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Determinants of the adoption of Islamic Finance by Cameroonian SMEs: case study from a psycho-sociological characteristics of Managers

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Abstract:

Small and Medium-Sized Enterprises (SMEs) today form the backbone of the African economy in general and Cameroon in particular. However, Cameroonian SMEs encounter many difficulties, one of the most important is the access to so-called conventional financing. Faced with this situation, some of them will seek alternative means such as Islamic finance. Despite its development over the past two decades, Islamic finance is struggling to find a place in the financial decisions of Cameroonian SMEs' Managers. This study aims at highlighting the psycho-sociological characteristics of policymakers in directing their decision towards the Islamic finance product. Data collected from a sample of 57 Cameroonian SMEs, reveals that the degree of adherence to the sharia precepts, the subjective norms, and the perceived relative advantage influence the decision to adopt Islamic finance. These results enrich the literature on SMEs financing and provide financial institutions with tools to lift up this financing circuit.

Keywords: *Islamic finance, SMEs, Cameroon, manager's characteristics.*

Introduction:

Small and Medium-sized Enterprises (SMEs) highly contribute to the growth of the African economy as a whole and Cameroon's economy in particular. SMEs represent about 90% of Enterprises in Cameroon and contribute up to 30% of its GDP, helping create jobs and improve the economic balance. Despite all, Cameroonian SMEs in their development process encounter so many difficulties which one of the most important is access to finance (NIS, 2018). Following a report from the Ministry of Small and Medium-sized Enterprises (SMEs) in 2009, up to 77.1% of Social and Artisanal Economy are excluded from bank loans because they do not meet the required conditions.

The banking system in Cameroon now plays the card of caution in financing SMEs since the crisis of the 1980s-1990s when several banks had to file for bankruptcy because of the non-repayment of loans taken out (Nanko Nguepdjio, 2016). Faced with this situation, Cameroonian SMEs are forced to turn to alternative means, including collaborative financing such as Islamic finance.

The Islamic finance industry, although long-established, has grown significantly over the last two decades. A major factor in this growth was the attack on the United States on 11th September 2001, which led Middle Eastern investors to repatriate their funds from the West for fear of having it frozen. Also, the financial and economic crises of 2007 accelerated the expansion of this sector in developed and emerging countries (Souheila, 2012). In Africa, Islamic finance represents only 1.5% of the global market. The CEMAC zone in general and Cameroon in particular are contributing to the downward trend of Islamic finance in African economies, despite the advantages it has over the conventional system.

As opposed to the usual financing mechanism that uses the interest rate technique, Islamic finance, as an alternative means of financing companies, is based on five pillars: the prohibition of interest, the prohibition of uncertainty, the prohibition of illicit sectors, the sharing of profits and losses (3P) and the existence of an underlying asset (Majidi, 2016). Two theories can be mobilized to understand the adoption by SME managers of Islamic finance understood as a financial innovation in the overall basket of different sources of finance: the theory of diffusion of innovation and the theory of reasoned action.

The theory of the diffusion of innovation of Rogers (1983) aims at understanding the various factors likely to shape the behaviour of Managers of Enterprises vis-à-vis the products of Islamic Finance. It states that every innovation shall be unveiled and adopted by individuals at various levels. Concerning the theory of the Reasoned Action of Fishbein and Ajzen (1975), the attitude of the Manager towards Islamic Finance would derive from his beliefs and available information.

Many scholars based their research on the above-mentioned theories to explain the behaviour of economic agents towards Islamic Finance products. Amongst them are the religious obligation, the profitability and/or benefits-cost, the knowledge of the Islamic Finance, external factors that influence our choice (subjective norms), assistance and quality of service, to justify why Enterprises are turning to Islamic Finance (Gait and Worthington, 2008 ; El Ouazzani and Rouggani, 2018 ; Jaffar and Musa, 2015 ; Su'un and al., 2018 ; Ahmad and Haron, 2002).

In Cameroon, Ngaha, and Binam (2019) have highlighted that psycho-sociological, organizational, and legal factors justify the reluctance of finance professionals and prospective clients to the adoption of Islamic Finance. But in their study, they did not state the specificity of economic agents used as a sample. This study is different from the former ones since it is SMEs' Managers oriented. Since they fundamentally influence financial decisions (El Ouazzani and Rouggani, 2018), **we study the elements of their psycho-sociological characteristics likely to justify their use of Islamic Finance.**

The objective of this study is to examine the principles and products of Islamic Finance on one hand and to analyze the explanatory factors of its adoption by Managers of Cameroonian SMEs on the other

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hand. It will therefore be comprised of three sections. The first one is the literature review relating to Islamic Finance. The methodology and the research results shall be highlighted in sections two and three, respectively.

1. LITERATURE REVIEW

1.1. The African SMEs' financing problem

Several scholars have deeply explored the choice of financing SMEs. These pioneers are Modigliani and Miller (1958) who treated the analysis of modern finance through the problem of the capital structure. These authors present the neutrality of the impact of indebtedness on the value of the Enterprise in a pure and perfect neoclassical competitive environment. They think that all types of financing used by Companies are equal. Modigliani and Miller (1958) gradually rejected the hypothesis stating the neutrality of the financing entity by demonstrating the influence of indebtedness due to taxes on the value of the Enterprise. If in Western Countries SMEs easily have access to necessary bank loans to enhance their growth, African SMEs scarcely get them (Soledad, 2009.

There are four sources of risks when financing Companies in Africa: the legal status, the size of the Company, the technological and the commercial risks. In fact, there are less risks with public Enterprises than with the private sector, notably through assurance given by the State. Due to their size, big Enterprises are having more physical collateral and therefore more chances to obtain bank loans compared to small entities. Thus, financing African SMEs is really difficult since it combines both the legal status and the size risks (Collier, 2009). SMEs dealing with innovation and intangible investments and presenting; therefore, a high technological and commercial risk are having more difficulties in getting bank financing, compared to "conventional" SMEs (Bekolo and Beyina, 2009).
In Cameroon, Kenfack (2016) identified some obstacles to SMEs' Managers from obtaining bank loans, notably the high cost, a lack of perspicacity of the financial system, a bank risk profile that does not foster investments growth.
These harsh requirements cause SMEs' Managers to look for alternative sources of financing like Tontines and, for some years, to an innovation through a participative method which is Islamic Finance.

1.2. Islamic Finance: an option for SMEs financing

1.2.1. The growth of an Islamic economic theory and principles of Islamic Finance

There is not a unique definition of Islamic Finance. Nevertheless, the Economic Science Encyclopaedia defines it as a set of financial and commercial activities in conformity with Islamic principles and case law, the *Sharia*. Conceived in Arabia in the VIIth Century of our era, the main principle of Islamic Finance is the prohibition of usury by Islamic. This prohibition is from the Koran (*Sura 2, the cow, verse 275*) and from *hadiths* (prophetic narratives).
The prohibition of loan interest in Islamic Countries was criticized by economists and legal experts from 1900. Nevertheless, it was after so many unsuccessful attempts in Malaysia in the 1940s and in Pakistan in the years 1950s that Islamic Finance expanded from the second half of the 20th Century, precisely after the first oil crisis from 1973 to 1974 (Abourrig and Rachidi, 2016). This new financial system is based on the quick growth of the number and the size of Islamic Banks, as well as on the increase of financial securities compatible with the *Sharia* (Khoury, 2018). That take-off enabled the growth of a paradigm called "Islamic Economic Theory" aiming at, like many other economic theories,

establishing a society whereby fundamental human needs are met, resources well managed, and wealth equitably shared (Majidi, 2016). But it gains credibility through the importance given to moral and religious values. The concept of "rational economic man" used for the satisfaction of personal interest like in the conventional economy does not fit in Islamic Economy. Rationality here is based on righteousness and equity promoted by social interest. Thus, interest loans, excessive risk, and its use by only one party in a transaction, deception, ambiguity, hoarding, bare-ownership, illicit activities are amongst the prohibitions governing the principle of Islamic rationality. This principle is the fundamental axiom of the Islamic economic system.

Apart from this assumption, Causse (2012) summarises the particularities of the economic and social Islamic system in few principles:

- The lieutenancy of assets: Man is the "Lieutenant" of God and should fructify assets which God is the true owner;
- Ethics at work;
- Community mindset and solidarity;
- Neutrality of time: time is created by God and cannot be sold;
- And the role of money: money is a measurement, exchange and store of value tool. No contract is legitimate if money is made by money without the intervention of human capital in productive activity.

1.2.2. Products of Islamic Banking

Islamic banking institutions are characterized by a variety of products. The next summary that differentiates participative products from commercial products is proposed to us by El Ouazzani and Rouggani (2018).

Table 1: Participative and commercial Islamic products

	Participative products		**Islamic products**			
	Moudaraba	***Mousharaka***	***Mourabaha***	***Salam***	***Ijara***	***Istisna***
Description of the product	The bank hires an external entrepreneur through a contract whereby it operates as a main representative and the entrepreneur like an agent.	A contract whereby the purpose is the bank equity investment in the capital of an Enterprise in order to make profit.	A contract whereby a bank purchases a tangible asset upon the request of its client to which it resells the asset with a profit margin.	Mode of financing that speculates inversely than that of Mourabaha. During a purchase operation, the commodity is paid cash and delivered later.	A contract whereby an Islamic Bank rents out a commodity to a client (Lease).	A manufacturing agreement whereby a seller or a manufacturer, in compliance with the list of specifications, accepts to provide a buyer with specific assets after the manufacturing process.
Bank remuneration	Sharing of loss and profits detailed in the contract		Predetermined margin during resale operation	Expected margin in the contract	Expected lease in the contract	Expected margin in the contract after paying all charges

1.2.3. Explanatory theories of Islamic Finance

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Two socio-cognitive theories are used to explain the behaviour of agents toward Islamic Finance products: the theory of the diffusion of innovation and the theory of reasoned action.
The theory of the diffusion of innovation that was developed by Rogers (1983) to understand the process through which an innovation is unveiled among the members of a society in a specific time seeks to explain the variety of adoption rates of the innovation. It therefore suggests a conceptual framework that enables to identify the prerequisite for innovation in order to forecast the intention of their adoption by individuals as well as the Enterprise. Criteria highlighted by Rogers (1983) are amongst others the relative advantage (the principal contribution of the innovation relating to the first technologies), the perceived complexity, comparability, testability and observability. Concerning the adoption of Islamic Finance products by customers, Thambiah and al. (2011) and Echchabi and Hassanuddeen (2012) added to the factors preceding the religious beliefs, identify ethics values, uncertainty, and the perceived risk.
Concerning the reasoned theory of Fishbein and Ajzen (1975), the idea is that the attitude comes from beliefs and disclosed information. They suggest that *behavioural intention* is an indicator of behaviour, more important than attitudes. Therefore, when faced with a given situation, an individual retains or forms a specific intention that will subsequently influence his or her later stated behaviour. From this theory, an intention which is the condition for the adoption of behaviour is determined by attitudes and subjective norms. In the frame of our research, these variables seem important to predict the acceptance of Islamic Finance products.
Variables found in these theories (subjective norms, perceived relative advantage, beliefs, knowledge) will be used as the base to formulate a hypothesis.

1.3. Psycho-sociological characteristics of the Manager and adoption of Islamic Finance

1.3.1. Respect of *sharia* rules and adoption of Islamic finance

Religion is considered as one of the main sources of influence of people's behaviour and particularly consumers' decisions. In this perspective, Hirschman (1982) notes that religions brings people together through a range of connections to lifestyles that not only determine what and which quantity should be consumed but also the reason of its consumption. Several other studies (Gait and Worthington, 2008; Jaffar and Musa, 2015; Su'un and al., 2018) have shown the role played by religion in the adoption of Islamic Finance. For these authors, most Managers (Entrepreneurs) use Islamic Finance for the sake of compliance with the *Sharia*. The next hypothesis derives from the above:
H1: There is a positive relationship between level of compliance with the sharia by the Manager and decision to adopt Islamic finance.

1.3.2. Subjective norms and adoption of Islamic finance

The subjective norm is a concept that derives from normative beliefs, meaning the perception of experienced social pressures from neighbours in favour or against a particular behaviour as well as the motivation of somebody to comply with the expectation of people he considers important (Ajzen, 1991; Fishbein and Ajzen, 1975). The impact of subjective norms on behavioural intention was approved in the context of Islamic Finance. Researchers analyzed this relationship in the framework of the prediction of Islamic Banks products acceptance behaviour (Ramayah and Suki, 2006; Jaffar and Musa, 2014). We think that these subjective norms are likely to orientate the choice of Cameroonian SMEs' Managers towards Islamic Finance. We, therefore, have the next hypothesis:
H2: There is a positive relationship between subjective norms and decision to adopt Islamic finance.

1.3.3. Financial culture of the Manager and adoption of Islamic finance

Financial culture means the knowledge and understanding of financial concepts and risks, as well as competencies, motivation and necessary trust to use this knowledge (OCDE, 2016). Kabaachi and Obeid (2015) think that the evaluation of the knowledge acquired by people about Islamic finance is useful information for all financial institutions proposing products and services relating thereto. In this sense, many researchers considered the level of education, the knowledge of Islamic Bank products, and their mode of operation as important predictive factors for their use (Yasmeen and al., 2018 ; Ahmad and Haron, 2002 ; Gait and Worthington, 2008 ; Jaffar and Musa, 2014). We therefore come to the next hypothesis:

H3: There is a positive relationship between financial culture of the Manager and decision to adopt Islamic finance.

1.3.4. Perceived comparative advantage and adoption of Islamic Finance

In the theory of the diffusion of innovation, Rogers (2003) presented the relative advantage as the level of perception of innovation like the best one compared to that existing. That is why researchers focussed on the link between costs and the attitude vis-à-vis Islamic products (Osman and Ali, 2008; Su'un and al., 2018). Costs here are access to financing, services, relief of the terms of the contract. Su'un and al (2018) argue that Islamic products have a positive impact on their adoption. From the survey carried out by Osman and Ali (2008) on a hundred of Malaysian Entrepreneurs, 58 % are motivated by the profitability and equity of Islamic Banks compared to conventional Banks. From the above, we think that the perceived advantage from Islamic Bank products can influence the attitude of SMEs' Managers. We therefore come to next advantage:

H4: There is a positive relationship between perceived comparative advantage by the Manager and decision to adopt Islamic finance.

2. Methodology

2.1. Sample and data collection

Due to the absence of a precise and regularly updated sampling method in Cameroon, a sound choice enabled us to conceive our own survey method from the data of the Chamber of Commerce and data from the Directorate of taxation. This enabled to include in the sample every analysis unit having the required characteristics, namely the SMEs using Islamic Finance products and services and those using conventional banking loans. Using this method, we set a list of 258 SMEs located in Douala, Yaoundé and Ngaoundéré.

Data collection was done through a questionnaire administered "face to face" to Managers of only 90 SMEs out of 258 that were first our sampling units, a coverage rate of 34.88 percent. This low rate derives notably from the difficult identification of SMEs making use of Islamic Financial Institutions. For those who answered the questionnaire, the prerequisite was to get the authorization from the General Directorate of those Institutions to have an approval permitting us to easily question their customers.

In total, 64 questionnaires were collected back, and 57 were answered. The sample of 57 SMEs dealing with commerce is rated at 49.1%, 26.3% for services, 15.8% in agriculture and livestock, and 8.8% in Industry, as stated in table 2. In addition, 71.9% of SMEs Managers are Muslims and only 28.1 percent are Christians.

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Table 2: Formation of the sample

Number of surveyed Companies	90				
Total number of responses collected	64				
Total number of exploitable responses	57				
Response rate	63.3 percent				
Geographic location		Douala	Yaoundé	Ngaoundéré	Total
Number		23	18	16	57
Rate		40.35%	31.58 %	28.07%	100 %
Business sector	Services	Industry	Trade	Agric/livestock	Total
Number	15	5	28	9	57
Rate	29.3%	8.8%	49.1%	15.8%	100 %
Religion of the Manager	Christian		Muslim		Total
Number	16		41		57
Rate	28.1%		71.9%		100%

In this sample, data are analyzed with a SPSS software for windows, using logistic regression, Confirmatory Factor Analysis (CFA), simple tabulation and score method.

2.2. Measuring variables

We successively present the measure of explanatory variables and the variable to explain.

2.2.1. Items of explanatory variables measure

Below are measures used for each explanatory variable.

- Measure of the level of compliance with the Sharia

As canon Law, the *Sharia* governs the religious lifestyle by advocating moral values such as righteousness, equity, and social interest. If these values are not only found in the Muslim community, the variable "level of compliance with the *Sharia*" holds true for this research and all respondents, regardless of their religious affiliation. To measure it, 10 items on a 5 point Likert scale from "strongly disagree" to "strongly agree" are used. The following items are based on the researches of Abourrig and Rachidi (2016) and Jaffar and Musa (2014):

- Religion is very important to me and impacts my daily life;
- I stop everything for religious activities;
- I have sound relationships with a foreigner as if he was a relative;
- I always respect my commitments vis-à-vis my business partners;
- I always refuse illicit profits and shameful acts;
- When my debtor cannot reimburse his/her debt, I leave, hoping for a better reward;
- I believe that the Koran is the word of Allah/God and that its authority is justified;
- To me, it is important to keep the commandments of Allah/God;
- Every year, I take part of my income and give to the poor;
- I work to meet my needs and also to help the community.

These items will be summarized through the score method.

- Subjective norms Measures

This concept, measured by 6 items on a 5 points Likert scale from "strongly disagree" to "strongly agree," is based on the researches of Fishbein and Ajzen (1975), Jaffar and Musa (2014) ; Abourrig and Rachidi (2016). Psychometric characteristics of these items are assessed later on through a Confirmatory Factor Analysis (CFA).

- Measure of the financial culture of the Manager

To measure this variable, 13 items from the outcomes of the survey of OECD (2016) are used on a 5 points Likert scale from "strongly disagree" to "strongly agree". The declarations are as follows:

- I always seek for the most appropriate means to fund my business;
- I know and understand the difference between a Bank and a Microfinance;
- I know the products and services proposed by Banks and Microfinances;
- To give out a loan, I compare the conditions proposed by many institutions before choosing;
- I am comfortable with financial calculations;
- I know and understand the difference between compound interests and simple interests;
- I never consult any counsellor for my financial decisions;
- I always evaluate risks before going for financial investments;
- I know that the stock market is a place where the project is financed through public offering;
- I master the financial market and its products;
- I diversify as much as possible my investments and my activities;
- I know how to litigate if problems occur with a financial institution;
- I know that Islamic Banks products are for Muslims and others.

These items shall be examined once more through the score method.

- Measure of the perceived comparative advantage

Based on the researches of Rogers (2003) and El Ouazzani and Rouggani (2018), this concept is measured by 5 items on a 5 points Likert scale from "completely don't agree" to "totally agree", which are:

- The Islamic Financing mode is cheaper than conventional loan;
- Islamic loan is offered with advantageous conditions;
- Islamic loan is easily accessible than conventional loan;
- Islamic Bank offers the best quality of service than conventional banks;
- Islamic Financing mode is more suitable for my needs.

These items shall be analyzed through the score method.

2.2.2. Measures of the variable to explain

The adoption of Islamic Finance as the variable to explain is measured on a dichotomous nominal scale. Its value is 1 if the Company uses it and 0 if not.

3. Empirical results

3.1. Descriptive analysis

3.1.1. Statistics of the use of Islamic Finance products by the SMEs of the sample

Table 3 shows that 42.1 percent of SMEs in the sample are using Islamic Finance products. Four Islamic Banking products are thus identified in this category of SME: *Mousharaka (20.8 per cent), mourabaha (41.7 per cent), ijara (79.2 per cent) and istisna (37.5 per cent).*

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Table 3: Statistics of the adoption of the Islamic Finance products

Adoption of Islamic Finance	Modality	Number	Rate
	No	33	57.9 %
	Yes	24	42.1%
	Total	57	100%
Products	**Modality**	**Number**	**Rate**
Mousharaka	No	19	79.2 %
	Yes	5	20.8 %
	Total	24	100 %
Mourabaha	No	14	58.3 %
	Yes	10	41.7 %
	Total	24	100 %
Ijara	No	5	20.8%
	Yes	19	79.2%
	Total	24	100%
Istisna	No	15	62.5%
	Yes	9	37.5%
	Total	24	100%

3.1.2. Analysis of the level of compliance with the *sharia, financial culture, and Perceived relative advantage*

The next table contains the attributes of the psycho-sociological characteristic of Managers measured through the score method:

Table 4: Summary statistics of the level of compliance with *Sharia, financial culture, and Perceived relative advantage*

Variables	Minimum	Maximum	Average	Standard deviation	Skewness	Kurtosis
Level of compliance with *sharia*	21	49	38.772	7.7298	-0.887	0.810
financial culture of the Manager	23	54	41.0526	10.08432	-0.436	-0.901
Perceived relative advantage	8	23	15.3684	5.71537	0.069	-1.642

Negative skewness are highlighted in this table for the level of compliance with *sharia* (-0.887) and the financial culture of the manager (-0.436). It means that for these two variables, there is a tendency to focus on high values (above the average). Globally, these results indicate that many Managers of SMEs in our sample fully comply with the *sharia* laws and have a good financial culture.

Concerning the perceived relative advantage, results show that the knewness has a positive value (0,069), meaning that observations show more low than big values. It means that in their majority, Managers of SMEs do not see a real advantage of Islamic Finance compared to the conventional mode of financing.

3.1.4. Psychometric qualities control of subjective norms items measures

Psychometric criteria of measuring instruments of subjective norms were evaluated through exploratory factor analysis. Factor Analysis results are found in table 5.

From the table, the precision measure of sampling according to the KMO process gives a satisfactory 0.797 value since it is superior to 0.7 thresholds. In addition, the Bartlett sphericity test shows a significant chi-square to 0.000 thresholds indicating the lack of significant correlation between items. All commonalities having a value superior to 0.5 show that items can be factored.

<u>Table 5</u>: Summary of factor analysis on items measuring subjective norms

Items	**Single factor**	**Communalities**
My parents think that I should use the Islamic banking offers.	0.821	0.675
My friends and relatives think that I should use the Islamic banking offers.	0.879	0.773
My business partners are using Islamic Finance for their activities.	0.854	0.729
My banker advised me to use Islamic banking offers.	0.829	0.686
My financial advisor recommended me Islamic banking offers.	0.820	0.672
Eigenvalue		3.535
Explained variance rate		70.698
Cronbach's alpha		0.895
KMO index and Bartlett test		
Precision measure of Kaiser-Meyer-Olkin sampling		0.797
Bartlett sphericity test	Approximated chi-square	177.918
	Ddl	10
	Bartlett result	0.000

In addition, factor analysis demonstrates a unique factor with 3.535 eigenvalue superior to 1 and justifies the total variance of 70.698. These results are satisfactory since they provide more than 50% of the required information. The analysis of the reliability of our measuring scale gives a 0.895 Cronbach's Alpha value; it means that there is a good internal coherence of the scale.

3.2. Explanatory analysis results

To test our research hypotheses, we use logistic regression due to the dichotomous nature of the dependent variable. Statistical tests results are found in table 6.

For the first hypothesis that connects the level of compliance with the *sharia* and the adoption of Islamic finance, results show a Cox and Snell R^2 of 0.162 and a Nagelkerke R^2 of 0.220. We conclude

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that the level of compliance with the *Sharia* by the Manager justifies 22% of the use of Islamic Finance by Cameroonian SMEs. The significant 42.0080 Chi-square at 0.000 confirms the existence of a link between the variables. Also, the explanatory variable has a positive coefficient and a statistical Wald of 7.148 significant to 0.008. This enables us to validate H1. From the above statistics, we can conclude that the more the Manager strictly comply with the *Sharia* rules, the more he seeks the Islamic Financing mode. This conclusion confirms the results of Jaffar and Musa (2014), Ibrahim and al. (2017), Su'un and al. (2018).

Table 6: Logistic regression results

Dependent variable: Use of Islamic Finance										
Hypothesis	**Explanatory variables**	**VHosmer-Lemeshow test**			**COX and Snell R^2**	**Nagel-kerke R^2**	**Summary of the regression model**			
		Chi-square	**ddl**	**sign**			A	Wald	Sig	**Exp(B)**
1	**Level of compliance with the *Sharia* rules**	42.008	6	0.000	0.164	0.220	0.140	7.148	.008	1.150
2	**Subjective norms**	22.812	8	0.004	0.314	0.422	2.837	13.906	.000	17.065
3	**financial culture**	47.054	8	0.000	0.015	0.021	.332	.859	.354	1.393
4	**Perceived relative advantage**	31.952	6	0.000	0.403	0.542	.322	18.721	.000	1.379

Concerning the hypothesis 2 that connects the subjective norms to the adoption of Islamic finance, results show a Cox and Snell R^2 of 0.314 and a Nagelkerke R^2 of 0.422. It means that subjective norms justify 42.2% of the use of Islamic Finance. The value of the significant Chi-square at 22.812 at 0.004 thresholds enables us to confirm the existence of the link between the two variables. The subjective norms coefficient is positive at 2.837. The value of Wald is 13.906 and significant at 0.000 thresholds. We therefore validate H2. Otherwise, Managers undergoing pressures from their reference groups are more likely to use the Islamic banking offers. These results go in the same line with those of Ramayah and Suki (2006), Jaffar and Musa (2014) and Ibrahim and al. (2017).

Concerning hypothesis 3 relating to the financial culture of the Manager and his use of Islamic finance, we have a Nagelkerke R^2 low to 0.021, though the Chi-square of 47.054 is significant at 0.000 thresholds. The value of the Wald (0,859) statistic is not significant (0.354>0.05) and consequently not interpretable. These results do not enable to validate H3. Thus, the use of Islamic finance does not depend on the financial culture of the Manager. These results contradict those of Ibrahim and al. (2017), Jaffar and Musa (2014), Yasmeen and al. (2018); and Su'un and al. (2018).

The results of the hypothesis 4 test that connects the perceived relative advantage to the adoption of Islamic finance shows a Cox and Snell R^2 of 0.403 and a Nagelkerke R^2 of 0.542. It means that the expected relative advantage justifies 54.2% of the use of Islamic Finance. The Chi-square of 31.952 is significant at 0.000. This enables us to confirm the existence of a link between our two variables and to validate H4. Same, Table 6 show a positive coefficient of the explanatory variable at 0.322; a Wald statistic of 18.721 significant at 0.000. These results are in line with those of Souheila (2012), Jaffar and Musa (2013), Ibrahim and al. (2017), and Sri and al. (2020).

Thoroughly, from our results, Managers of SMEs who strictly comply with the *Sharia* laws, influenced by people with religious fanaticism and magnifying the Islamic Finance products, are those who tend to use that participatory financing circuit. Thus, we have the right to think that Islamic Finance is trapped in religious indoctrination both by Islamic Financial Institutions and SMEs' Managers. Institutions offering Islamic Finance products should vulgarize that circuit and facilitate access for SMEs' Managers regardless of their religious beliefs. They can do it through training workshops of Managers and other professionals about Islamic Banking offers. Also, commercial services of Banks and other Islamic Financial Institutions should review their communication methods by insisting on advantages, operating principles and their offers, for example. Their advertising strategy could integrate opinions of reference groups not belonging to any religious group, and the SMEs' Managers lifestyle, in a communication that can lead to the acceptance of all no matter their beliefs. In addition, the adaptation of Islamic Finance products and services to the exact needs of SMEs regarding a lifestyle that integrates secularism could be a solution to their financial inclusion and the enhancement of that system.

Conclusion:

This research is a trend towards the Islamic Financial system in a context where SMEs' Managers face difficulties to mobilize the necessary resources for their survival and their growth in the so-called conventional circuit. It enabled to highlight the socio-psychological characteristic elements of the SME's Manager that guides its attitude towards the Islamic Finance products. Thus, on a sample of 57 Cameroonian SMEs, results of the logistic regression show the influence of the Level of compliance with the *Sharia*, subjective norms and perceived relative advantage on the use of Islamic Finance. Nevertheless, the influence of the financial culture of the Manager was reversed.

Beyond the theoretical contribution of this research, from the results, it would be profitable for Islamic Banks to intensify their activities in an area with many Muslims who have been inculcated moral values and ethics advocated by Islam and likely to give in to pressure from their reference groups. They will be more known if they adapt their products and services to the real needs of SMEs in a lay environment. They must therefore attract Managers of SMEs notwithstanding their religions, focussing, when communicating, on positive aspects of the Islamic Banking system.

Despite its contributions, our research presents some limits. The first one is the limited number of SMEs (57) in our sample. Also, we did not consider all factors likely to justify the use of Islamic Finance. Nevertheless, these limits cannot undermine our research.

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