

**Women Entrepreneur's Perception Towards Islamic Banking in Quetta,
Pakistan****Saba Raja, Jameel Ahmed, Kaneez Fatima***University of Balochistan, Pakistan***Abstract**

This study is undertaken to investigate the perception of women entrepreneurs about Islamic banking in Quetta city. The researchers used qualitative approach for the purpose of better and in-depth understanding of women entrepreneurs about Islamic banking. For data collection, the semi-structured interviews were conducted from 10 women entrepreneurs who were highly aware about Islamic banking. The data was analyzed by using thematic analysis. The study identified various themes such as Islamic, Shariah, modes of finance, Islamic values, Riba, uncertainty, gambling, Shariah board, Halal, social welfare, Zakat, and Charity. From the in-depth analysis of data, the study found that women entrepreneurs developed their understanding from newspaper, TV commercials, billboards, and some of them studied Islamic banking as a course work during their studies. They have clear understating regarding the all aspects of Islamic banking such as Islamic principles, Shariah board and its role, Islamic banking products, Islamic modes of finance, and Islamic banking contribution towards social welfare. The study suggested that Islamic banks should arrange various workshops, seminars and invite religious scholars and Islamic banking experts to create the awareness and to provide the better understanding about Islamic banking and its products in Pakistan.

Key words: Women entrepreneurs; Perception; Islamic banking; Islamic banking products; Quetta.

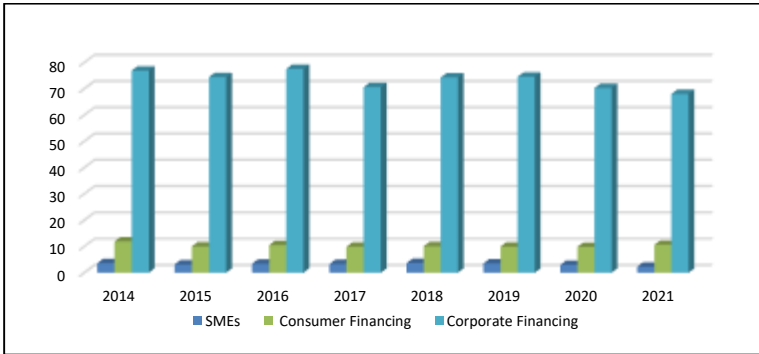
Islamic history is evident that Muslims set up an interest-free (*usury free*) monetary system to fulfill their financial requirements according to Islamic rules (Chapra and Khan, 2000). However, the notion of Islamic banking system was initiated in 20th century and gained magnified growth in last few decades. Currently, more than 300 Islamic banks and 200 conventional banks are providing Islamic banking services throughout the world (Lim, 2019). The Islamic banking system is entirely based on Islamic principles and provides interest-free banking system.

In Pakistan, the beginning of Islamic banking can be traced back to 1950's, with the establishment of cooperative bank in rural area; however, it didn't have any lasting impact (Zainol, 2008). Then, second attempt was made in 1980 by changing the conventional banking system into interest-free banking system, but it failed due to a number of reasons ¹ (Sohail & Ijaz, 2014). Eventually, the formal Islamic banking system was introduced in 2002 with the establishment of Meezan Bank (First Full-fledged Islamic Bank). Ever since, Islamic banking is continuously growing in Pakistan. Currently, 5 full-fledged Islamic banks are providing Islamic banking services through 3,456 branches, and 17 conventional banks are also offering Islamic banking services through their Islamic windows with 1,638 branches around the country (Islamic Banking Bulletin, 2020).

Recent years witnessed an impressive annual growth of 20.8% in Islamic banking industry. In 2021, the market share of Islamic banking in terms of total assets and deposits is 18.6% and 19.4%. However, it's very low as compared to its conventional counterpart. The low market share signifies that there is massive potential for the expansion of Islamic banking industry (Islamic Banking Bulletin, 2021).

¹ In 1980, Gen Zia took the initiative to implement the Islamic banking system. However, Ministry of finance didn't support to implement Islamic financial system. And due to insufficient resources provided by SBP to practice Islamic system, new concept of Profit-loss sharing system, and customer's reluctance to bear loss were the main reasons that the Islamic banking system was not implemented successfully (Khan & Bhatti, 2008).

Figure 1.
Sector-Wise Financing (% Share)



Source: (Islamic Banking Bulletin, 2021)

To increase the market share, Islamic banks are required to serve a large group of consumers. Currently, Islamic banks are providing financing to three major sectors, which are consumer, corporate and SMEs sectors. Figure 1 depicts the sector wise financing over the last 8 years. The data shows that excessive financing is provided to the corporate sector, and percentage of financing provided by Islamic banks to SME sector is the lowest (Islamic Banking Bulletin, 2021). SME is one of the major sectors in Pakistan. It constitutes about 90% businesses and contributes nearly 40% in GDP of Pakistan (Manzoor et al., 2021). This means, there is huge potential for Islamic banks to target the SME's sector to increase the market share. For this purpose, Islamic banks are required to provide extensive range of financial products for the SMEs sector.

In SMEs, women entrepreneurship is also one of the emerging sectors. Women are playing essential role by starting their own business and have immense potential towards economic development. Over the course of time, the number of women entrepreneurs is increasing. For that reason, the Govt. of Pakistan encourages Small and Medium Enterprises Development Authority (SMEDA) and business support organizations to provide training, workshops and initiate various programs to persuade women to start their own business (SMEDA, 2020). The aim is to encourage women to start their business and participate in economic activities. However, women are exceptionally under-served by the financial system. To address this issue, State Bank of Pakistan is working on Gender Mainstreaming policy "Banking on Equality" to condense the gender disparity, and also launched a Refinance and Credit Guarantee Scheme to support the small businesses running by women entrepreneurs (DAWN, 2021). In this regard, Islamic Banks may play significant role by concentrating on financial requirements of women entrepreneurs. This will increase the Islamic banking contribution towards economic development, and will increase the market share of Islamic banking industry by targeting a large group of people. Thus, it is essential for Islamic banks to investigate the perception of women entrepreneurs as it will provide an in-depth understanding and interpretation of women entrepreneur's perspective that how they perceive about Islamic banking.

Additionally, there have been many studies conducted to investigate the perception of customers, general society, corporate customers, employees, students, and non-Muslims communities (For example, Akbar et al., 2012; Akhtar et al., 2016; Erol & El-Bdour, 1989; Sonko, 2020; Hassan, 2007; Hossain & Roy, 2017; Rustam et al., 2011; Shaharuddin et al., 2005; Zainol, 2008). However, no study has been examined the perception of women entrepreneurs about Islamic banking. Thus, this study investigated the perception of women entrepreneurs regarding Islamic banking and its products in Quetta, Pakistan. This study contributes to the literature and provides the inclusive understanding of women entrepreneurs regarding Islamic banking and its products.

This study is beneficial for the Islamic banking industry in number of ways. Firstly, Islamic banks can understand the perception of women entrepreneurs, and can develop new marketing strategies to develop positive attitude among women entrepreneurs and can attract more customers. Furthermore, Islamic banks can offer Shariah compliant products as per requirement of women entrepreneurs. It will not only be helpful to generate profit for Islamic banks but, it will also help to meet the social and economic responsibility.

The rest of the paper is organized as follows; section 2 deals with briefly literature review about perception, and perception about Islamic Banking. Section 3 describes the research methodology, Section 4 presents the analysis of the results, and section 5 concludes the study.

Literature Review

Perception

The word perception is originated from two Latin words, i.e., “percipio & perceptio” which means receiving, gathering, observing, perceive, understanding, and notice or learn about something (Qiong, 2017). Perception is defined as the process by which a person selects, organize and interpret the sensory information into the meaningful picture (Robbins, 2005). It describes how a person feels/thinks or responds to a particular situation. It is also defined as the way that how a person interprets his experience about something (Williams, 2018). The entire perception process is based on three stages, i.e., selecting, organizing and interpretation of the information. Firstly, the person observes and choose the part of the data from the environment, as many stimuli and information surround a person, so through selecting process, the person pays attention to only that exciting information and absorb the selective information. Then in the second stage, the detailed information is organized into a meaningful pattern. The process is accomplished by putting information into categories. The process gives structure to essential information in a significant way. In the last stage, the person interprets the data into a meaningful picture. In which a person tries to make sense of organized information by assigning meaning to them. Different people can provide a different meaning to the same information, and interprets differently, so the perception of two people varies for the same situation (Otara, 2011).

Perception is crucial to understand human actions, as each person perceives the situation and the entire world differently, and one person can view a fact differently from others. When a person is placed in a specific situation, then the person tries to interpret the situation according to what he or she perceives. The interpretation is affected by the personal characteristics of the perceiver, which includes attitude, personality, interest, needs, expectation and past experiences of the person. So, all individuals have different unique characteristics; therefore, they perceive and interpret the same situation differently (iEduNote, 2019).

The perception of consumers is essential for the organizations, as it shows the consumer’s opinion about any organization and its products. It exhibits how consumers feel about the organization through their direct/indirect experience with that organization (Stec, 2019). Perception of any organization could vary from person to person, as each individual perceives differently. Few characteristics are there that may affect the perception of consumers, which includes the need of consumers, quality of services, consumer’s satisfaction, their past experiences and expectation with organization, and marketing strategy of that particular organization. In organizations, the perception of consumers is usually characterized by their satisfaction level with products & services of that specific organization (Rustam et al., 2011). As consumer’s expectations reflect the needs of consumers, and if these needs are fulfilled, and quality of services will be good then the consumer will be satisfied and will develop a positive perception for that particular organization (Najmah et al., 2019).

Perception towards Islamic Banking

Perception about Islamic banking is essential as it will provide an in-depth understanding and interpretation of respondents that how they perceive about Islamic banking operations. Statt (2002) points out that customer’s perception of the products/ services has much more effect on their behavior to choose these products/ services. Perception of customers/ potential customers is essential for the banking industry, as by knowing the perception, Islamic banks could attract new customers, develop marketing and other strategies for the success and survival of the Islamic banking (Piric et al., 2018). In literature, number of studies (for example Akbar et al., 2012; Akhtar et al., 2016; Erol & El-Bdour, 1989; Sonko, 2020; Hassan, 2007; Hossain & Roy, 2017; Rustam et al., 2011; Shaharuddin et al., 2005; Zainol, 2008) have been conducted to examine the perception of customers, general society, corporate customers, employees, students, and non-Muslims communities. These studies have been conducted in various countries around the world including Bangladesh, Gambia, Jordan, Malaysia, Oman, Saudi Arabia, and in several cities of Pakistan. Based on the previous studies conducted on different segments, the literature is divided into categories including perception of customers, general society, employees, SMEs and corporate customers, Muslim and Non-Muslim communities. The further discussion on literature is included in following section.

The previous studies showed that a number of studies have been conducted on perception of Islamic bank's customers. These studies have been conducted in Jordan, Oman, United Kingdom (UK), and in several cities of Pakistan. The study conducted in Jordan revealed that majority of the respondents showed their trust with Islamic banking. On the contrary, they were unable to differentiate the Islamic banking & conventional banking (Erol & El-Bdour, 1989). As per study conducted in Oman, the operational procedure of both the banking system are same, the products/services provided by Islamic banks are similar to the products/services of conventional banks and Islamic banks are just twisting the products /services names, so majority of the respondents were unclear about the notion of Islamic banking (Belwal & Al Maqbali, 2019). Furthermore, the studies conducted in Gambia and United Kingdom (UK) indicated that proper marketing has not done by Islamic banks, as majority of the respondents were not able to differentiate the operating activities of Islamic and conventional banks (Akbar et al., 2012; Sonko, 2020). Studies conducted in several cities of Pakistan showed that majority of the people are using Islamic banking, and they believed that all activities of Islamic banks should comply with the *Shariah* value, and follow the profit-loss principle. However, they were unfamiliar with the mechanism of Islamic banking that how it operates (Akhtar et al., 2016). Similarly, regarding the profit-loss sharing principle, the customers were ambiguous for their invested money, as proper disclosure of such information by Islamic banking was unavailable that where Islamic bank is further investing investor's money (Sheikh et al., 2014). The previous studies also revealed that the personnel of Islamic banking were not well informed about Islamic banking products, as they were unable to convince customer by explaining their product line (Masood, 2014).

Similarly, few studies have been conducted on general society as well as on finance related professionals in various cities of Pakistan. The previous studies revealed that participants have an optimistic attitude for Islamic banking, and they would prefer to choose an Islamic bank for the investment purpose. Likewise, a large number of participants were in doubt regarding the banking activities that it is functioning according to *Shariah*, while people having a bank account with Islamic bank were more contented with banking activities because the all activities & banking operations comply with *Shariah* principle (Hassan, 2007). These studies also demonstrated that Islamic banking had not opted appropriate marketing strategies, so that's why there were only a few numbers of people who were aware of Islamic banking. And due to lack of awareness, the majority of the people were unable to differentiate Islamic banking and conventional banking (Sohail, 2014). Majority of the respondents suggested that Islamic banks should initiate awareness sessions and training about the Islamic banking system. The few respondents also recommended to improve Islamic banking services, *Shariah* compliance, enhance the role of *Shariah* advisor and promote profit-loss sharing products (Hanif & Iqbal, 2010).

Furthermore, few studies also have been conducted on employees of Islamic and conventional banks having Islamic windows in Malaysia and Pakistan. The study conducted in Malaysia shows that employees of Islamic banks were well informed and had better understanding of the products & services in contrast to employees of Islamic windows (Zainol, 2008). Moreover, studies conducted in various cities of Pakistan demonstrated that religious motivation has a tremendous impact on choosing Islamic bank for employment, and employees have a positive attitude towards products & services of Islamic banks as the operating activities are according to *Shariah* principles (Saleem et al., 2018). In comparison to the conventional banks (having Islamic window), a study found that there is much more positive attitude of Islamic bank's employees for the development of Islamic banking in future (Arshad et al., 2011).

Moreover, several studies have also been conducted on SMEs and corporate customer's perception in Malaysia, Oman and Pakistan. In Malaysia, the studies demonstrated the low level of awareness among SMEs and corporate customers. Due to low awareness level, the Islamic banking system was not popular among SMEs (Ahmad & Haron, 2002; Rustam et al., 2011). On the contrary, SMEs owners/managers in Oman showed their positive attitude about Islamic finance and their interest to choose the Islamic financing method (Al Balushi et al., 2019). The studies conducted in different cities of Pakistan exhibited that the SMEs managers were unaware of the products provided by Islamic banking, so they believed that they would be unable to avail financing from banks, so that's why they have never tried for bank financing (Umar & Gul, 2019). As per previous studies, yet Islamic banking has not opted effective marketing strategies, so it is essential for Islamic banking to understand the needs of SMEs and enhance its marketing strategy to capture a large group of customers (Rustam et al., 2011; Shaharuddin et al., 2005).

Furthermore, few studies regarding perception of Non-Muslims about Islamic banking have been conducted in Bangladesh, Saudi Arabia and Malaysia. The study conducted in Bangladesh revealed that due to the lack of public information, only a few respondents possess knowledge about

Islamic banking (Hossain & Roy, 2017). As per responses of Saudi Arabia's study, prevention of interest (*Riba*) is not the motivation factors for Non-Muslims to choose Islamic banking, however, due to better quality services, and cheaper services charges and they were satisfied with the Islamic banking services (Hidayat & Al-Bawardi, 2012). It has also been found from the study conducted in Malaysia that education has a significant impact on perception, highly educated respondents believed that Islamic banking is gaining popularity and will dominate the conventional banking in future (Abdullah et al., 2012).

The review of literature shows that the studies are conducted on perception of customers, general society, corporate customers, employees, students, and non-Muslims communities. These studies found different perception regarding Islamic banking. However, no study has investigated the perception of women entrepreneurs on Islamic banking. This study attempts to fill the gap by assessing the perception of women entrepreneurs in Quetta city. This is interesting to investigate because women in general and Quetta being a capital city of Balochistan, in particular are underserved by the financial system in Pakistan.

Research Methodology

In order to achieve the research objective of this study, a qualitative research approach was used. The purpose of qualitative research is to understand the people's believe, attitude, behavior and their experiences (Hammarberg et al., 2016). The qualitative research enabled researchers to seek the general insights of women entrepreneurs about Islamic banking. In qualitative research, this study is exploratory in nature. It helped researchers to gain better understanding regarding women entrepreneurs' perception about Islamic banking and its products. Exploratory research is suitable approach for the study, as it helps to provide better understanding regarding a new phenomenon (Braun & Clarke, 2006).

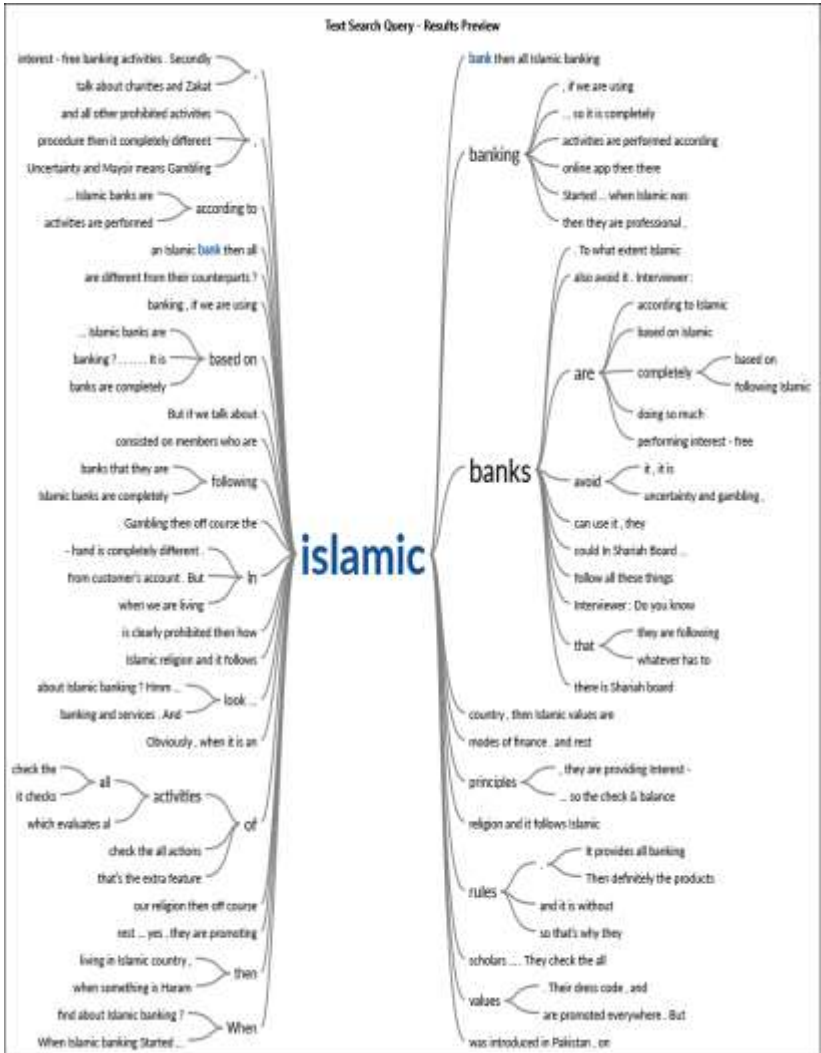
For data collection, the list of 201 women entrepreneurs was acquired from various sources including Small and Medium Development Authority (SMEDA), Innovative Development Organization (IDO), Incubation Center of Sardar Bahadur Khan Women University (SBKWU), National Incubation Center (NIC) Quetta, and Women Chamber of Commerce and Industries (WCCI) Quetta. The snowball sampling was also used to get further contacts of women entrepreneurs. The researchers contacted the complete list of 201 women entrepreneurs, out of 201, only 106 women entrepreneurs were running their businesses so the data was collected from 106 women entrepreneurs.

Initially, the respondents were inquired about their awareness about Islamic banking. As perception is developed by knowledge or experience about something. Thus, to seek the better understanding about the women entrepreneur's perception, it is necessary to know if they are aware about Islamic banking. From 106 women entrepreneurs, only 10 women entrepreneurs shared that they were aware with all aspects of Islamic banking and its products. Thus, based on the findings of initial question, the semi-structured interviews were conducted from those (10) women entrepreneurs who were highly aware about Islamic banking and its products in Quetta city. The researchers used semi-structured interviews because it is a rational approach to collect qualitative data, and to explore participant's thoughts, beliefs and feelings about any precise situation or topic (DeJonckheere & Vaughn, 2019).

For conducting semi-structured interviews, the researchers developed an interview guide based on the existing literature. The interviewees were briefed on the purpose of research and interview guide was shared with them a week before conducting the interviews. The researchers also make sure the respondents that their identity and information provided by them will be kept confidential and will be used only for research purpose. The informed consent was taken from interviewees to record the interviews. During data collection, the researchers identified that the situation criteria of data collection in qualitative study was fulfilled with 6-7 interviews, after that no new response/information was received. However, the researchers completed data collection by conducting interviews from all 10 highly aware women entrepreneurs. After recording the all interviews, researchers transcribed the interviews in Urdu then translated these interviews into English.

To analyze the data, the researchers used the thematic analysis. It is used to analyze the qualitative data to know the peoples believes, opinion, experience and values about something. The thematic analysis is suitable approach to analyze the data collected from semi-structured interviews. It was used to generate themes and provided a detailed analysis regarding the research questions of the study. Thematic analysis helps to analyze the qualitative data (Herzog et al., 2019). It is an independent approach to identify, analyze and report themes within the data (Braun & Clarke, 2006).

Figure 3.
Word-Tree Map



After identifying several themes and sub-themes from Word-Cloud and Word-Tree map, the study also provides the detailed analysis of thematic data. From the interview transcripts, it has been found that many of the interviewees were aware about the existence of Islamic banking through TV commercial, news-paper and billboards, because the advertisement has a great impact on the awareness about any organization (Harris, 2021). Additionally, majority of the interviewees shared that they developed understating about Islamic banking by taking Islamic banking courses during their studies. The following excerpts are taken from the interviewee's responses shows interviewees awareness:

First of all, I knew [Islamic banking] from commercials [Advertisement]. Secondly, I got detailed know-how during my studies in M.com... (Participant 2)
I already knew about [Islamic banking] through advertisements and news-papers.... (Participant 10)

Islamic banking refers to the banking activities which comply with *Shariah* rules. Islamic banking provides interest-free banking activities, strictly follows the Islamic principles and offers all

financial activities according to Islam. It operates on the basis of profit-loss sharing principle and all activities are completely in-line with *Shariah* (Lewis & Algaoud, 2001). The interviewees expressed their understanding about Islamic banking as:

Islamic banking is based on Islamic principles. it provides interest-free banking as interest is forbidden [Haram], so Islamic bank prohibits it... (Participant 5)

[Islamic banks] are completely in-line with Shariah, because obviously it's an Islamic bank then they perform all activities according to Islam and their all products and services are according to Islam and Shariah.... (Participant 9)

Shariah compliance is essential for Islamic banking. To ensure the *Shariah* compliance, there is a *Shariah* board in each Islamic bank which is comprised of renowned Islamic scholars. The core responsibility of *Shariah* board is guiding and supervising all operations of Islamic banks. The *Shariah* board acts as the regulatory authority and keeps check and balance on Islamic banking activities to ensure that all activities are according to *Shariah* (Malkawi, 2013). Two of the interviewees shared their responses about *Shariah* board as:

In Shariah board... basically, there are Islamic scholars who are the members of Shariah board. They evaluate all Islamic banking activities that all these [activities], new products, and services must be according to Islam... (Participant 10)

Shariah board is a kind of Islamic rules and regulatory authority which develops Shariah compliant rules for their banks and financial institutions, that all products should be according to Shariah. Shariah board is formed for Islamic banks so that it can keep check & balance [on Islamic banking activities]. It's a regulatory authority which checks that whether the operational modes of financial institutions are according to Islamic rules or not... (Participant 8)

The *Shariah* board plays a crucial role for the development of *Shariah* compliant products. The *Shariah* board provides guidance and support to the product development department for the development of new product. It monitors all activities and underlying contracts of the products/services of Islamic banks and ensure that all activities are performed according to *Shariah* rules (Laldin, 2008). The interviewees highlighted the *Shariah* board's role as:

Shariah board evaluates the procedure of new products, that the product will be based on which contract... Shariah board check all these things, and if some changes are required in underlying contract, then they do so... they make sure that these products and services must be according to Islam. (Participant 10)

Shariah board guides (product development department) about the products... which are completely based on Islamic rules, and Islamic concept... So, like Mudarabaha, Musharkaha ... [Islamic bank] develop these products for institutions... and give it to the institutions so they can run accordingly (Participant 8)

Islamic banking provides *Shariah* compliance products which are entirely based on Islamic principles. In Islamic principles, there are three elements which are strictly prohibited in Islam, these are *Riba* (interest), *Gharar* (uncertainty), and *Maysir* (gambling) (Alam et al., 2017). Islamic banks strictly avoid the interest factor and provide interest-free banking activities. Regarding uncertainty, Islamic banks try to reduce the uncertainty level while investing in any business. In Islamic principles, uncertainty is allowed to some extent for business, however; the contract should be well-defined and no ambiguity should be there (Uddin, 2015). So Islamic banks make efforts to reduce the uncertainty at lowest level. The last one is about gambling; the Islamic banks are completely avoiding the gambling factor, because gambling is strictly forbidden in Islam and also clearly mentioned in *Quran* and *Hadith* (Yunus et al., 2018). The interviewees mentioned that:

Islamic banking avoids uncertainty and gambling, Gambling is clearly prohibited so (Islamic banks) are completely avoiding it (Participant 9)

... when we talk about investment or finance then obviously risk is the certain factor, because risk is involved in every business. So Islamic bank tries to cover-up uncertainty that they invest in such modes of finance or business where the uncertainty level is low... and regarding gambling, obviously, when (Islamic banking) products are according to

Islamic rules then there can be no concept of gambling. So Islamic banks try their level best to avoid gambling or Maysir... (Participant 8)

The Islamic banks invest in Halal businesses and avoid to invest in all those activities which are forbidden in Islam. Halal businesses are those which are permissible according to Islamic rules, these businesses include manufacturing and trading of goods and services which are acceptable in Islam (Khan and Haleem, 2016). However, Islamic banks do not invest in *Haram* activities such as alcohol related business, dealing in illegal business, stolen goods, and also avoids to invest in unfair means of income (Elmelki and Mounira, 2009). The *Shariah* board also monitor investment activities of Islamic banks that all investment should be in *Halal* businesses. The following excerpts are taken from the interview transcripts as:

[Islamic banks] are according to Shariah, so they should not go to these sides like Haram business etc. or the other things which are wrong and forbidden.... obviously, there is a Shariah board [in Islamic banking], so [Shariah board] is also taking care of Halal and haram investment etc.... (Participant 4)

[Islamic banks] try their best to not make investment in such business where the source of income would not be Halal... (Participant 8)

Islamic banks are not involved in customer exploitation, as they do not exploit their customers by giving them any false information. Customer's satisfaction is important for Islamic banks, they provide complete details regarding the products and its procedure (Khattak & Rehman, 2010). In Islamic bank, if a customer is using any product, then all details regarding the procedure and charges are shared with customers, and Islamic bank do not charge any additional cost from customer (Rafiki, 2019). The interviewees highlighted that:

Customers are much safer from exploitation that all information throughout from A-to-z is given to customer that if someone is investing in (Islamic bank) or institution then he/she must be clear that he is investing at right place... there is as such no uncertain loss, about which [customer] would be unaware.... (Participant 8)

Islamic banks are not involved in customer exploitation. Islamic bank provides complete information to their customers. They share all details of charges and if there are some extra charges... then they share the details at early stage... (Participant 10)

In Pakistan, various modes of Islamic finance are used to perform financial activities in Islamic banking. These modes of finance are *Mudarabaha*, *Musharakah*, *Murabaha*, *Ijarah*, *Istisna*, *Salam*, and *Diminishing Musharakah* (Ijaz, 2016). *Mudarabaha* and *Musharakah* are partnership contract between customer and bank, where the customer invests his/her money with Islamic bank, the Islamic banks further invest it to in any business and the profit/loss is being shared between customer and bank. The other modes of finance are used in financing activities such as *Ijarah* (Leasing), *Murabaha* (Cost plus profit), *Salam* (Finance to agricultural goods), *Istisna* (Advance payment to manufacturer), and *Diminishing Musharakah* (partnership between customer and bank, and ownership is transferred to customer after complete payment) (Ahmad & Rahman, 2013). The interviewees shared their perceptives about *Mudarabaha*, *Musharakah*, and *ijarah* as:

... In Mudarabaha and Musharakah...[customer] invests money and bank further invests it into any business then the profit is shared with customer... (Participant 9)

All the products [of Islamic banks] are based on [Islamic] modes of finance. Islamic banks offer car financing through car-Ijarah. In which they give car to customer and charge rent on it, customers have to pay the lease plus they also have to pay car installments. At the end, on the completion of all installments, the bank transfers the ownership of car to the customer... (Participant 10)

Islamic banks perform all activities according to *Shariah*. Apart from this, the Islamic banking is also contributing towards social welfare through *Zakat* and other forms of Charitable income (Kamran et al., 2018). Islamic banks also provide option for *Zakat* deduction to its customer. If customers show their willingness, then Islamic banks annually deduct *Zakat* amount from customer's account and it is given to the needy people. Islamic banks also provide online facility for its customer to give *Zakat* or charity to any foundation which are listed in their online application. By using online application, the customer can choose any foundation to give *Zakat* and Charity.

Furthermore, Islamic banks also contribute toward social welfare through Corporate Social Responsibility (CSR) (Zafar & Sulaiman, 2019), and also collaborated with charity trust such as Ihsan trust, Islamic relief Pakistan to serve for the social welfare (Meezan Bank, 2017). However, the interviewees were not aware about it. Two of the interviewees highlighted the Islamic banking contribution towards social welfare as:

... Islamic banks are contributing towards social welfare. In fact, all banks deduct zakat from customer's account. But in Islamic banking, if we are using Islamic banking online app then there is complete information and foundation name is given that if any customer wants to pay the zakat or charity amount by their own wish. Customer can donate or gives as much zakat as he/she wants to give to any foundation of their own choice. So, that's the extra feature of Islamic banks. (Participant 10)

I give my Zakat to my bank... I trust my bank, and I trust Islamic banking...they ensure that if you give your charity or Zakat [to Islamic bank] then it will reach to poor and needy people, and I know it reaches there... (Participant 2)

Besides the Islamic banking activities, Islamic values are also promoted through the environment of Islamic banks. The interviewees shared that majority of them have visited Islamic banks and found the Islamic values by the conduct of Islamic banks. In Islamic banks, there is a dress code for employees, which distinguish them from Conventional banking employees. The Islamic values are also promoted by various conducts such as the behavior of employees, the employees greet their customer with “*Asalam-o-Alikum*”, when any customer make a phone call to Islamic bank then they listen “*Asama-ul-Husna*” in ringtone. The interviewees showed their positive attitude and satisfaction with the employees’ behavior. The interviewees experienced the environment of Islamic banking as:

...the way [employees of Islamic banks] greets, like if you make a call or meet them, they will say “Asalam-o-Alikum” ... whenever I called Meezan bank then I get to hear the “Asma-ul-Husna”. I don't get to listen music... (Participant 2)

when we go to the [Islamic] bank then they greet us with “Asalam-o-Alikum”. The females [Employee] are in proper gown, and also when we get their email... it starts with “Asalam-o-Alikum” ... (Participant 5)

Environment of Islamic banking and conventional banking is separated in such a way that the dress codes are assigned to [employee] in Islamic banking... (Participant 8)

Islamic banks and conventional banks are different in numerous ways as Islamic banks provide interest-free banking activities, it follows *Shariah* rules, and there is *Shariah* board to regulate all Islamic banking activities (Khan et al., 2017). The interviewees highlighted that, for the customers, there is no such difference in conventional and Islamic banks, as the Islamic and conventional banks offer almost same type of products and accounts. However, the procedure or the underlying contract is completely different (UBL, 2021). Islamic banking products are entirely based on Islamic modes of finance and they make their efforts to provide *Shariah* compliance products. The interviewees expressed their views as:

First of all, Islamic banks are performing interest-free banking activities. Secondly, Islamic banks are completely based on Islamic modes of finance. Apart from this, all products and accounts are similar to the other banks, but the procedure on the bank-hand is completely different. In Islamic banks there is Shariah board and all activities are according to Islam... (Participant 10)

Regarding the means of finance, almost all of the interviewees shared that they would prefer to use personal financing to further invest in business. As it would be their own money, they don't have to return it. Secondly, if they required more amount, then they would prefer to get financing from family. As by getting finance from family, they don't have to complete any documentation, and they don't have to pay any extra amount. In literature, it has been identified that majority of the small businesses prefer to start their business with personal and family financing, as banks and financial institutions have difficult criteria, and complete documentation is required to avail financing (Haq & Rehman, 2019). The interviewees shared their preferences as:

Personal financing is the best, if not [Possible], then family... personal financing, is best one as it is quick financing. And if we ask it to family or friend, then it will be quick one, as I don't have to complete the documentation... but if I go for bank, then I have to complete lots of documentations, and I have to go through the complete process. (Participant 2)

I would choose personal financing, because I don't have to return it to someone. Secondly, in case if I need huge amount then I would go with family financing. The reason is that it would be easy to get financing. Regarding banks... I will say that there is a lengthy process to get financing from any bank, they have lots of documentations and requirements... so I'll not go for (Banks) side... (Participant 10)

Conclusion

The research investigated the perception of women entrepreneurs about Islamic banking and its products. Based on the previous study, the researchers conducted the semi-structured interviews from 10 highly aware women entrepreneurs about Islamic banking and analyzed the various aspects of Islamic banking. By Using NVivo, various themes have been identified such as Islamic, *Shariah*, *Halal*, activities, banking, charitable, contribution, environment, exploitation, gambling, *Mudarabaha*, *Musharkaha*, *Shariah*, uncertainty, values and Zakat. The study found that women entrepreneurs developed their understanding about Islamic banking by taking Islamic banking courses, from TV commercials, news- papers, and billboards. The study analyzed that respondent have clear insight regarding the Islamic principles, *Shariah* board and its role, and *Halal* investment. Besides this, the environment of Islamic banking also promotes the Islamic values by various practices such as greetings with “*Asalam-o-Alikum*”, and they have a dress-code for employees. Regarding the means of finance, majority of the respondents preferred to choose personal and family financing for the further investment in their business, as these are easily available means of finance and no extra amount or charges are required for the repayment of loan. However, due to difficult criteria and procedure, the respondents do not prefer any financial institute to get financing for their business.

The study analyzed that only few numbers of women entrepreneurs were aware and have better understanding about Islamic banking. The study suggested that Islamic banks have to instigate new marketing strategies by targeting the neglected sectors. Therefore, Islamic banks should focus on their marketing strategies by developing marketing campaigns to create awareness as well as for developing positive attitude. In these marketing campaigns, the Islamic banks could arrange various workshops, seminars and invite religious scholars and Islamic banking experts to create the awareness and to provide the better understanding about Islamic banking and its products in Pakistan. Furthermore, Govt. of Pakistan and policy makers should make policy for banking sector to relax their financing criteria especially for women entrepreneurs. And also initiate awareness campaign to make women entrepreneurs aware that how they can avail financing from Islamic banks.

Reference

- Abdullah, A. A., Sidek, R., & Adnan, A. A. (2012). Perception of Non-Muslims Customers towards Islamic Banks in Malaysia. *International Journal of Business and Social Science*, 3(11), 151-163.
- Ahmad, D. R., & Rahman, A. U. (2013). An Introduction to Islamic Modes of Financing for Elimination of Interest Based transactions in Banking Sector of Pakistan. *Al-Idah*, 2, 1–14.
- Ahmad, N., & Haron, S. (2002). Perceptions Of Malaysian Corporate Customers Towards Islamic Banking Products & Services. *International Journal of Islamic Financial Services*, 3(4). 107-123
- Akbar, S., Shah, Z. A., & Kalmadi, S. (2012). An investigation of user perceptions of Islamic banking practices in the United Kingdom. *International Journal of Islamic and Middle Eastern Finance and Management*, 5(4), 353–370. <https://doi.org/10.1108/17538391211282845>.
- Akhtar, N., Mehmood, M. T., Pervez, M. Z., Aslam, F., & Akhtar, H. M. A. (2016). Factors Influencing the Perception of Customers in Islamic Banking: A Case Study in Pakistan. *International Review of Management and Business Research*, 5(3), 844-859
- Al-Balushi, Y., Locke, S., & Boulanouar, Z. (2019). Omani SME perceptions towards Islamic financing systems. *Qualitative Research in Financial Markets*, 4(11), 369-386. <https://doi.org/10.1108/QRFM-06-2018-0078>
- Alam, N., Gupta, L., & Shanmugam, B. (2017). Prohibition of Riba and Gharar in Islamic Banking. *Islamic Finance* (pp. 35–53). https://doi.org/10.1007/978-3-319-66559-7_3

- Ali, A., & Lodhi, R. N. (2017). How Facebook Addiction Affects the Personal Life of Addict Students and their Family: A Case Study of Pakistan. *A Research Journal of Commerce, Economics, and Social Sciences*, 11(2), 184–189.
- Arshad, M., Aslam, S., Razi, A., & Ali, S. A. (2011). A Comparative Analysis Of Bankers' Perception On Islamic Banking In Pakistan. *International Journal of Economics and Research*, 2(4), 1-12.
- Baqir, D. R. (2020). Only 15% adult female population in Pakistan possess active bank accounts: SBP Governor. <https://mettisglobal.news/only-15-adult-female-population-in-pakistan-possess-active-bank-accounts-sbp-governor/>
- Belwal, R., & Al Maqbali, A. (2019). A study of customers' perception of Islamic banking in Oman. *Journal of Islamic Marketing*, 10(1), 150–167. <https://doi.org/10.1108/JIMA-02-2016-0008>
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101. <https://doi.org/10.1191/1478088706qp063oa>
- DAWN. (2021). Only 29pc women have bank accounts in Pakistan: SBP chief. DAWN NEWS.COM. <https://www.dawn.com/news/1611498>
- DeJonckheere, M., & Vaughn, L. M. (2019). Semistructured interviewing in primary care research: A balance of relationship and rigour. *Family Medicine and Community Health*, 7(2), 1-8. <https://doi.org/10.1136/fmch-2018-000057>
- Erol, C., & El-Bdour, R. (1989). Attitudes, Behaviour, and Patronage Factors of Bank Customers towards Islamic Banks. *International Journal of Bank Marketing*, 7(6), 31-37. <https://doi.org/10.1108/02652328910132060>
- Hammarberg, K., Kirkman, M., & de Lacey, S. (2016). Qualitative research methods: When to use them and how to judge them. *Human Reproduction*, 31(3), 498–501. <https://doi.org/10.1093/humrep/dev334>
- Hanif, M., & Iqbal, A. M. (2010). Islamic Financing and Business Framework: A Survey. *European Journal of Social Sciences*, 15(4), 475-489
- Haq, A., & Rehman, K. (2019). Major Challenges and Opportunities for Islamic Banking and SMEs in Pakistan. *Journal of Managerial Sciences*, 11(3). 355-370 https://www.qurtuba.edu.pk/jms/default_files/JMS/special_edition/1%20EIEF/20%20355-370%20Ayaz%20UllHaq%20EIEF-661.pdf
- Harris, H. (2021). The Influence of Advertising on Business. *Chron*. <https://smallbusiness.chron.com/influence-advertising-business-76790.html>
- Hassan, M. ul. (2007). People's Perceptions towards the Islamic Banking: A Fieldwork Study on Bank Account Holders' Behaviour in Pakistan. *オイコノミカ 第43 卷*, 3(4), 153–176.
- Herzog, C., Handke, C., & Hitters, E. (2019). Analyzing Talk and Text II: Thematic Analysis. In H. Van den Bulck, M. Puppis, K. Donders, & L. Van Audenhove (Eds.), *The Palgrave Handbook of Methods for Media Policy Research* (pp. 385–401).. https://doi.org/10.1007/978-3-030-16065-4_22
- Hidayat, S., & Al-Bawardi, N. (2012). Non-Muslims' Perceptions Toward Islamic Banking Services in Saudi Arabia. *Journal of US-China Public Administration*, 9, 654–670.
- Hossain, A., & Roy, B. N. (2017). Perception of Non-Muslim Customers towards Islamic Banking: A Study in Northern Part of Bangladesh. *Global Journal of HUMAN-SOCIAL SCIENCE: E Economics*, 17(5), 1-7.
- Ijaz, M. (2016). Islamic Modes of Financing. *Al-Adawa*, 7, 33-39.
- Islamic Banking Bulletin. (2020). Islamic Banking Department, State Bank of Pakistan. <https://www.sbp.org.pk/ibd/Bulletin/2020/>
- Islamic Banking Bulletin. (2021). Islamic Banking Department, State Bank of Pakistan. <https://www.sbp.org.pk/ibd/Bulletin/2021/Dec>
- Kamran, S., Ayub, M., & Luqman, A. (2018). Islamic Banks' Role in Serving the Poor Unbanked Population in Pakistan. *Journal of Islamic Business and Management (JIBM)*, 8(2), 334-360. <https://doi.org/10.26501/jibm/2018.0802-002>
- Khan, I., Khan, M., & Tahir, M. (2017). Performance comparison of Islamic and conventional banks: Empirical evidence from Pakistan. *International Journal of Islamic and Middle Eastern Finance and Management*, 10(3), 419–433. <https://doi.org/10.1108/IMEFM-05-2016-0077>
- Khan, M. M., & Bhatti, M. I. (2008). The Causes of the Failure of Islamic Banking and Finance in Pakistan. In: Developments in Islamic Banking. Palgrave Macmillan Studies in Banking and Financial Institutions. Palgrave Macmillan, London. 171-199. https://doi.org/10.1057/9780230582309_9

- Khattak, N. A., & Rehman, K. U. (2010). Customer satisfaction and awareness of Islamic banking system in Pakistan. *African Journal of Business Management*, 4(5), 662-671.
- Laldin, M. A. (2008). Roles and Responsibilities of Shari'ah scholars in Sharaih advisory services. *The Halal Journal*, 11(5), 54-56.
- Lewis, M. K., & Algaoud, L. M. (2001). Islamic Banking. In *Books*. Edward Elgar Publishing. <https://ideas.repec.org/b/elg/eebook/1488.html>
- Lim, S. (2019). Understanding Islamic Banking. Investopedia. <https://www.investopedia.com/terms/i/islamicbanking.asp>
- Malkawi, B. H. (2013). Shari'ah Board in the Governance Structure of Islamic Financial Institutions. *The American Journal of Comparative Law*, 61(3), 539-577.
- Manzoor, F., Wei, L., & Siraj, M. (2021). Small and medium-sized enterprises and economic growth in Pakistan: An ARDL bounds cointegration approach. *Heliyon*, 7(2), e06340. <https://doi.org/10.1016/j.heliyon.2021.e06340>
- Meezan Bank. (2017). Meezan Bank's employees contribute towards rehabilitation of Flood affected people | Meezan Bank. <https://www.meezanbank.com/meezan-banks-employees-contribute-towards-rehabilitation-of-flood-affected-people/>
- Rafiki, A. (2019). Customer Relationship Management Practices in Islamic Banks. *Customer Relationship Management and IT*. <https://doi.org/10.5772/intechopen.89225>
- Rustam, S., Bibi, S., Zaman, K., & Rustam, A. (2011). Perceptions of Corporate Customers Towards Islamic Banking Products and Services in Pakistan. *The Romanian Economic Journal*. 14(41), 107-123.
- Saleem, M., Ashraf, A., Kashif, M., & Umair, M. (2018). Attitude and Perception of Employees towards Islamic Banking. *IOSR Journal of Business and Management (IOSR-JBM)*, 20(8), 73-90.
- Shaharuddin, D. A., Hamid, S. A., Safian, Y. H. M., & Muhamad Muda, P. D. D. (2005). A Study on Small and Medium-Sized Enterprises Perception Towards Islamic Banking Products. *Universiti Sains Islam Malaysia*, 1(2), Universiti Sains Islam Malaysia.
- Sheikh, S., Rehman, S., & Rehman, C. (2014). Cognizing Customer Awareness and Perception of Islamic Banking Products in Pakistan. *International Journal of Operations and Logistics Management*, 3(4), 322-336.
- Sohail, A., & Ijaz, F. (2014). Perception of Individual Consumers toward Islamic Banking Products and Services in Pakistan. *Journal of Poverty, Investment and Development*, 5, 179-185.
- Sonko, M. (2020). Customers' Perceptions on Islamic Banking: A Case Study in the Gambia. *Journal of Islamic Finance (ISSN: 2289-2109 e-ISSN: 2289-2117)*, 9(1), 13-23.
- UBL. (2021). Differences between Conventional Bank and Islamic Bank, UBL. <https://www.ubldigital.com/Banking/UBL-Ameen/Knowledge-Center/Differences-between-Conventional-Bank-and-Islamic-Bank>
- Uddin, A. (2015). Principles of Islamic Finance: Prohibition of Riba, Gharar and Maysir. *Munich Personal RePEc Archive*, 8.
- Umar, R., & Gul, F. (2019). Perception of SME's Management Regarding Islamic Banking: A Users vs. Non-users Comparative Analysis. *Journal of Independent Studies and Research-Management, Social Sciences and Economics*, 17(1), 41-52. <https://doi.org/10.31384/jisrmsse/2019.17.1.3>
- Zafar, M. B., & Sulaiman, A. A. (2019). Corporate social responsibility and Islamic banks: A systematic literature review. *Management Review Quarterly*, 69, 159-206. <https://doi.org/10.1007/s11301-018-0150-x>
- Zainol, Z. (2008). A Comparative Analysis of Bankers' Perceptions on Islamic Banking. *International Journal of Business and Management*, 3(4), 157-168.
- Zamawe, F. C. (2015). The Implication of Using NVivo Software in Qualitative Data Analysis: Evidence-Based Reflections. *Malawi Medical Journal*, 27(1), 13-15. <https://doi.org/10.4314/mmj.v27i1.4>
- ZTBL. (2018). Financial-Inclusion-Pakistan, ZTBL. <https://www.ztbl.com.pk/wp-content/uploads/Documents/Publications/Research-Studies/Financial-Inclusion-Pakistan>.
- Zulfiqar, K., Chaudhary, M. A., & Aslam, A. (2016). Financial inclusion and its implications for inclusive growth in Pakistan. *Pakistan Economic and Social Review*, 54(2), 297-325.