variables:

- Motivation and religious commitment (hypothesis 1),
- Cost benefits (Hypothesis 2),
- Knowledge and awareness through the report to the IF (hypothesis 3),
- The reputation of the IF (hypothesis 4),
- Business support (Hypothesis 5).

The results obtained from the confirmatory factor analysis indicate that the attitude towards Islamic finance is explained by three variables: motivation and religious commitment (H1), knowledge and awareness of the IF (H3) and the reputation of the IF (H4). These findings are consistent with previous work that called for motivation and religious commitment (Amin *et al.*, 2011; Bitar & Madiès, 2017; Jaffar & Musa, 2013; Jaffar & Musa, 2014, 2016). Knowledge of Islamic financial products and the reputation of the IF (Jaffar & Musa, 2013; Jaffar & Musa, 2014; 2016) as antecedent

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variables for establishing a positive or negative sense of Islamic finance. We clarify that the results obtained demonstrate the lack of relationship between the two variables "Support to Business (H5), Cost-Benefit (H2)" and attitude towards Islamic finance. These different results can help managers and executives of Islamic finance institutions in the process of establishing a positive sense with the VSE in order to opt for Islamic finance products.

❖ Relationship between the variables of the second level and the intention of adoption of IF (H 6, H 7, H8, H9, H10, H11)

Through this Study, we seek to explain the factors underlying the intention to adopt Islamic financing by the VSE in Morocco. We assumed that this model-dependent variable was explained by six variables:

- The attitude toward the IF (hypothesis 6),
- The perceived usefulness of IF (hypothesis 7),
- The social influence (hypothesis 8),
- The control of behavior seen (hypothesis 9),
- The organizational culture (hypothesis 10),
- The support of the government (hypothesis 11).

The results of test of the model and assumptions suggest that this variable depend mainly of four variables.

❖ Relationship between the attitude toward IF and the intention of adoption of IF (H6)

Based on a critical reading of the literature, we have assumed that the attitude towards Islamic finance has a direct and positive influence on the intention to adopt Islamic finance in Moroccan VSE. On the basis of the tests carried out, we were able to validate this hypothesis. In addition, the positive feeling towards Islamic financing introduces the intention to adopt this mode of financing among the leaders of the VSE. These results perfectly combine previous research (Jaffar & Musa, 2013; Jaffar & Musa, 2014, 2016).

❖ Relationship between the perceived usefulness of IF and the intention of adoption of IF (H7)

Hypothesis tests using structural equation methods validated the seventh hypothesis linking perceived utility and intention to adopt Islamic finance. The positive relationship between perceived usefulness and intention to adopt Islamic funding is often highlighted in different research contexts (Abourrig & Rachidi, 2016; Jaffar & Musa, 2013; Jaffar & Musa, 2014, 2016).

❖ Relationship between the social influence and the intention of adoption of IF (H8)

The results obtained are aligned with several empirical studies that emphasize the role of social influence as a determinant of the intention to adopt the IF (Antara, Musa & Hassan, 2016; Jaffar & Musa, 2013; Jaffar & Musa, 2014, 2016; Amin *et al.*, 2011; Wahyuni, 2012).

❖ Relationship between the control behavior perceived the IF and the intention of adoption of IF (H 9)

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The hypothesis test using structural equation methods has refuted the ninth hypothesis, which assumes the existence of a causal link between the control of the perceived behavior and the IF option intention.

❖ Relationship between the organizational culture and the intention of adoption IF (H 10)

Following the previous research, we can conclude that the organizational culture is identified as a variable of the explanatory variables of the intention to adopt Islamic finance. Several studies highlight this positive relationship between these two variables ([Antara, Musa & Hassan, 2016](#); [Jaffar & Musa, 2013](#); [Jaffar & Musa, 2014, 2016](#), [Amin et al., 2011](#); [Wahyuni, 2012](#)).

❖ Relationship between the support of the government and the intention of adoption IF (H11)

The results obtained demonstrate the lack of relationship between the support of the government and the intention of the adoption of Islamic finance with the VSE. This can be explained by the fact that the leaders of the VSE indicate the absence of actions and governmental programs likely to affect their behavior and their decisions in order to opt for Islamic finance products. In the light of these results, the government and the heads of Islamic finance institutions can opt for the model developed to define appropriate policies to encourage the adoption of Islamic finance with the Moroccan VSEs.

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