



AN ANALYSIS OF SOCIO-ECONOMIC AND DEMOGRAPHIC FACTORS INFLUENCING ISLAMIC BANKING ACCEPTANCE IN NON-ISLAMIC CONTEXTS

Dorley, F.¹, Dumah, M.² and Suleman, Y.³

¹*Department of Banking and Finance, William V. S. Tubman University, Harper, Maryland County, South-Eastern, Liberia.*

^{2,3}*Department of Accountancy, School of Business, Dr. Hilla Limann Technical University, Wa, Upper West Region, Ghana.*

¹*fdorley@tubmanu.edu.lr*

ABSTRACT

Purpose: The emergence of Islamic banking (IB) in sub-Saharan Africa has been viewed as a catalyst for the economic growth and development of the sub-region. This study investigates the motivation, willingness to adopt, and determinants of IBs adoption in Liberia, a non-Islamic country in West Africa.

Design/Methodology/Approach: Primary data were sourced from 210 Liberian citizens, accidentally sampled across four major counties, using semi-structured survey questionnaires. Descriptive statistics, simple percentages, statistical mean and the chi-square test of independence were used to analyse the data.

Research Limitations: One of the main research limitations is that not all counties were included in determining the study sample size. Furthermore, specific components of the sample frame were not considered for selection because a convenience sampling approach was used.

Findings: The results showed that the majority of the survey respondents (93.8%) were willing to acquire knowledge about the operation of the Islamic banking system. The decision to adopt the Islamic banking system was influenced by respondents' socio-demographic characteristics, such as age, gender, educational attainment, employment status, and marital status. The findings provide critical insights into the incorporation of certain aspects of the Islamic banking system into Liberia's banking sector.

Practical Implications: Thus, stakeholders such as the Bank of Liberia should consider implementing pertinent governance structures and rules for IBs operations for risk minimisation, and resistance to economic crises in the country's banking sector.

Social Implications: The operationalisation of IBs will lead to job creation, economic growth and revenue mobilisation through corporate tax.

Originality/Value: It contributes to the existing literature by highlighting the high interest of the respondents to adopt and practice the Islamic banking system in a non-Islamic country like the Republic of Liberia, defeating the general misconception about the non-adoption of Islamic bank principles, particularly the Sharia principle, by non-Islamic countries in the developing world.

Keywords: *Acceptance. drivers. financial literacy. islamic banking. non-islamic*



INTRODUCTION

Globally, research findings indicate that Islamic banking (IB) is growing steadily and is cited as a key driver of change in the banking and finance sectors of many countries (Boateng et al., 2025; Bananuka et al., 2020; Mbawuni & Nimako, 2017; Omar et al., 2017). Over the past few decades, Islamic banking has gained significant ground and popularity in both non-Islamic and Islamic countries alike (Riaz et al., 2023; Disli et al., 2021). Estimates indicate that the IB currently accounts for a global market size exceeding US\$2 trillion (Abduh, 2017). The 2015 report on the stability status of the IB by the Islamic Financial Services Board (IFSB) highlights that IBs have recorded a momentous growth rate of 17% per annum (Bananuka et al., 2020).

In Africa, Islamic banking dates back to the 1960s, when the first IB was established in Egypt (Aburime & Alo, 2009). Since then, IB has continued to expand on the continent, primarily among Muslim-dominated countries such as Morocco, Senegal, Niger, Sudan, and Algeria, among others. In addition, other mixed-religion-polarised countries, such as Nigeria, Kenya, Uganda, and South Africa, have made significant strides in adopting IB (Mbawuni & Nimako, 2017). Bank Al-Maghrib, the central bank of the Republic of Morocco, relentlessly championed the growth of IB in the sub-region by issuing IB certificates to five banks to operate in 2017. This gesture marks an unprecedented effort in the African IB landscape (World Finance, 2017). In February 2018, Uganda issued IB certification to its financial institutions. In Tanzania, the establishment of the Amana Bank, an entirely operated Islamic bank, cemented and consolidated the adoption of the IB in the country. The Kenya Commercial Bank has also promoted and offered aspects of IB services to its clients (Omar et al., 2017).

Despite the progress made in the adoption and commercialisation of IB in Africa, the extant literature has confirmed that the finance market, coupled with IB, constitutes less than 10% of commercial banks on the continent offering IB services (Gelbard et al., 2015; Faye et al., 2013). Faye et al. (2013) found that only 21 out of Africa's 54 countries have instituted Islamic financial services in their banking and finance sectors. Thus, 116 IB-related service institutions were identified in these 21 countries. Notably, the idea of IB in Africa is more popular in North and East Africa. It provides services such as full Islamic banking, Islamic insurance ("Takaful"), Sharia-compliant investment, and Islamic Microfinance Services (Faye et al., 2013). Numerically, sub-Saharan Africa (SSA) has been cited to have adopted IB on a much smaller scale. Specifically, East Africa hosts a greater proportion of IB service providers (65), followed by North Africa (25) and West Africa (14). In the context of SSA, only seven IB institutions have been cited: Nigeria (2), Guinea (2), and Ghana. The Gambia and Senegal host only Islamic Insurance Institutions (Mbawuni & Nimako, 2017).

Several factors have been identified as influencing the adoption of IB. Notably, factors such as no interest in loans and profit-sharing arrangements of IB are highlighted in the literature (Ozturk, 2014; Bananuka et al., 2018; Mbawuni et al., 2020). Individual preferences, knowledge, and awareness of the operational dynamics of IB products, as well as the trust and confidence individuals have in IB, have been extensively discussed in the literature (Kabiru,



2014). Furthermore, countries that have experienced some form of financial crisis may adopt IB as a means to mitigate these impacts. For instance, countries such as the United Kingdom and the United States of America, among others, have resorted to IB services as a result of the financial crisis to open up the banking and finance sectors, thereby increasing private investments in support of government operations (Gonpu, 2014). Additionally, in areas where law is exercised to embrace and protect IB, adoption is usually high (Alam et al., 2019).

A large body of studies has been conducted on the impacts of Islamic banks on local and global economies (Mbawuni & Nimako, 2017; Mensi et al., 2017; Bananuka et al., 2018; Ozturk, 2014; Miah et al., 2020). Nonetheless, the subject of IB adoption, particularly with a focus on socio-demographic, economic and cultural determinants in non-Islamic countries, has been scarcely discussed in the literature. In addition, studies grounded in the diffusion of innovation theoretical foundation, which provide nuances for a broader analysis of socio-demographic, economic, and cultural factors influencing IB adoption decisions in non-Islamic countries, specifically in SSA, are limited in the literature and policy discourses. This may impact the development of policies by national banks and privately managed financial institutions for implementing critical features of the IB system, taking into consideration the socio-demographic, economic, and cultural pluralism of the growing population in the sub-region. A plethora of studies on Islamic banking operations and their characteristics have been conducted outside SSA and broadly across Islam-dominated regions. Research on the factors explaining the adoption and growth of IB in sub-Saharan Africa's non-Islamic countries, such as Liberia, is yet to receive sufficient attention. While the banking and finance sectors in Liberia have undergone several transformations over the past decade, since the country's return to civilian rule in 2005, discussions about incorporating Islamic banking into the Liberian banking sector are scarcely advanced in scientific research and policy trajectories.

In this study, we argue that IB, with its distinctive features such as interest-free loans, sharia-compliant principles, and the sharing of profit and loss between banks and clients, is a critical precursor to the growth and development of Liberia's economically challenged banking and finance industry. The features of IB are largely pro-poor and can be significant enablers to local businesses, particularly small- and medium-scale enterprises (SMEs) as there will be less pressure on SMEs to repay borrowed. Indeed, high interest rates on loans and other financial services are significant drawbacks to the Liberian economy's economic growth and development, particularly for local businesses. Hence, the adoption of IB in Liberia will go a long way to lessen the aforementioned consequences for average business owners in the country. However, empirical findings are challenging to obtain when discussions about IB are advanced in the Liberian banking and finance literature. This has made it empirically, theoretically, and practically prudent for a scientific study of this nature to be conducted in the country. Thus, the overarching objective of this study was to explore the perceptions and determinants of IB adoption in Liberia. The paper is guided by two specific objectives: (1) to explore the perspective of the Liberian people concerning the adoption of IB in the country and (2) to examine the factors likely to influence the adoption of IB in Liberia.



This study contributes to the literature on the prospects, opportunities, and challenges of IB adoption in Liberia and other non-Islamic SSA countries. It will serve as a helpful guide for policymakers and stakeholders in Liberia's banking and finance sector to consider opening up the Liberian sector towards embracing and incorporating, if not wholly, some aspects of IB into the country's banking sector. This paper is organised into six sections. After the introduction section, the second section presents an overview of the Liberian banking and finance sector, along with its theoretical foundation. The third section outlines the research methods, the fourth section presents the findings, and the fifth section discusses the results. Finally, the sixth section presents the conclusion and recommendations.

The Banking Sector in Liberia: An Overview

The banking sector in Liberia plays a crucial role in the country's socioeconomic and political development. Founded around the 18th century as a home for the freed American slaves, Liberia's economy was dominated by agriculture, particularly the cultivation of cash crops like cocoa, rubber and coffee. Banking was not in operation in the country during this period. By the end of colonial rule in 1847, the institutionalisation of formal banking activities in the country was still at an infant stage. Around this period, banking in the Liberian economy was dominated by American financial institutions and models that operate informally. However, the country vigorously promoted banking and finance immediately after independence by establishing its financial institutions. For instance, the National Bank of Liberia (NBL) was established in 1905, tasked with the overall mandate of issuing currency and managing national funds.

Despite efforts to improve the operational dynamics of the NBL, research findings have shown that its operations are constrained by several factors, with political instability as the primary causal factor. Thus, the country's banking sector is far from being developed (Gonpu, 2014). For example, the National Bank of Liberia's mandate and operational powers were influenced by the 1974 legal instrument as amended in 1979. The bank was regulated to facilitate transactions involving issuing small-denomination coins to enhance the divisibility of larger denominations (United States Dollars). Liberia's economy was dominated by the United States Dollar (USD) prior to the 1980 coup (Gonpu, 2014). Thus, the USD was the country's legal tender.

As indicated earlier, the outbreak of the Civil War in 1989 brought the operations of the NBL to a halt. The economy was crushed by 59% in 1990, accompanied by a massive decline in government revenue, and borrowing from local institutions further increased. Thus, from 1991 onwards, the NBL faced a liquidity crisis because its reserves were insufficient to sustain lending to the government. Consequently, the NBL resorted to lending reserves to commercial banks for the government, further exacerbating the banking sector crisis as commercial banks' demands for withdrawals were not met (Gonpu, 2014).



Consequently, efforts towards ending the banking sector crisis were spearheaded in 1998 under President Charles Taylor's regime. The period marked the appointment of a commissioner to lead discussions in rejuvenating the banking sector. This yielded positive results, leading to the revocation of the NBL Act through a legislative act in 1999, and subsequently, the Central Bank of Liberia (CBL) was established. The CBL is empowered to perform all the functions that were previously carried out by the NBL and is authorised to operate independently to conduct the country's monetary policy. One unique feature of the 1999 CBL Act was the fact that it forbids the CBL from lending to government and parastatal agencies. However, it stipulated that the CBL can only lend to the government and associated agencies when there is a need to meet short-term monetary demands (Gonpu, 2014).

President Sirleaf further strengthened the CBL by appointing an Executive Governor and Board of Directors. Many banks and other financial institutions now dominate the Liberian economy. However, foreign-owned banks dominated the economy (Gonpu, 2014). Additionally, mobile banking and other digital financial services are gaining traction in the country (World Bank Group, 2020). Despite progress in all spheres of Liberia's banking sector, there is no financial institution that operates on the IB principles in the country. Thus, knowledge and the extent to which citizens may adopt IB will serve as firsthand information to guide policymakers on incorporating IB into the Liberian banking sector. This study maintains that incorporating IB in Liberia's banking sector will contribute to strengthening the country's financial resilience and that of its citizens. Identify the gap in the problem statement.

Diffusion theory of innovation

The process by which people embrace a novel concept, product, practice, or philosophy is known as the diffusion of innovation theory (DOI) (Rogers, 2004). Rogers outlined this procedure, emphasising that a small number of people are receptive to the novel concept and embrace its applications. A critical mass is created as a result of the early inventors' dissemination of the concept, which makes more and more individuals receptive to it. The novel concept or product gradually spreads throughout the populace until it reaches a saturation threshold. Innovation adopters can be divided into five groups according to Rogers'. They include: innovators, early adopters, early majority, late majority and laggards. The usefulness and practical implications of DOI is that, it can be applied to a wide range of situations. The diffusion process in the model represents the activities required for an innovation to spread from its inception to a broader population, regardless of cultural, social, or demographic characteristics (Toews, 2003).

Early and late adopters of innovations differ in terms of socioeconomic position, personality traits and communication style, according to the corpus of DOI research (Rogers, 2003). Higher social status, a higher degree of upward social mobility, literacy and a commercial rather than subsistence economic orientation are all associated with earlier adopters. The personality traits of early adopters also differ from those of later adopters. Rogers asserts that earlier adopters are more empathetic, less dogmatic, more open to change, more capable of handling risk and



uncertainty, more positive toward science and education, and are more driven to succeed. Additionally, the adopter categories exhibit varying communication styles. Early adopters participate in social interactions more frequently, are more exposed to interpersonal communication channels and the media, actively seek out information, are more knowledgeable about advances and are more likely to be part of intricately linked systems.

Atkin et al. (2015) described DOI in media research as a process that incorporates structural and practical elements derived from experts' contributions in various news production domains, such as print, broadcast, digital, and outdoor media. Rogers (2003) identifies the optimal management techniques for combining old and new media by using DOI and case study results from pioneering media firms. The conflict between simplicity and complexity must be balanced in the age of digitally convergent multi-platform environments. Not only do innovations arise in response to the threats posed by the media market's instability, growing industry competition and technological disruption, but social media and interactive audiences also play a critical role in lowering uncertainty and encouraging early adoption (Atkin et al., 2015).

Based on the theoretical assessment above, this study posits that the population's educational attainment, economic inclination, communication routes, sociocultural activities, and other factors will all influence how widely they will adopt Islamic banking in Liberia. Therefore, this study argues that all these platforms are accessible in Liberia and can be utilised to promote the adoption and practices of Islamic banking as a novel approach to economic growth and development in the country.

MATERIALS AND METHODS

Study setting

The present study was conducted in the Republic of Liberia. Liberia is bordered to the south by the Atlantic Ocean, to the east by the Republic of Ivory Coast, to the north by the Republic of Guinea, and to the west by the Republic of Sierra Leone. The country lies between latitudes 4° and 9°N, and 0longitudes 7° and 12°W.

The Central Bank of Liberia controlled Liberia's economic and financial stability. Thus, the bank is responsible for all monetary transactions and financial control, including printing, issuing, and certifying the Liberian Dollar as a legal tender. In addition, the U.S. dollar is recognised as a legal tender by the Central Bank of Liberia. The Liberian economy is predominantly agrarian, with 76% of the population engaged in agriculture. Unemployment remains a significant problem in Liberia, with only 15% of the population of 5.5 million employed in the formal sector. Fundamentally, Liberia's economy has survived on foreign aid coupled with foreign direct investment and the export of its natural resources, such as iron ore.



Liberians are known to participate in a diverse range of religious activities. Christianity is the dominant religion, accounting for approximately 85.6% of the population. Islam represents a minority group (12.2%) of the population. Thus, in such a non-Islamic economy, research on the adoption of IB is important to identify relevant policy alternatives that can boost a precarious and ailing economy. Thus, Liberia was considered due to the growing interest of Liberians and stakeholders in adopting Islamic Banking and aspects of its operational features in the country. In addition, as a growing economy, the introduction of IB in the country may add valuable insights to support SMEs and other sectors in sourcing interest-free financial capital to support their daily operations. Although only about 12.2% of the Liberian population is Muslim, understanding the adoption dynamics of IB among the broader non-Muslim population in the country will help inform international policy on the growth of IB practices.

Study designs and sampling

This study employed a cross-sectional survey approach to investigate the factors influencing the adoption of Islamic banking in Liberia. This study was conducted in four cities in Liberia. The cross-sectional survey approach was considered for the study because it provides cogent means for collecting primary data by drawing on a representative sample, testing for hypotheses, and generalising the research findings (Creswell & Creswell, 2018).

Multiple sampling strategies were deployed systematically to reach the target respondents for the survey data. First, four (4) counties out of the fifteen (15) counties of Liberia were purposively selected. The selection of these counties was informed by factors such as promoting a wider distribution of the study population across the country. As a result, the distribution of the selected counties was based on the eastern, western, northern, and southern parts of the country. Within each county, we selected an economically vibrant city. Additionally, the distribution and dominance of Muslims were taken into account when selecting cities in each county. For instance, Harper City (Maryland County) was selected because it has a small Muslim population. Vonjamah (Lofa County) was selected due to its predominantly Muslim population. In contrast, the other two cities, Tubmanbrug (Bomi County) and Ganta (Nimba County), can be said to have a relatively moderate Muslim representation. The rationale behind this criterion in selecting the study cities was to ensure that religious beliefs did not influence the responses. This enhances the representation of the survey respondents.

This study employed an accidental sampling procedure to select survey respondents. Since the target population for the survey was all adult Liberian citizens aged 18 and above, any Liberian adults who met the selection criteria within the selected cities, had not participated in the survey earlier, and consented to and were willing to participate in the survey were considered eligible to respond to the questionnaire. Overall, 210 respondents were accessed based on the principle of data saturation (Creswell & Creswell, 2018; Baaweh et al., 2022; Baddianaah, 2023) across the four study cities, constituting the sample size of the study (Table 1).



Table 1: Distribution of the Study Participants

County	City	Number of Study Participants
Lofa County	Vonjamah	50
Bomi County	Tubmanbrug	55
Nimba County	Ganta	60
Maryland County	Harper City	45
Total (Sample Size)		210

The data collection lasted for approximately four months, from January to April 2024. Considering the wide coverage of the survey, two male final-year Accounting and Finance students were recruited, trained, and deployed to help with data collection.

Data collection instrument

The data collection instrument comprised a semi-structured questionnaire containing both closed- and open-ended questions. The questionnaire was divided into four sections. Section 1 details the respondents' socio-demographic characteristics. Section 2 explores the knowledge and awareness of respondents concerning the potential of Islamic Banking and its operational characteristics in Liberia. Section 3 captures respondents' perceptions of the prospects and viability of Islamic Banking. Finally, Section 4 explores the challenges and major concerns associated with Islamic banking in Liberia. Furthermore, to enhance the reliability and validity of the survey instrument, the services of two professors with expertise in banking and finance were sought for peer review of the questionnaire. In addition, 15 questionnaires were pre-tested with a section of the Liberian people, which enabled the researchers to identify irregularities in redress. Finally, the survey questionnaire was considered valid and reliable for the study and deployed for data collection.

Data analysis

Data analysis was performed by coding and entering questionnaire responses into the Statistical Package for Social Sciences (SPSS version 20). The data were further transformed and analysed using frequency distribution and percentages, mean scores cross-tabulation, and the chi-square test of independence of association. The results are presented in the tables and figures.

Research Ethical Considerations

The authors were unable to obtain an institutional ethical review number for this study due to the absence of institutional ethics review boards at William V.S. Tubman University and the



University of Liberia. In addition, our study is of low risk, considering that no human subjects were involved in clinical or medical laboratory trials. Nevertheless, ethical considerations were observed throughout the survey data collection process. Thus, verbal consent was obtained from all survey participants by disclosing the study's purpose and their right to participate and/or withdraw from the study. The study resorted to the use of verbal consent because the majority of the survey participants could not read nor write. As a result, the respondents were comfortable with the explanation provided by the researchers and the data collection assistants, who were all natives. Based on the assurance that the study was conducted purely for academic purposes and to inform policy on the prospects of Islamic banking in Liberia, respondents willingly participated in the survey.

Findings

Sociodemographic Characteristics of the Study Participants

Table 2 presents the respondents' sociodemographic characteristics. The age distribution of the respondents showed that respondents aged 56 years and above were the least represented in the survey (7%). In addition, males dominated the survey (68%), whereas a slightly higher proportion (41%) of the respondents completed High School. The employment status of the respondents revealed that the majority (59%) were unemployed. Christianity was the dominant religion among the survey participants (56%). Additionally, a slightly higher proportion of respondents were married (48%).

Table 2: Sociodemographic Characteristics of Respondents (N = 210)

Age of Respondent	Frequency	Percent
18-25	29	14
26-35	61	29
36-45	57	27
46-55	48	23
56+	15	7
Gender of Respondent		
Male	143	68
Female	63	30
Prefer not to say	4	2
Educational qualification of respondent		
High School	85	41
Bachelor Degree	72	34
Masters	46	22
PhD	7	3
Employment status of respondent		
Employed	87	41



Unemployed	123	59
Religious status of respondent		
Christianity	118	56
Islam	88	42
African Traditional	2	1
Other religion	2	1
Marital status of respondent		
Single	94	45
Married	100	47
Co-habiting	14	7
Widowed	2	1

Source: Field Survey (2024)

Knowledge and Awareness of Islamic Banking Operations

Table 3 shows that about 22.4% (47) of the respondents indicated that they had knowledge and were aware of Islamic banking in the study setting, while the majority of the study population 77.6% (163) indicated that they were unaware and had no knowledge of Islamic banking activities in Liberia. Regarding the factors limiting the knowledge of the study population about Islamic banking in Liberia, about 75.2% (158) of the respondents indicated that their lack of awareness and knowledge of Islamic banking resulted from limited public education. In comparison, about 1.9% (4) of the study population claimed their unawareness and inadequate knowledge of Islamic banking was because they did not have an interest in learning about Islamic banking. In addition, 11% (23) of the respondents thought that the factors that limit their knowledge and awareness of Islamic banking are their perception of Islamic banking as being solely for Muslims.

Table 3: Knowledge and Awareness of Islamic Banking operations (N = 210)

Awareness of Islamic Banking Operations	Frequency	Percent
Yes	47	22.4
No	163	77.6
Factors limiting knowledge and awareness of Islamic Banking operations		
Limited public education on Islamic Banking	158	75.2
Lack of Interest in Learning about Islamic Banking	4	1.9
Perception about Islamic Banking being solely for Muslims	23	11.0
No Response	25	11.9



Furthermore, the study examined the relationship between respondents' ages and their knowledge and awareness of Islamic banking in the study setting. From Table 3, the results indicate that the age group of 36-55 (65%) of the study population claimed they had knowledge and were aware of Islamic banking activities, while 45.4% of the same age group indicated that they had no knowledge and were unaware of Islamic banking activities. In addition, about 21.3% (age group 26-35years) indicate that they had knowledge and were aware of Islamic banking operations, while about 31.3% of the same age group claimed that they had no knowledge and were unaware of Islamic banking operations. The Chi-square test for no association between the age of a respondent and knowledge and awareness of Islamic banking operations was statistically significant ($p = 0.004 < 0.05$).

Table 4: Association between respondents' socio-demographic characteristics and their knowledge and awareness of Islamic Banking operations (N = 210)

Knowledge and Awareness of Islamic Banking Operation	Age of respondent					Total
	18-25	26-35	36-45	46-55	56+	
Yes	0(0.0%)	10(21.3%)	16(34.0%)	15(31.9%)	6(12.8)	47(100.0%)
No	29(17.8)	51(31.3%)	41(25.2%)	33(20.2%)	9(5.5%)	163(100.0%)
Total	29(13.8)	61(29.0%)	57(27.1%)	48(22.9%)	15(7.1%)	210(100.0%)
N = 210, Pearson Chi-Square = 15.537, df = 4, P-value = 0.004						
Knowledge and Awareness of Islamic Banking Operation	Gender of respondent			Total		
	Male	Female	Prefer not to say			
Yes	39(83.0%)	5(10.6%)	3(6.4%)	47(100.0%)		
No	103(63.2%)	58(35.6%)	2(1.2%)	163(100.0%)		
Total	142(67.6%)	63(30.0%)	5(2.4%)	210(100.0%)		
N = 210, Pearson Chi-Square = 13.752, df = 2, P-value = 0.001						
Knowledge and Awareness of Islamic Banking Operation	Educational qualification of respondent				Total	
	High School	Bachelor Degree	Masters	PhD		
Yes	23(48.9%)	9(19.1%)	11(23.4%)	4(8.5%)	47(100.0%)	
No	62 (38.0%)	63(38.7%)	35(21.5%)	3(1.8%)	163 (100.0%)	
Total	85(40.5%)	72(34.3%)	46 (21.9%)	7(3.3%)	210 (100.0%)	
N = 210, Pearson Chi-Square = 10.049, df = 3, P-value = 0.018						
Knowledge and Awareness of Islamic Banking Operation	Religious status of respondents				Total	
	Christianity	Islam	African Traditional Religion	Other religion		
Yes	16(34.0%)	31(66.0)	0(0.0%)	0(0.0%)	47(100.0%)	
No	102(62.6%)	57(35.0)	2(1.2%)	2(1.2%)	163(100.0%)	
Total	118(56.2%)	88(41.9%)	2(1.0%)	2(1.0%)	210(100.0%)	
N = 210, Pearson Chi-Square = 12. 832, df = 3, P-value = 0.064						

The study also examined the relationship between respondents' knowledge and awareness of Islamic banking activities as against their gender. The results indicate that more males (83%)



are knowledgeable about and aware of Islamic banking activities. The Chi-square test for no association between the gender of a respondent and knowledge and awareness of Islamic banking operations was statistically significant (P-value = 0.0001 < 0.05). Regarding the respondents' educational qualifications, the findings indicate that 48.9% of those who reported awareness of Islamic banking activities had completed high school. Moreover, the Chi-square test of no association between a respondent's educational qualification and knowledge and awareness of Islamic banking activities was statistically significant (P-value = 0.018 < 0.05).

Finally, the study assessed respondents' religious backgrounds and their knowledge and awareness of Islamic banking activities in Liberia. According to the results (Table 4), 34% of the Christian respondents reported having knowledge of and awareness of Islamic banking activities. The majority of respondents within the Islamic faith (66.0%) indicated that they were knowledgeable and aware of Islamic banking operations. Moreover, the Chi-square test for no association between the respondent's religious affiliation and knowledge and awareness of Islamic banking activities was not statistically significant (P-value = 0.064 > 0.05).

This study aimed to investigate whether the respondents were willing and motivated to learn about Islamic banking activities. From Table 5, the mean score of (105) suggests the majority of the respondents were ready and willing to learn about Islamic banking activities, as the mean score value is close to the yes respondents' value. Regarding the motivational factors, a mean value of (128) indicates that the majority of the study elements heard good stories of the operational dynamics of Islamic banks and that Islamic banking is a new area of knowledge acquisition, which is consistent with the DOI.

Table 5: Willingness to Learn about Islamic Banking System (N = 210)

Willingness to learn about Islamic banking operations	Frequency	Mean
Yes	197	
No	13	105
Motivational factors for learning about Islamic Banking operations		
Heard a lot of good stories about its operational dynamics*	153	
It is a new area of knowledge acquisition*	148	128
It has strong connection with my religious beliefs*	83	

**Note: Multiple responses are considered here*

According to Table 6, the study found a correlation between the respondents' willingness to learn about Islamic banking and their age. This finding indicates that 27.4% of the 36-45 age group in Liberia is willing to learn about Islamic banking. 28.4% of the age group from 26 to 35 years also indicate that they are willing to learn about Islamic banking. The rest of the data are contained in the table for reference.

Again, the study compares respondents' willingness to learn with their gender. The results indicate that approximately 70.6% of male respondents were willing to learn about Islamic



banking in Liberia, while about 26.9% of their female counterparts were willing to learn. In addition, the majority (70.6%) of the males indicated that they were willing to learn about Islamic banking operations, while the opposite was true for their female counterparts (76.9%). The study also assessed respondents' willingness to learn about Islamic banking operations to their educational level. A total of 74.1% of respondents who were willing to learn about Islamic banking activities were those with high school and bachelor certificates, while the rest of the respondents (26.9%) held master's and PhD certificates.

Table 6: Association between Willingness to Learn about Islamic Banking and Socio-demographic Characteristics of Respondents (N = 210)

Willingness to learn about Islamic banking system	Age of respondent					Total
	18-25	26-35	36-45	46-55	56+	
Yes	25(12.7%)	56(28.4%)	54(27.4%)	48(24.4%)	14(7.1%)	197(100.0%)
No	4(30.8%)	5(38.5%)	3(23.1%)	0(0.0%)	1(7.7%)	13(100.0%)
Total	29(13.8%)	61(29.0%)	57(27.1%)	48(22.9%)	15(7.1%)	210(100.0%)

N = 210, Pearson Chi-Square = 6.567, df = 4, P-value = 0.161

Willingness to learn about Islamic banking system	Gender			Total
	Male	Female	Prefer not to say	
Yes	139(70.6%)	53(26.9%)	5(2.5%)	197(100.0%)
No	3(23.1%)	10(76.9%)	0(0.0%)	13(100.0%)
Total	142(67.6%)	63(30.0%)	5(2.4%)	210(100.0%)

N = 210, Pearson Chi-Square = 14.567, df = 2, P-value = 0.001

Willingness to learn about Islamic banking system	Educational Level of Respondents				Total
	High School	Bachelor Degree	Masters	PhD	
Yes	76(38.6%)	70(35.5%)	44(22.3%)	7(3.6%)	197(100.0%)
No	9(69.2%)	2(15.4%)	2(15.4%)	0(0.0%)	13(100.0%)



Total	85(40.5%)	72(34.3%)	46(21.9%)	7(3.3%)	210(100.0%)
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N = 210, Pearson Chi-Square = 5.006, df = 3, P-value = 0.171

Willingness to learn about	Religious status of respondent				Total
	Christianity	Islam	African Traditional Religion	Other religion	
Yes	106 (53.8%)	87(44.2%)	2(1.0%)	2(1.0%)	197(100,0%)
No	12(92.3%)	1(7.7%)	0(0.0%)	0(0.0%)	13(100.0%)
Total	118 (56.2%)	88(41.9%)	2(1.0%)	2(1.0%)	210(100.0%)

N = 210, Pearson Chi-Square = 7.352, df = 3, P-value 0.0.61

This study further assessed the relationship between respondents' willingness to learn about Islamic banking systems and their religious status. The results indicate that 53.8% of the sample who are Christians said they are willing to learn about Islamic banking systems, while 44.2% who belong to the Islamic faith indicated their readiness to learn about Islamic banking operations in Liberia. Regarding the respondents who opposed learning Islamic banking activities, 92.2% were Christians, while 7.7% were Muslims.

Interest and Perception about Islamic Banking Operations in Liberia

The study examined whether the respondents had ever transacted business with Islamic banks and their ages. Table 7 shows that 36.4% of the age group 46-55 reported having ever transacted business with the Islamic banking system, while 36.4% of those within the age group 55+ indicated that they have ever transacted business with the Islamic banking system in Liberia. Additionally, 30.7% of the 26-35 age group reported never having transacted business with Islamic banks in Liberia, while 27.1% of the 36-45 age group indicated they had never done business with Islamic banks in the study setting.

Table 7: Perspective about transacting with Islamic Banking (N = 210)

Ever transact with an Islamic Bank	Frequency		Per cent			
Yes	11		5.2			
Not	199		94.8			
Ever transact with an	Age of respondent					Total
	18-25	26-35	36-45	46-55	56+	



Islamic Bank						
Yes	0(0.0%)	0(0.0%)	3(27.3%)	4(36.4%)	4(36.4%)	11(100.0%)
No	29(14.6%)	61(30.7%)	54(27.1%)	44(22.1%)	11(5.5%)	199(100.0%)
Total	29(13.8%)	61(29.0%)	57(27.1%)	48(22.9%)	15(7.1%)	210(100.0%)

N = 210, Pearson Chi-Square = 19,778, df = 4, P-value = 0.001

Ever transact with an Islamic Bank	Gender			Total
	Male	Female	Other	
Yes	11(100.0%)	0(0.0%)	0(0.0%)	11(100.0%)
No	131(65.8%)	63(31.7%)	5(2.5%)	199 (100.0%)
Total	142(67.6%)	63(30.0%)	5(2.4%)	210(100.0%)

N = 210, Pearson Chi-Square = 5.559, df = 2, P-value = 0.062

Ever transact with an Islamic Bank	Educational Level of Respondents				Total
	High School	Bachelor Degree	Masters	PhD	
Yes	9(81.8%)	2(18.2%)	0(0.0%)	0(0.0%)	11(100.0%)
No	76(38.2%)	70(35.2%)	46(23.1%)	7(3.5%)	199(100.0%)
Total	85(40.5%)	72(34.3%)	46(21.9%)	7(3.3%)	210 (100.0%)

N = 210, Pearson Chi-Square = 8.709, df = 3, P-value = 0.033

Ever transact with an Islamic Bank.	Religious status of respondents				Total
	Christianity	Islam	African Traditional Religion	Other religion	
Yes	0(0.0%)	11(100.0%)	0(0.0%)	0(0.0%)	11(100.0%)
No	118(59.3%)	77(38.7%)	2(1.0%)	2(1.0%)	199(100.0%)
Total	118(56.2%)	88(41.9%)	2(1.0%)	2(1.0%)	210 (100.0%)



N = 210, Pearson Chi-Square = 16.093, df = 3, P-value = 0.001

This study also assessed the association between respondents' gender and business with Islamic banks. The responses from the respondents were as follows: 100% of the male respondents reported having ever transacted business with Islamic banks in Liberia, while no female or other gender respondents were recorded.

The educational level of respondents against ever transacting business with Islamic banks has also been analysed. The results indicate that 81.8% of those with High Certificates said yes, while 38.2% of those with the same educational background indicated no. Regarding respondents with bachelor's degrees, 18.2% said yes, while 36.2% indicated no.

Finally, the nexus between the respondents' ever-transacting business with Islamic banks and their religious faith was considered in this study. The table above shows that 100% of Islamic faiths indicated yes.

This study sought to examine the relationship between respondents' age groups and their attitudes toward Islamic banking operations in Liberia. From Table 8, 29.1% of the age group 26-35years said they happily welcome Islamic banking, about 18.6% of the 36-45 age group also indicated they happily welcome the activities of Islamic banking in Liberia, while the age group 46-55 constituted 23.1% of the respondents. Furthermore, 32.1% of the 18-25 age group will not welcome the activities of Islamic banking operations, while 28.6% of the 26-35 age group said 'no' to Islamic banking activities in Liberia.

Table 8: Motivation about the Establishment of Islamic Banking in Liberia (N = 210)

Happy to welcome Islamic bank in Liberia	Frequency					Per cent
	Yes	182				
No	28					13.3
Total	210					100.0
Happy to welcome Islamic bank in Liberia	Age of respondent					Total
	18-25	26-35	36-45	46-55	56+	
Yes	20(11.0%)	53(29.1%)	52(28.6%)	42(23.1%)	15(8.2%)	182(100.0%)
No	9(32.1%)	8(28.6%)	5(17.9%)	6(21.4%)	0(0.0%)	28(100.0%)



Total	29(13.8%)	61(29.0%)	57(27.1%)	48(22.9%)	15(7.1%)	210(100.0%)
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N = 210, Pearson Chi-Square = 11.229, df = 4, P-value = 0.024

Happy to welcome Islamic bank in Liberia	Gender			Total
	Male	Female	Prefer not to say	
Yes	131(72.0%)	46(25.3%)	5(2.7%)	182(100.0%)
No	11(39.3%)	17(60.7%)	0(0.0%)	28(100.0%)
Total	142(67.6%)	63(30.0%)	2.4(100.0%)	210(100.0%)

N = 210, Pearson Chi-Square = 14.764, df = 2, P-value = 0.001

Happy to welcome Islamic bank in Liberia	Educational qualification of respondent				Total
	High School	Bachelor Degree	Masters	PhD	
Yes	73(40.1%)	63(34.6%)	40(22.0%)	6(3.3%)	182(100.0%)
No	12(42.9%)	9(32.1%)	6(21.4%)	1(3.6%)	28(100.0%)
Total	85(40.5%)	72(34.3%)	46(21.9%)	7(3.3%)	210(100.0%)

N = 210, Pearson Chi-Square = 0.097, df = 3, P-value = 0.992

Happy to welcome Islamic bank in Liberia	Religion				Total
	Christianity	Islam	African Traditional Religion	Other religion	
Yes	93(51.1%)	85(46.7%)	2(1.1%)	2(1.1%)	182(100.0%)
No	25(89.3%)	3(10.7%)	0(0.0%)	0(0.0%)	28(100.0%)
Total	118(56.2%)	88(41.9%)	2(1.0%)	2(1.0%)	210(100.0%)

N = 210, Pearson Chi-Square = 14.413, df = 3, P-value = 0.002

The gender of the respondents and their attitudes towards Islamic banking operations were also analysed. Male respondents (72.0%) stated that they would welcome Islamic banks in the study setting, whereas 39.3% of the same male respondents indicated that they would not welcome Islamic banking operations in Liberia. In addition, 25.3% of their female counterparts indicated that they were ready to welcome Islamic banking operations. In comparison, 60.7% of the female respondents stated that they were not ready to welcome Islamic banks in Liberia.



The respondents' willingness to welcome Islamic banks and their backgrounds were examined. The results indicated that approximately 41. % of the respondents with High Certificates will welcome Islamic banks, while about 42.9% said no to Islamic banking operations. Furthermore, 34.6% of respondents with a bachelor's degree welcome Islamic banks to Liberia, while 32.1% with the same educational background are not interested in welcoming Islamic banks. Those with master's certificates who will welcome Islamic banks are 22%, and those who will not welcome and hold master's certificates are 21.4%.

The religious status of respondents and their readiness to welcome Islamic banking operations in Liberia were also analysed. Of the Christians, 51.1% indicated 'yes, ' while 89.3% of the same faith said that Islamic banking activities were not welcome. Among the respondents who identified with the Islamic faith, 46.7% indicated their readiness to welcome the Islamic banking system, while 10.7% of those from the same faith said they would not welcome the activities of Islamic banking in Liberia.

Respondents who had issues with Sharia-compliant financing constituted about 27.1%, and 72.9% of the sample population had no issues with Sharia-related issues (see Table 9). According to the table, approximately 87.6% of the respondents were satisfied with the profit-and-loss-sharing ratio of Islamic banking, while 12.4% of the respondents did not find it acceptable. Approximately 69.0% indicated that they agreed with the ethical investment principles of Islamic banking operations, while 31.1% said no. Regarding the asset back financing principle of Islamic banking, 73.8% of the respondents indicated that they supported the principle, while about 26.2% of the respondents did not support the financing principle of Islamic banking in Liberia.

Table 9: Characteristics of Islamic Banking that Attracts Respondents (N = 210)

Sharia-complaint financing	Frequency	Per cent
Yes	57	27.1
No	153	72.9
Total	210	100%
Profit and loss sharing		
Yes	184	87.6%
No	26	12.4%
Total	210	100.0%
Ethical investment principle		
Yes	145	69.0%
No	65	31.0%
Total	210	100%
Asset-backed financing		



Yes	155	73.8%
No	55	26.2%
Total	210	100%

This study investigates the extent to which respondents think Islamic banking has the advantage of contributing to the growth of the Liberian financial sector (see Table 10). A mean score of 4.17 suggests that majority of the respondents strongly agreed (SA) with the study premise that, Islamic banking will positively impact the Liberian economy while a substantial number of respondents also agreed with the statement. The next objective was to determine the respondents' willingness to open an account or conduct transactions with Islamic bank in Liberia. The mean score (3.97) of the respondents indicate those who agreed and SA are the majority to open accounts and transact business with Islamic banks if such banking system is being operated in Liberia.

Table 10: Perspective about the prospects of Islamic Banking (N = 210)

Statement	SD	D	N	A	SA	Total	Mean
Islamic banking has the advantage of contributing to the growth of the Liberian financial sector	8	18	54	316	480	876	4.17
Many people are not familiar with the Islamic Banking system in Liberia	10	4	66	352	445	877	4.17
Your willingness to open an account or conduct transactions with an Islamic Bank in Liberia is high	6	32	78	372	345	833	3.97
The ethical and responsible financial principle of Islamic bank should be integrated into Liberia's banking sector	4	16	90	460	265	835	3.97
The asset-backed financing principle of Islamic banking should be integrated into Liberia's banking sector	10	14	90	464	235	813	3.87
There is negative perception about the operational dynamic of Islamic banking in Liberia	22	34	81	334	300	771	3.67
The risk-sharing principle of Islamic banking should be integrated into Liberia's banking sector	14	28	111	436	180	769	3.66
The Sharia-complaint investment principle of Islamic banking should be integrated into Liberia's banking system	47	22	144	284	150	647	3.08



The study also attempted to identify respondents who were not familiar with the Islamic Banking system in Liberia (Table 10). The mean value of 4.17 demonstrates that the majority of the study population SA, while a substantial number of the study sample size agreed that they were not familiar with Islamic banking operations in Liberia. To achieve the research objectives, the study further evaluated whether there is a negative perception of the operational dynamics of Islamic banking operations in Liberia. The result (mean = 3.67) indicates that the majority of the respondents agreed with the premise, while a significant number SA that there are negative perceptions of the operational dynamics of Islamic banking operations in Liberia. The study also solicited respondents' thoughts on whether the Sharia-compliant investment principle of Islamic banking should be integrated into Liberia's banking system. The mean (3.08) responses demonstrate that the majority agreed, while those who were neutral and SA were also significant.

The study aimed to investigate respondents' views on whether the risk-sharing principle of Islamic banking should be incorporated into Liberia's banking system. The majority, with a mean score of 3.66, agreed with the statement, while SA and neutral respondents also made up a substantial proportion. Furthermore, this research sought to determine whether the asset-backed financing principle of Islamic banking should be integrated into Liberia's banking sector operations. The mean value from Table 10 indicates that the majority of respondents agreed with the research premise.

In contrast, a substantial number of respondents stated that the Islamic banking system should be integrated into the Liberian banking sector. Lastly, the objective was to determine whether the ethical and responsible financial principles of Islamic banking should be integrated into Liberia's banking sector. The mean score (3.97) indicates that the majority of respondents agreed, while a significant number stated that Islamic banking principles should be integrated into the Liberian banking system.

Discussion

This study explores the perceptions and determinants of IB adoption in non-Muslim countries in SSA, with specific reference to the Republic of Liberia. According to Bananuka et al. (2020) and Mbawuni and Nimako (2018), Islamic banks are better in terms of performance when compared to conventional banks before, during, and after the global financial crisis, and Islamic banks usually exhibit resilience to crises due to their risk-sharing and avoidance of leverage and speculative financial products. Ozturk (2014) compares the performance of Islamic and conventional banks in Pakistan, examining their profitability, efficiency, and liquidity. The authors' findings demonstrate that all variables point to Islamic banks, compared to their counterparts operating in Pakistan. However, Karim et al. (2022) indicate that, as of 2012, Islamic financial institutions constituted only about 38% of the financial institutions operating in Africa. This means that the activities of Islamic banks in Africa are not entirely new, as they operate in several African countries, including Nigeria and Niger, among others. Despite some



African countries operationalising Islamic banking activities, other countries, including Liberia, still lack Islamic banking operations, which is an innovation and consistent with DOI. Therefore, this study examines the receptiveness and integration of Islamic banking and its principles in the Liberian banking sector, aiming to elicit appropriate responses from the study respondents to inform policymakers on the implementation of effective policies and strategies that will attract the benefits of this financial system to the Liberian banking industry.

Knowledge and Awareness of IBs: Here, the study first examined the correlation between respondents' gender and their level of knowledge and awareness of Islamic banking practices. The findings suggest that more men are aware of and knowledgeable about Islamic banking practices than their female counterparts in Liberia. There may be several reasons for this. Reasons include cultural and societal factors, industry demographics, research and data limitations, and access to education. The findings demonstrated that the participants' knowledge and awareness levels were generally low. Respondents' educational background, knowledge, and awareness of Islamic banking were further examined. The results show that those who reported knowing about Islamic banking practices were generally low across various educational backgrounds. The implication is that there is no statistically significant correlation between respondents' educational background and their knowledge and awareness of Islamic banking practices. This confirms the findings of Onuoha et al. (2013), who indicated that even the most educated respondents, such as lecturers, were not entirely aware of the fundamentals of IBs in Nigeria. According to Rammal and Zurbruegg (2007), most respondents in a developed non-Islamic nation like Australia expressed an interest in buying IBs products. However, they lacked knowledge of the fundamentals of Islamic finance and its operational principles. The study's results further revealed that a greater percentage of respondents stated they were unfamiliar with the Islamic banking system. At the same time, a few participants demonstrated familiarity with the activities of IBs. The study results also revealed that the majority of respondents held negative perceptions of the operational dynamics of IBs. This survey finding corroborates the findings of Mbawuni and Nimako (2017, 2018), whose survey results indicate that non-Muslims generally hold negative perceptions of the Islamic banking system, particularly regarding the Sharia principle of Islamic banking.

Faith and IBs: Based on their religious beliefs, the survey asked participants if they would be pleased to see the Islamic banking system entering the Liberian financial industry. According to the responses, surprisingly, a larger number of respondents who were identified as Christian said they would be happy to see IBs introduced into the Liberian banking industry, while a smaller percentage of the Muslim respondents said they would be happy to see the Islamic banking system introduced. There are several possible explanations for this finding. Some of these reasons include highly educated Christians, Christians having more access to research data, and Christians being more exposed than Muslims in the study setting as alluded to by DOI, which explains that, those with higher educational orientation, financially literate among others are likely to have access to information about a new idea or product than the under-



privilege in society. This finding contradicts the findings of Yunusa and Nordin (2015) and Mbawuni and Nimako (2018), who indicated in their studies that the people of Islamic faith are more knowledgeable about Islamic banking activities than their Christian counterparts. Overall, irrespective of the respondents' faith, IBs are welcomed into the Liberian banking industry as its benefits are enormous to individuals and the economy as a whole.

Characteristics of IBs that attract respondents: The findings of the study show that the characteristics of the Islamic banking system that attract the respondents are the profit and loss sharing mechanism, asset-backed financing strategy, and the ethical investment principles of IBs that have been alluded to by Mbawuni and Nimako (2018) and Dieli et al. (2022). However, the majority of the respondents are not familiar with the Sharia-compliant financing principles of Islamic banking, as confirmed by Yunusa and Nordin (2015) and Onuoha et al. (2013), who also obtained similar results. Mbawuni and Nimako (2018), who conducted their study in Ghana, indicated that participants think the Sharia principles of IBs will promote violence and religious extremism.

IBs and economic growth: Additionally, the study examined respondents' views on how the introduction of IBs will contribute to the growth and development of the Liberian financial system. Generally, the survey participants believe that the benefits associated with IBs could be a catalyst for a developing economy, such as the Liberian banking sector. The study found that the interest-free system of Islamic banking will encourage many individuals to take out loans to establish new firms and expand existing ones, resulting in a higher gross domestic product (GDP) for the country. Accordingly, the establishment of Islamic banks will provide financial support for the growth of business entities. However, Islamic banking should conform to banking and financial laws and regulations in order to meet Liberia's goals of profitability, growth, and survival rather than necessarily promoting Islamic religious beliefs to non-Muslim clients (Beck et al., 2013). This finding corroborates the findings of Dieli et al. (2022) and Beck et al. (2013) that the interest-free principle and the profit-and-loss-sharing principles of IBs are instrumental to economic development.

Willingness to do business with IBs: Regarding this objective, the survey results indicate that the respondents have shown their readiness and willingness to conduct business with Islamic banks if they are integrated into the Liberian banking system. The study results imply that the activities of IBs will be receptive, as participants perceived IBs to offer numerous benefits compared to conventional banks in Liberia. These results are consistent with those of Abdullah et al. (2012), Beck et al. (2013), Mbawuni and Nimako (2018), who also obtained similar results in their research.

Sharia-compliant principles of IBs: Regarding the Sharia-compliant principles of Islamic banking system integration into the Liberian banking sector, the majority of the respondents are sceptical about this principle of Islamic banking. The participants of the survey think the



Sharia principles of Islamic banks may not be in their favour. Since Sharia law is the cornerstone of Islam, Muslims can easily become accustomed to it, whereas non-Muslims may not be comfortable with it. Indeed, previous studies have shown that an average Islamic consumer may not have any trouble adhering to it (Amin et al., 2014). There are two possible explanations for why non-Muslims are reluctant to follow Sharia law. First, because the majority of non-Muslims are Christians, they might find it challenging to follow Sharia because of their religious feelings. Non-Muslims may be discouraged from accepting and embracing the sharia principle in Liberia due to its "Islamic" religious label.

Risk-sharing principles of IBs: With this principle, the majority of survey participants indicate that the risk-sharing principles of Islamic banking are one of the reasons that IBs should be introduced into the Liberian banking sector. They state that the risk factors globally are numerous and complex to identify for mitigation, which can consequently erode firms' profits, leading to bankruptcy. The study results confirm the findings of Dieli et al. (2022), who indicate that Pakistani Islamic banks are efficient, liquid, and profitable due to their risk-sharing principles.

Assets Backed Principles of IBs: The study's findings demonstrate that the majority of respondents agreed that the asset-backed financing principles of IBs are one of the reasons why they believe IBs should be integrated into the Liberian banking system. This result is consistent with the findings of (Umar et al., 2021; Mbawuni & Nimako, 2018), who observed that Ghanaians also recognised the role of this variable and wished that IBs would be integrated into the Ghanaian banking industry.

CONCLUSION

This study examines the factors influencing the adoption of Islamic banking in Liberia, a predominantly non-Islamic country in West Africa. Emanating from the study findings, there is this general acceptance and the willingness of the respondents to integrate the Islamic banking system into the Liberian banking sector based on the following characteristics: it will contribute enormously to the Liberian banking sector since the majority of respondents have agreed to patronize their activities, and the risk-sharing principle of Islamic banking is acceptable and can ensure equity in terms of benefits and losses. Furthermore, the principles of Islamic banking also aid in financing firms' activities through a principle called asset-backed financing, which could be a catalyst for the Liberian banking sector. In effect, the principles of Islamic banking will play a role in the Liberian banking system by reducing the cost of financing and the risk involved in doing business. To ensure effective customer patronage and sustainability of IBs in Liberia, the populace believes that the Bank of Liberia must implement pertinent governance structures and rules for IB operations. This study contributes to the existing literature by highlighting the high interest of respondents in the activities of Islamic banks in a non-Islamic country, such as Liberia. There is a general misconception about the operations of Islamic banks in non-Islamic countries, particularly regarding the Sharia



principle. Furthermore, the study contributes to knowledge as the only research that has successfully linked the DOI to Islamic banking research.

Considering the limited geographical and contextual scope of the study, we suggest that to increase the generalizability of the results, additional empirical research from other developing nations in Sub-Saharan Africa that combines descriptive and rigorous inferential analysis should be carried out on the IB. Additionally, the relative impact of variables that may influence prospective customers' intentions to switch from traditional banking to Islamic banking in developing nations could also be considered for future research.

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