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Sources of motivation for Moroccan SMES to choose participative banking products: an empirical study of SMES in the Fez-Meknes region

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Abstract

This paper aims to study the attitude of Moroccan SME owner-managers to adopting participatory financial products as an alternative decision to conventional financing. The research adopted a quantitative approach based on a questionnaire administered to 130 owner-managers of SMEs operating in the Fez-Meknes region. For the analysis of the data collected, the preferred method was structural equation modeling, considered the most appropriate for investigating the complex relationships between the variables in this study.

The results of this analysis show that two factors play a decisive role in the adoption of participatory financial products: religious obligation and the reputation of financial institutions. Religious obligation appears to be a fundamental element guiding the decisions of managers seeking solutions in line with their spiritual convictions, while the reputation of participatory banks as a new financial player proves decisive in the trust owner-managers place in these institutions. These findings underline the importance of these two dimensions in the behavior of SME managers in the Fez-Meknes region, and more broadly in the adoption of participatory financing in Morocco.

Keywords: Participative finance, Participative financial products, small and medium-sized enterprises, attitude, religiosity, reputation**.**

JEL Classification: G4

Paper type: Empirical research

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1. Introduction:

Small and medium-sized enterprises (SMEs) are of vital importance to the world's economies, particularly in developing countries such as Morocco. They are often considered the cornerstone of the economy, thanks to their ability to generate jobs, promote innovation and foster economic growth (Sadi & Henderson, 2011). However, SMEs frequently face obstacles in accessing the finance essential to their expansion and development. Traditional financing methods, such as bank loans, are often inaccessible due to strict credit criteria and high collateral requirements.

In this context, Islamic finance, based on fundamental Islamic principles such as the prohibition of interest (riba) and the promotion of risk sharing, has established itself as a phenomenon of great relevance. In recent decades, it has experienced remarkable growth on the global financial scene, with an average annual expansion rate of 17% (Benkhraba & Lemaizi, 2022). This far-reaching dynamic (Warde, 2010) has enabled it to position itself as a credible alternative to conventional finance, particularly in the wake of the 2007 financial crisis, which highlighted the limitations of the traditional financial system.

Indeed, the Islamic banking and finance industry stands out as one of the most dynamic growth areas within the international financial system. In 2018, global Islamic financial assets amounted to almost $2 trillion, with the banking sector accounting for around 85% of this total. What's more, Islamic banking operations are present in over 70 countries worldwide, and the industry is now systemically important in 13 jurisdictions (IMF, 2019). These figures testify not only to the robustness of Islamic finance, but also to its growing integration into the global economy, giving it a key role in the stability and evolution of international financial markets.

In this regard, it is essential for Islamic financial banking institutions to understand why potential customers, particularly SMEs, would decide to adopt Islamic finance methods. In particular, it is important to know more about the attitudes, preferences and willingness of the owner-manager to adopt this type of financing. Given that the latter.

Therefore, it is essential for Islamic financial institutions to understand the motivations that drive potential customers, particularly SMEs, to consider adopting Islamic financing methods. In particular, it is crucial to explore the factors that influence the attitudes, preferences and willingness of owner-managers to opt for this new type of financing. Indeed, these leaders play a decisive role in the decision-making process. Not only do they need to be convinced of the benefits of Islamic financing, they also need to understand how these methods can fit into their overall development strategy.

Thus, the central issue to which we are striving to provide answers concerns the identification of the main factors influencing the attitude of Moroccan SMEs, particularly those in the Fez-Meknes region, to adopt Islamic financing solutions, especially in the era of participative banking.

Certainly, in recent years, researchers have become increasingly interested in studies of customer perceptions of Islamic financing sources and the factors that may influence the choice of participatory financing. The aim of this article is to examine the factors that may influence the behavior of SME owner-managers towards the implementation of participatory banks. To this end, an empirical analysis is conducted to study the factors (religiosity and reputation) determining the adoption of participatory banking products by SMEs in the Fez-Meknes Region.

The interest of this topic lies in the growing relevance of participatory banking in contemporary financial systems, particularly in Muslim-majority countries such as Morocco. Indeed, the adoption of participatory financing solutions represents a major challenge for SMEs, the driving force behind the Moroccan economy, as they account for a significant share of economic activity, particularly in the Fez-Meknes region.

The integration of participatory banks into the financial ecosystem offers SMEs an ethical and Sharia-compliant alternative, meeting a specific demand. Understanding the factors that influence their attitudes towards participatory finance is essential to improving access to financial services and encouraging wider adoption. By identifying two key factors, this study aims to explore the perceptions that determine whether Moroccan SMEs embrace or resist participatory banking.

This research will contribute not only to the literature on participatory finance, but also to the understanding of local socio-economic issues, helping to identify levers to promote wider and more efficient adoption of participatory finance solutions by SMEs in the Moroccan context.

In order to conduct this research in a rigorous manner, we will begin by presenting a literature review, focusing on the main studies that have explored the factors influencing the adoption of participatory financing, particularly in the context of small and medium-sized enterprises (SMEs). This first step aims to establish the theoretical foundations and contextualize our study with respect to existing academic work.

We then turn to the research methodology adopted in this study, which is based on a quantitative approach. This essential preliminary phase sets the stage for testing the theoretical model and research hypotheses.

Finally, we will present the results obtained, accompanied by an in-depth discussion. This analysis of the results of the quantitative study will enable us to compare our findings with the work of other researchers, both theoretical and empirical, in various fields and contexts. This perspective will help enrich our understanding of the dynamics at play and situate our contribution in the wider scientific landscape.

2. Literature review and hypothesis development:

There has been substantial literature examining the factors influencing the adoption of Islamic banking products, particularly in the context of small and medium-sized enterprises, (Osman & Ali, 2008; Gait & Worthington, 2008; Gait & Worthington, 2009; Echchabi, 2012; ZOUITENE & BENSBAHOU, 2019; Mouad et al., 2024)

This research has enabled us to gain a better understanding of the dynamics behind executives' financial choices and the factors that condition their attitudes to these products. Among the many factors studied, religiosity and the reputation of financial institutions emerge as two of the most influential. Religiosity, as adherence to Islamic principles, can steer SME managers towards Sharia-compliant products, while the reputation of Islamic banks plays a key role in the trust and acceptance of these new forms of financing. In this literature review, we will explore these two factors in detail, drawing on existing theoretical and empirical work to better understand how they influence SME managers' attitudes towards adopting Islamic banking products.

2.1. Religiosity and attitude

Many sectors are undeniably influenced by Islamic values, and the banking sector in particular is under considerable influence. Indeed, a number of empirical studies conducted in different contexts agree that religiosity is a determining factor in the adoption of participatory banking products and services by SMEs. This religiosity has a positive impact on their attitude towards this form of finance, based on Sharia principles (Osman & Ali, 2008; Echchabi, 2012; Gait & Worthington, 2008, 2009; ZOUITENE & BENSBAHOU, 2019).

(Osman & Ali, 2008) also conducted a survey of around one hundred Malaysian entrepreneurs. Their study revealed that 80% of entrepreneurs who choose to turn to Islamic banks do so out of respect for Sharia law, while 58% are attracted by the profitability and equity offered by these banks compared with conventional banks. On the other hand, companies that do not use

Islamic banks do not perceive any significant difference between the two systems, and criticize the high cost of Islamic financing products.

In addition, (Gait & Worthington, 2008) conducted a study of Libyan companies' interest in participatory financing. Their research revealed that 73% of companies express a strong interest in Islamic financing. Determinants influencing the attitude of these companies include religion, profitability, bank support for businesses, and the quality of the service provided. Furthermore, in a complementary study by (Gait & Worthington, 2009), based on a sample of 296 Libyan companies surveyed between December 2007 and January 2008, the results indicate that religion remains the main motivation for the potential adoption of Islamic financing by companies in Libya.

(Echchabi, 2012) analyzed the relationship between religiosity and the adoption of Islamic banking services, seeking to assess the readiness of Moroccan customers to adopt these services. The results of the study reveal that religiosity exerts a significant positive influence on the adoption of Islamic banking services in Morocco. They also show that Moroccan customers are favorable to the adoption of these services.

In addition, (ZOUITENE & BENSBAHOU, 2019) explored the determinants of the adoption of Islamic financial products by very small enterprises (VSEs) operating in Morocco, through semi-directive interviews conducted with ten VSE owner-managers in the Rabat-Kenitra-Salé region. The results of this study showed that not only attitude, social norms and perceived behavioral control represent explanatory variables of behavior towards Islamic financial products, but also religious obligation and level of knowledge of Islamic finance are also considered as antecedent factors of intention, which have an influence on the formation of MSEs' intention to adopt Islamic products.

Furthermore, (Julendra et al., 2021) found in their study that religiosity is among the important factors affecting attitudes towards Cash Waqf. People with a strong attachment to their religious beliefs are more inclined to adopt a favorable attitude to this type of Islamic financial product. The results show that this influence is not simply limited to passive adherence to religious principles, but actively reinforces confidence and willingness to participate in Cash Waqf.

In the same vein, (FNITIZ, Y., & ZARROUK, Z, 2022), conducted an exploratory qualitative study of 10 Moroccan customers who had received financing from an Islamic bank. Analysis of the results not only confirmed the importance of the religious factor in the choice of Sharia-compliant banking products, but also shed light on other motivations and obstacles influencing these choices in the Moroccan context.

In addition, a confirmatory study was carried out by (OMERANI D. et al. (2023), with a sample of 107 Moroccan VSEs and SMEs from different sectors, to determine the variables explaining their attitudes towards financing products in general, and towards the two new products launched by Sanad Tamwil during the crisis period (Damane Dayn and Damane Moubachir) in particular. The analysis revealed the most predictive factors when choosing these products. The results of the study show that there is a real interest in participative banks, insofar as there are opportunities for them to offer products that meet the needs of Moroccan businesses in terms of ethics, cost and availability of financing.

In their study, (TOUFIK.Y & LAGHZAOUI.F, 2024), adopted an exploratory qualitative approach by conducting semi-directive interviews with a sample of 34 people. The aim was to gain a better understanding of Moroccan consumers' current perception of participatory banks. The results of this research reveal that compliance with Sharia principles is the main factor motivating these consumers to opt for this type of banking product.

Based on the above, we have formulated the following hypothesis:

Hypothesis 1: Religiosity has a positive and significant influence on the attitude of SMEs towards FP.

2.2. Reputation and attitude

Reputation is also a key factor in the adoption of Islamic banking products. A large body of research shows that SME managers' perception of the credibility and reliability of financial institutions greatly influences their decision whether or not to adopt participatory products (Jaffar & Musa, 2014; SATTAR et al., 2020; Selvanathan et al., 2018). A positive reputation, built on transparency, ethics and compliance with Sharia principles, strengthens companies' trust in these banks. Thus, the perceived strength of Islamic banks' reputation plays a crucial role in reassuring managers about the viability and safety of the products on offer, promoting their adoption in a market in search of stability and trust.

The study conducted by (Jaffar & Musa, 2014), which focused on companies operating in the halal industry, highlighted new determinants influencing attitude towards the adoption of Islamic products. The results revealed that not only awareness, knowledge of financial products, religious obligation and cost advantage affect this attitude, but that reputation also exerts a significant influence on attitude towards Islamic banks.

(Selvanathan et al., 2018) also conducted a study to identify factors influencing the choice of products and services offered by Islamic banks, based on non-probabilistic simple random sampling in Malaysia. The results of this research show that the bank's reputation, the religious factor and the cost-benefit ratio are determining factors in customers' choice of Islamic banks. Bank reputation and cost-benefit correlate positively with the choice of Islamic bank, while convenience is not a significant factor in customer decision-making.

Furthermore, in order to gain a better understanding of the internal and external determinants influencing the adoption of Islamic finance within micro-businesses. (SATTAR et al., 2020) carried out an exploratory and confirmatory factor analysis on a sample of 164 SME managers. Their results show that religious motivation and commitment, knowledge and awareness of participatory financial products, and the reputation of Islamic finance exert a positive and significant influence on attitudes towards Islamic financing. In other words, the more Moroccan MSMEs are familiar with the characteristics of participatory finance products, the more these products are perceived as conforming to Islamic precepts, and the more favorable the reputation of Islamic finance is in their eyes, the more positive their attitude towards these products will be.

(FNITIZ, Y., & ZARROUK, Z, 2022), have carried out a study based on an exploratory qualitative approach involving semi-directive interviews with a sample of 34 people, in order to identify Moroccan consumers' current perception of participative banks. The results of this research reveal that reputation is among the main factors motivating these consumers to opt for this type of banking product.

(Febriandika, N. R., & Hakimi, F, 2023), explored the factors influencing the adoption of Islamic mobile banking services by Islamic bank customers. Their study, based on the Technology Acceptance Model (TAM), incorporated Internet connection quality, bank reputation and awareness as new elements. Based on 265 responses to an online questionnaire in Indonesia, PLS-SEM analysis revealed that perceived usefulness, connection quality, awareness and bank reputation positively influence adoption. Perceived ease of use, on the other hand, had no significant effect.

In their 2024 study, (Mouad et al., 2024) sought to identify the determinants influencing Moroccan SME managers' intention to adopt participatory financing products using a qualitative approach, The results reveal that the reputation of participatory financing platforms is one of the most influential determinants in the decision to adopt these products. Indeed, SME managers attach great importance to the credibility and reliability of financing institutions, considering these aspects essential to guarantee the success and sustainability of their projects.

Thus, in light of the results of previous studies on the reputation and adoption of Islamic banking products and services, the following hypothesis can be formulated:

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Hypothesis 2: Reputation has a positive and significant influence on the attitude of SMEs towards FP.

3. Research method

The aim of this study is to examine the impact of religious beliefs and reputation on the attitudes of small and medium-sized enterprises in the Fez-Meknes region towards the adoption of participatory financing. To address this issue, we adopted a hypothetico-deductive approach, based on hypotheses formulated from an in-depth analysis of existing literature.

3.1. Operationalization of the dependent variable

The items used to measure attitudes towards the adoption of equity crowdfunding have been modified to suit the context of our research. In the table below, we present the items of the dependent variable with their codification:

Table N°1: Operationalization of the dependent variable

Dependent variable	Items	Coding
Attitudes of SMEs	Participatory financing is Sharia-compliant;	ATPME1
	Taking out a participative product is advantageous;	ATPME 2
	Participatory financing is profitable;	ATPME 3
	Taking out a participatory product is flexible;	ATPME 4
	A participatory contract is fair;	ATPME 5
	Participative banking products are beneficial for meeting the financing needs of SMEs;	ATPME 6
	Participative banking is a useful solution for business financing;	ATPME7

Source: authors

Table N°2: Operationalization of independent variables.

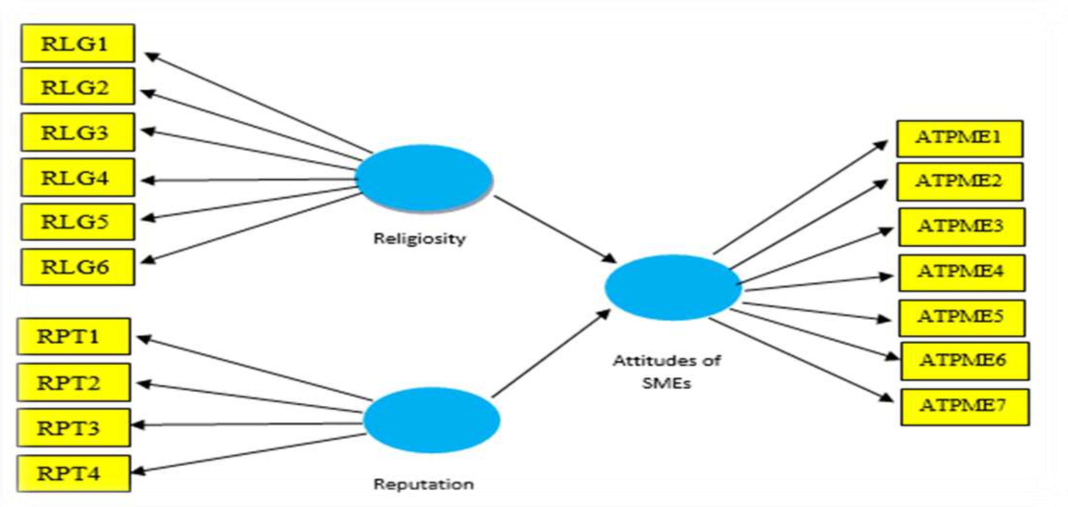
Independent variables	Items	Coding
Religiosity	Participatory banking products comply with the precepts of Sharia law;	RLG1
	Participatory banking products are permitted by religious discourse (fatawa);	RLG 2
	Participatory financial institutions in Morocco provide riba (interest-free) financing;	RLG 3
	The religious committee guarantees the compliance of participatory banking products with Sharia law;	RLG 4
	Muslims are not allowed to obtain financing from traditional banks;	RLG 5
	Participatory financing is fraud-free.	RLG 6
Reputation	Participative banks are transparent;	RPT1
	Participative banks contribute to social protection;	RPT 2
	Participative banking improves the well-being of society.	RPT 3
	Participatory banking boosts the reputation and image of Islam	RPT 4

Source: authors

3.2. Conceptual model

In our study, we propose a theoretical model to examine the determinants of Moroccan SME managers' attitudes towards Islamic financing. Our model incorporates two key independent variables: the reputation of participatory finance institutions and the religiosity of managers, both of which are likely to influence the adoption of these services. Reputation refers to perceived credibility and trust in the institutions, while religiosity reflects adherence to the religious principles underlying Islamic financial products. The dependent variable, attitude towards Islamic financing, is modeled as the outcome of the influences of these two factors. This model makes it possible to assess the structural relationships between these variables, taking into account their respective observable indicators, and to offer a better understanding of the motivations that encourage the adoption of Islamic financing among Moroccan SMEs.

Figure N° 1: Conceptual model



Source: Smart PLS output

3.3. Questionnaire design and administration

The development of the questionnaire is the most critical and delicate phase of the research process, as it represents the first concretization of the study, and its quality is decisive for the entire process (Gravard et al., 2012). This stage involves operationalizing the variables to be measured, bearing in mind that the theoretical concepts addressed are often latent and complex. It is therefore essential to select the appropriate measurement scale for each concept. The variables are then measured using specific items.

The questionnaires were self-administered to the participants concerned and comprised closed-ended questions. These are easy to administer and answer, with participants simply ticking a box or circling the appropriate response from a set of predefined options. This structure facilitates statistical processing, as responses are directly comparable from one respondent to another.

As a result, our questionnaire has four main components:

-The first part of the study focuses on general information about the company, aimed at establishing an overview of its context and characteristics. This enables us to grasp the framework in which it operates and to better situate its organizational environment.

-The second axis concerns general information about the interviewee, focusing on his or her professional profile and role within the company. These elements are important for understanding the interviewee's angle of perception and the relevance of his or her answers to the study.

- The third axis comprises the selected variables. This section consists of measuring the independent variables, and is divided into two parts, each of which measures one of the independent variables, and the fourth is to measure the attitude of small and medium-sized businesses towards participative financing.

Admittedly, there are several types of measurement scale for the variables in the conceptual model. For this research, we have chosen the most commonly used scale in management science: the Likert scale (Roussel, 2005), because of its ease of administration, particularly suited to our study. The Likert scale is a tool for measuring the opinions, reactions and beliefs of respondents to a given situation. This five-point scale can be broken down as follows: Strongly disagree (1), Somewhat disagree (2), No opinion (3), Somewhat agree (4), Strongly agree (5). For all questions, an average positive response above 3 statistically indicates agreement with the statement or question, while an average positive response below 3 indicates disagreement.

3.4. Descriptive analysis of the sample

In this section, we present an overview of the general characteristics of the managers in our sample, and draw up a portrait to better understand the composition of our sample.

- **Distribution by level of education**

The table below shows the educational levels of the interviewees in our sample.

Table N°3: Education level of interviewees

Level of training	**Number**	**Frequency**
Baccalaureate level	10	7.69%
Baccalaureate	17	13.07%
Bac+2	35	26.92%
Bac+3	23	17.69%
Bac+5	42	32.30%
PhD	3	2.30
Total	**130**	**100%**

Source: SPSS 22 software output

In the light of these results, we can see that the most dominant level in our sample is that of baccalaureate+5 graduates. This represents almost 33%. This is followed by baccalaureate+2 with a rate of almost 27%. Next, almost 17% of respondents have a baccalauréat+3. The remainder, however, are divided between the other levels of training.

- **Breakdown by business sector**

The table below shows the nature of the business in which small and medium-sized companies operate.

Table N°4: Companies' branch of activity

Activity	**Number**	**Frequency**
Agriculture, forestry and fishing	3	2.30%
Audit and accounting	11	8.46%
Trade and service	35	26.92%
Construction and public works	21	16.15%
Finance and insurance	10	7.69%
Accommodation and catering	1	0.76%
Food industry	19	14.61%
Textile and clothing industry	14	10.76%
Paper and cardboard industry	1	0.76%
Pharmaceutical industry	1	0.76%
IT and telecommunications	10	7.69%
Human health and social work	2	1.53%
Transportation and warehousing	2	1.53%
Total	**130**	**100%**

Source: SPSS 22 software output

This table provides information on the different sectors in which our respondents operate. Analysis of the data shows that 26.92% of small and medium-sized companies are active in the trade and services sector, followed by companies in the construction, building and public works sector, accounting for almost 16.15% of our sample. The agri-food industry comes third with 14.61%. In addition, the textile and clothing industry represents 10.76% of the reference population. The other remaining sectors represent less than 10% of our sample.

3.5. Structural equation approach to data analysis

In our study, the most widely adopted method of analyzing the data collected is structural equation modeling, which is considered the most appropriate, as the model produced should be

both substantively significant and statistically suitable.
Within this framework, hypotheses were tested using the PLS approach via Smart PLS software. This method was chosen for its flexibility, particularly in dealing with large datasets marked by the presence of missing data, high correlations between variables, and a small sample size in relation to the large number of variables.

4. Results and discussion

To evaluate our hypotheses. We begin by evaluating the measurement model, in order to validate the relevance and reliability of the instruments used in our study. Next, we will evaluate the structural model, which will enable us to analyze the relationships between the proposed variables. Finally, our research hypotheses will be examined in the light of the results obtained, leading us to draw relevant conclusions.

4.1. Measurement model evaluation

The measurement model illustrates the relationships between latent and observed variables, making it possible to estimate the value of latent variables from the scores of manifest variables. The quality of the measurement model is assessed according to several essential criteria, of which the management literature mentions three in particular: reliability of measurement scales, convergent validity and discriminant validity.

4.1.1. Reliability of measurement scales

Analysis of construct reliability enables us to assess whether the selected items present an acceptable level of consistency. Each item was analyzed by examining the loadings, enabling us to assess the overall reliability of the variables. This reliability of the measurement scales is expressed by factor coefficients above 0.7, which is the minimum acceptable threshold (Hair et al., 2019).

Table N° 5: PLS loadings

Variable	Items	Loading	Cronbach's Alpha
Religiosity	RLG1	0.87	0.913
	RLG2	0.902	
	RLG3	0.903	
	RLG4	0.780	
	RLG5	0.829	
	RLG6	0.719	
Attitudes of SMEs	ATPME1	0.743	0.895
	ATPME2	0.813	
	ATPME3	0.837	
	ATPME4	0.696	
	ATPME5	0.830	
	ATPME6	0.829	
	ATPME7	0.789	
Reputation	RPT1	0.848	0.885
	RPT2	0.866	
	RPT3	0.842	
	RPT4	0.888	

Source: Smart PLS output

The results of this table reveal that the majority of items have significant loading thresholds above 0.7. This indicates that each item makes a substantial contribution to the measurement of its respective construct. With the exception of the following item ATPME4 did not reach the required threshold. It will therefore be eliminated from the model.

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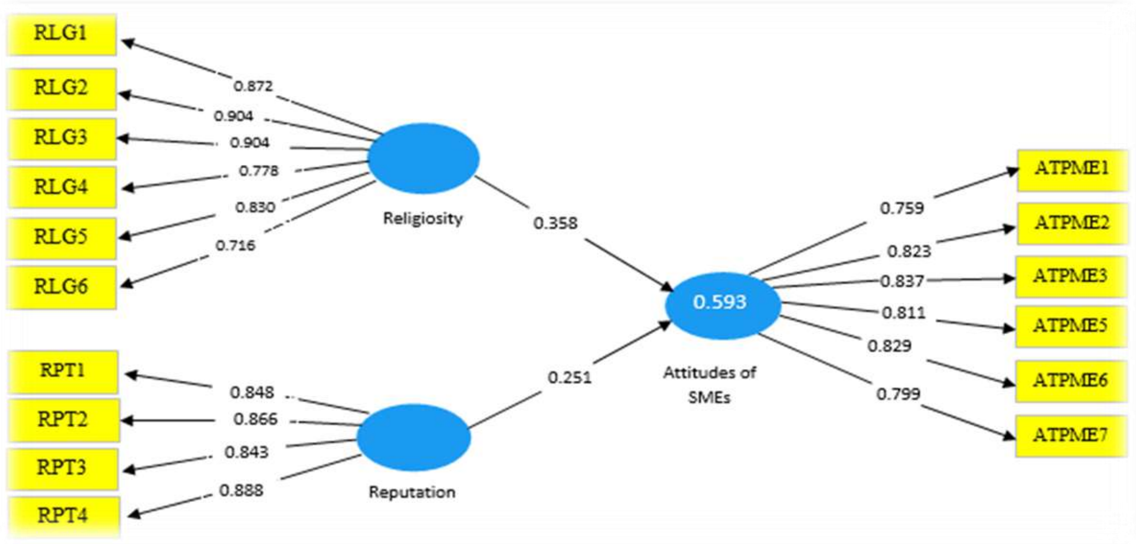
Figure N° 1: model after adjustment



Source: Smart PLS output

Table N° 6: Loadings after adjustment

Variables	Items	Loading
Religiosity	RLG1	0.872
	RLG2	0.904
	RLG3	0.904
	RLG4	0.778
	RLG5	0.830
	RLG6	0.716
Attitudes of SMEs	ATPME1	0.759
	ATPME2	0.823
	ATPME3	0.837
	ATPME5	0.811
	ATPME6	0.829
	ATPME7	0.799
Reputation	RPT1	0.848
	RPT2	0.866
	RPT3	0.843
	RPT4	0.888

Source: Smart PLS output

The results of this table reveal, after eliminating the ATPME4 item, that the items have significant loading thresholds above 0.7. This means that each item plays an important role in the measurement of its corresponding construct. In other words, the items are strongly correlated with the latent variables they are supposed to measure, which reinforces the validity of the model.

4.1.2. Results of the convergent validity test

Convergent validity refers to the degree to which several indicators intended to measure the same concept are consistent with each other, in other words, they converge harmoniously to faithfully represent this concept.
As part of the PLS approach, we use Cronbach's Alpha coefficient. (Nunnally 1978) recommended a threshold of 0.7 as an acceptable criterion for assessing composite reliability.

Table N° 7: Convergent validity

Built	Composite reliability
Religiosity	0.933
Reputation	0.920
Attitudes of SMEs	0.920

Source: Smart PLS output

According to the previous table, the composite reliability values for the different variables exceed 0.7, indicating that this condition is fully satisfied. Exceeding the 0.7 threshold testifies to the robustness of the measures used, ensuring that the manifest variables consistently and reliably capture the latent constructs they are intended to represent.

4.1.3. Discriminant validity test results

The assessment of discriminant validity requires that each latent variable be more closely related to its own indicators than to the other latent variables in the model. In other words, the squared correlation between two latent variables must be less than the average variance extracted from each latent variable (Tenenhaus et al., 2005).

Table N° 8: Discriminant validity

Built	Attitudes of SMEs	Religiosity	Reputation
Attitudes of SMEs	0.810		
Religiosity	0.686	0.837	
Reputation	0.510	0.344	0.861

Source: Smart PLS output

According to this table, the constructs show greater variance with their own measurement scales than with those of the other constructs. This means that each construct is more correlated with its own specific indicators, attesting to the discriminant validity of the model.

4.2. Results of the structural model evaluation

The structural or internal model is used to test the significance of the links between the various latent variables and to map out the direction of the hypotheses making up the research model to be tested. The aim of this research is to examine in depth the links between various variables.

To validate our hypotheses, we need to estimate the parameters of the structural model, reflecting the assumed relationships between the latent constructs. To this end, we opted for the bootstrapping method. This technique is a method for estimating the sampling distribution, based on taking several samples with a discount from a single sample (Davison and Hinkley, 1997).

Table N° 9: Hypothesis testing

Hypotheses	β (weighting coeff)	Std.Dévi.	T- value	P-value	Results
RLG -> ATPME	0.358	0.126	2.844	0.005	Validated
RPT -> ATPME	0.251	0.100	2.498	0.013	Validated

Source: Smart PLS output

4.3. Discussion

From the results presented in the table, it appears that our research hypotheses have been validated.

- **Analysis of the effect of religiosity on SME attitudes towards participatory financing**

For the first hypothesis H1: "Religiosity has a positive and significant influence on the attitude of SMEs towards PF". The correlation coefficient β represents a value of 0.358 which is positive and satisfactory. Examination of the T-value shows that it has a value of 2.844, which is above

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the retained threshold (1.96), presenting a positive relationship between the two constructs. Hypothesis H1 is therefore accepted.

In line with our theoretical expectations, the statistical results showed a positive relationship between these two variables. This may be explained by the fact that, as our religious beliefs increase, so does our attitude towards this form of financing.

Thus, our results are consistent with those identified by other authors such as , (Osman & Ali, 2008), and, (Gait & Worthington, 2008), who found, from studies conducted regarding corporate attitudes towards participatory finance methods, that religiosity is a crucially important determinant of attitude and remains the main motivation for the potential use of this ethical finance by companies. These findings are also consistent with those of (Echchabi, 2012), and (ZOUITENE & BENSBAHOU, 2019), which indicate that religiosity has a significant positive influence on the adoption of participatory banking services.

The results of (Julendra et al., 2021), (FNITIZ, Y., & ZARROUK, Z, 2022), (OMERANI D. et al. (2023),(TOUFIK.Y & LAGHZAOUI.F, 2024), also point in the same direction, showing that compliance with religious rules is the primary factor driving consumers to use participative banks. Their studies, , reinforce the idea that religious preferences are deeply rooted in consumers' financial decisions, thus concurring with the conclusions we have drawn.

- **Analysis of the effect of reputation on SME attitudes towards participatory financing**

This hypothesis, which reflects the positive effect of reputation on SMEs' attitude towards participatory financing, is validated. This is justified by the T-value of 2.498, which is above the threshold value (1.96), showing a positive relationship between the two constructs. Thus, the relationship between the two variables is positive and statistically significant, with a low weighting coefficient of 0.251.

The statistical results are in line with our theoretical expectations, confirming the existence of a positive link between the two variables, i.e. the better the reputation, the greater the attitude towards this type of alternative financing.

Our results confirm and build on several studies that highlight the significant impact of reputation on consumer attitudes towards participatory finance and Islamic financial products. including (Jaffar & Musa, 2014) and (SATTAR et al., 2020), which showed that the reputation of financial institutions, particularly their credibility and reliability, plays a crucial role in the adoption of these products. This finding is also supported by (Selvanathan et al., 2018), who found that reputation directly influences the choice of Islamic banking services, due to the importance attached to ethics and religious compliance.

More recent research, such as that by (FNITIZ, Y., & ZARROUK, Z, 2022), (Febriandika, N. R., & Hakimi, F, 2023), confirms that reputation remains a key factor in a variety of contexts, from traditional banking to Islamic banking. They emphasize that, even when other technical or technological factors are present, reputation continues to guide users' decisions. Finally, the work of Mouad et al. (2024) on the adoption of participatory financing by Moroccan SMEs demonstrates that reputation is essential in generating managers' confidence in this type of financing, further validating our own findings.

5. Conclusions:

This study represents one of the first attempts in the field of participatory banking, particularly with regard to the adoption of participatory products. It provides relevant information on two key variables in the adoption of these products by Moroccan SMEs, particularly in the Fez-Meknes region. The results of this study constitute a significant contribution for professionals in the sector, providing them with essential guidelines for developing a suitable strategy to encourage SMEs to adopt Islamic financing.

Firstly, the results show that “religious obligation” is a critically important factor influencing attitude, which is in line with previous research findings. This suggests that perceived compliance with Sharia principles - notably the prohibition of riba, halal investments and the equitable distribution of wealth - is seen as imperative in the adoption of these ethical products. Participative banks should therefore develop strategies to promote an image that is rigorously aligned with Sharia precepts, particularly in terms of non-riba, halal investments and fairness, insisting on the implementation of an Islamic financing model that is authentically Sharia-compliant.

Secondly, with regard to the attitude predictor, “reputation” also emerged as an indispensable element for adopting participatory financing. Given that these respondents are the business owners who make most of the company's decisions, the influence of reputation on their ability to adopt Islamic financing is relevant. In this sense, participatory banks need to strengthen transparency and communication around the specific benefits of Shariah-compliant financial products - they should invest in targeted awareness-raising campaigns, highlighting the concrete benefits of participatory financing, particularly in terms of fairness, risk-sharing and absence of vested interests. In addition, they should partner with influential local players, such as chambers of commerce and trade associations, to create training and support programs for SMEs, highlighting how these products can meet their financial needs while respecting their ethical values. This would help to strengthen SMEs' confidence in these institutions and consolidate their reputation as reliable and ethical financial partners.

Admittedly, the scope of the results of this study is limited to Moroccan SMEs in the Fez-Meknes s region. Consequently, future research could broaden this field of investigation by extending it to a larger sample, in order to examine and validate the generalizability of the research model in a variety of contexts.

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