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The Personal Mindset of Religious Students to Use Islamic Banking Services: The Case of Pakistan

Khadija Khalid[1], Musharaf Hanif[2], Dr. Zubair Arshad[3], Dr. Hasham ul Hasan[4]

[1]*Department of Economics and Commerce, Superior University, Lahore, Pakistan,*
Email: Khadijakhalid226@gmail.com
[2]*Department of Economics and Commerce, Superior University, Lahore, Pakistan,*
Email: musharafhanif952@gmail.com
[3]*Professor, Department of Economics and Commerce, Superior University, Lahore, Pakistan,*
Email: zubair.arshad@superior.edu.pk
[4]*Professor, Department of Economics and Commerce, Superior University, Lahore, Pakistan,*
Email: director@superior.edu.pk

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Corresponding Author:
Khadija Khalid
Email:
Khadijakhalid226@gmail.com

ABSTRACT

The main aim of my study is to determine the factors that have an influenced-on Sharia-Compliant Services on Islamic scholars (Students) in Pakistan using the "theory of planned behavior". In Pakistan, Sharia banks have not only Muslim customers, they have customers from other religions and communities who also use these Sharia-Compliant Services. This personal mindset of religious students (Scholars) in Pakistan is to use Sharia-Compliant Services. The research explores various factors influencing their decision, including religious beliefs, awareness and knowledge, perceived benefits, trust, and social influence. The primary purpose of this study is to analysis of consumer's behavior, attitude, subjective norms, religious obligation, and societal influence on prophecy among Islamic scholars (Students) in Pakistan. The data collection for this study was conducted randomly among 200 Islamic scholars (Students) who have studied at a university and use Islamic banking. However, barriers such as a lack of awareness and perceived complexity remain significant. The study highlights the need for targeted educational programs to promote Sharia-compliant services among young consumers. This study aims to highlight the need for targeted educational programs to promote Sharia-compliant services among young consumers. This research has an empirical analysis that reveals a negative impact on Islamic sharia banking through subjective norms and community influence, while demonstrating a positive effect on intention to use Islamic banking through attitude and religious obligations. This study combines survey data from students across various educational institutions with in-depth interviews using a mixed-methods approach. The findings reveal a strong inclination towards Islamic banking among religious students, driven primarily by religious adherence and trust in Sharia-compliant financial products. However, barriers such as a lack of awareness and perceived complexity remain significant.

Introduction

In the 1970s, most financial institutions developed based on Islamic laws. The pioneers of the countries where this revolution was introduced are Indonesia, Malaysia, and Egypt. These financial institutions have the primary purpose of introducing Islamic law into financial transactions and financial services, especially for those people who they are follow the Sharia. In the 2008 Islamic world report, approximately 34 Muslima and non-Muslim countries have operated their institutions based on Sharia Law. Pakistan's banking industry operates strictly in accordance with Sharia Law, which attracts more customers from conventional banks. Sharia-compliant institutions face numerous challenges in society and organizational settings, but they also reap many benefits from these practices and services. In the Quran, Allah said that; 'O you who believe! Do not devour Riba multiplying it over and keep your duty to Allah that you may prosper" (Surah Al-Imran) (Awan & Azhar, 2014). Sharia-Compliant, a financial system adhering to Sharia law, has gained considerable attention worldwide, particularly in Muslim-majority countries like Pakistan. The prohibition of interest (riba), risk-sharing, and ethical investments are the cornerstones of Sharia-compliant finance, making it an attractive alternative to conventional banking for many Muslims. In Pakistan, the adoption of Sharia-Compliant Services is influenced by various factors, including religious beliefs and socio-economic conditions (Tara et al., 2014). This study focuses on understanding the personal mindset of religious students in Pakistan who use Sharia-Compliant Services, a segment that represents future consumers and influencers of financial trends (Albaity & Rahman, 2019). The chief founder of the Islamic bank in 1963, Ahmad El-Najjar, implemented the first Sharia-compliant financial system (Singh et al., 2017). In Egypt in 1983. Loans were provided to the local community using the principle of profit sharing (Cameron et al., 2021). Since its emergence, Muslim banking has grown in influence in both Western and Islamic nations (Wani et al., 2021). As a result, its products are attracting increased attention in several non-Muslim nations, including Australia, India, the USA, Argentina, Thailand, Germany, and other European and Asian countries. In 1978, the Central Bank of Luxembourg was one of the founding members of the Islamic Financial Services Board (IFSB) in the Western world. It was founded in 2004 in London, and efforts were made to establish an Islamic bank (Belouafi & Chachi, 2014). Sarker et al., (2020) explain that China is exploring the idea of introducing Sharia-Compliant, even though the Muslim population in the country is relatively small. The establishment of Ningxia Bank in Shizuishan in 2009 serves as a concrete example of this interest (Sarker et al., 2020). Demirguc-Kunt et al., (2014) elaborate that financial systems in nations with Muslim minorities are inclusive and do not show bias based on religion. Sharia-Compliant caters to both Muslim and non-Muslim clients, which poses challenges during the transition phase. The acceptance of Sharia-compliant products and services by the general public is important for their success (Suhartanto et al., 2020) Describe the importance of employing management strategies that are inclusive of all faiths to prevent any future issues. Previous studies have revealed that individuals' religious beliefs, attitudes, and subjective norms significantly influence their willingness to embrace Sharia-compliant practices (Abduh et al., 2011) Noted that subjective norms have a substantial impact on customers' intentions to save. The attitudes and religiosity are key factors influencing the adoption of Sharia-Compliant in Nigeria (Bananuka et al., 2019). The implementation of Sharia-Compliant in Indonesia is influenced by subjective norms, attitudes, and knowledge (Reni & Ahmad, 2016). In Muslim nations such as Malaysia, Singapore, Pakistan, and Indonesia, previous research has delved into the inclination towards Sharia-Compliant Services like financing, credit cards, and mobile payments. Various studies have focused on banking, personal finance, and housing loans (Amin et al., 2011); (Ashurov & Othman, 2019).

Literature Review

Islamic banking prohibits interest and promotes risk-sharing, ethical investments, and compliance with Islamic ethical standards. Globally, the Islamic finance industry has experienced significant growth, with assets exceeding $2 trillion (Ernst & Young, 2016). In Pakistan, the increasing interest in Islamic banking services is driven by religious beliefs and the ethical appeal of these financial products (Khan, 2017). Religious belief is a primary factor influencing the adoption of Islamic banking services. Amin et al. (2011) found that adherence to Islamic principles strongly motivates individuals to choose Islamic banking. Trust in Islamic banks' compliance with Sharia law enhances their appeal among religious adherents (Bley & Kuehn, 2004). Awareness and understanding of Islamic banking principles are crucial. Gerrard and Cunningham (1997) and Gait and Worthington (2008) reported that higher awareness and knowledge correlate with increased adoption likelihood. In Pakistan, a significant awareness gap exists among potential consumers, including students (Hanif, 2014). Perceived benefits, such as ethical investment and the prohibition of interest, significantly influence the adoption of Islamic Sharia-compliant (Dusuki & Abdullah, 2007). Trust in Islamic banks' adherence to religious and ethical standards also boosts consumer intentions (Erol & El-Bdour, 1989). For religious students, trust in Sharia compliance is a significant factor (Khan, Hassan, & Shahid, 2008). Social influence and peer pressure have a significant effect on students' adoption of Islamic banking. Ajzen (1991) highlighted the role of social norms in shaping behavior. In Islamic banking, religious students often seek guidance from peers and religious leaders, impacting their choices (Alam, Mohd, & Hisham, 2011). Despite the positive inclination towards Islamic banking, barriers like a lack of understanding, limited accessibility, and perceived complexity hinder widespread adoption (Haron, Ahmad, & Planisek, 1994). For students, these barriers are more pronounced due to limited financial literacy and resources (Loo, 2010). In Pakistan, government efforts to promote Islamic banking have led to a rise in Islamic financial institutions. Ahmed (2010) and Akhtar et al. (2011) observed a positive trend in urban areas. However, rural areas still face challenges in awareness and accessibility. Among students, especially in religious institutions, there is a preference for Islamic banking due to alignment with religious values (Asghar, 2012).

Intention to Use Islamic Banking Services

The Theory of Planned Behavior (TPB) by Ajzen (1991) provides a valuable framework for understanding the intention to use Islamic banking services. According to TPB, intention is influenced by attitudes, subjective norms, and perceived behavioral control. This study focuses on attitude, community influence, religious obligation, and subjective norms as determinants of the intention to use Islamic Sharia-compliant.

Attitude

Attitude towards a behavior reflects the social class to which a person has a favorable or unfavorable evaluation of the behavior in question (Ajzen et al., 2018). In the context of Islamic banking, a positive attitude towards the principles and benefits of Islamic banking can significantly influence the intention to adopt these services. Studies have shown that individuals with positive attitudes towards Islamic Sharia-compliant are more likely to intend to use these services (Mindra et al., 2022). Amin et al. (2011) found that positive perceptions of the ethical nature of Islamic Sharia-compliant and its compliance with Sharia law significantly influenced customers' intentions to choose Islamic banks. Customers who believe in the ethical and moral superiority of Islamic banking over conventional banking are more inclined to use Islamic banking services (Mindra et al., 2022).

Community Influence

Community influence refers to the impact that one's social environment, including family, friends, and community leaders, has on their behavior. In collectivist cultures, such as those found in Pakistan, community influence plays a crucial role in shaping individuals' intentions and behaviors (Farrukh et al., 2019). Research indicates that community influence can significantly affect the intention to use Islamic Sharia-compliant (Maryam et al., 2019). (Bananuka et al., 2019) Found that recommendations and endorsements from family members, friends, and religious leaders strongly influence the decision to adopt Islamic banking services. In the context of religious students, the influence of religious teachers and peers can be particularly potent, guiding their financial decisions in line with Islamic principles (Hanipudin et al., 2023).

Religious Obligation

(Rexhepi & Ramadani, 2017) Religious obligation refers to the degree to which individuals feel compelled to act by their religious beliefs and teachings. For devout Muslims, adherence to Islamic principles in financial matters is not only desirable but obligatory. The life of the Holy Prophet (PBUH) is based on a high standard of ethical social behaviour in society. He (PBUH) said, “Islam encourages an honest trader greatly and offers a high rank on the Day of Judgment”. In Al-Bukhari, the Holy Prophet (PBUH) said, “Islam encourages an honest trader greatly and offers a high rank on the Day of Judgment. A businessman will be honored along with the martyrs, but the conditions are sincerity, truthfulness, honesty, etc. in dealings (Suhartanto et al., 2020). Several studies have highlighted the importance of religious obligation in the adoption of Islamic banking services. It was found that for many Muslims, the desire to avoid riba and engage in Sharia-compliant financial transactions is a primary motivator for choosing Islamic banking. In Pakistan, where Islamic values are deeply embedded in the social and cultural fabric, religious obligation significantly influences financial decisions (Ahsan et al., 2024).

Subjective Norms

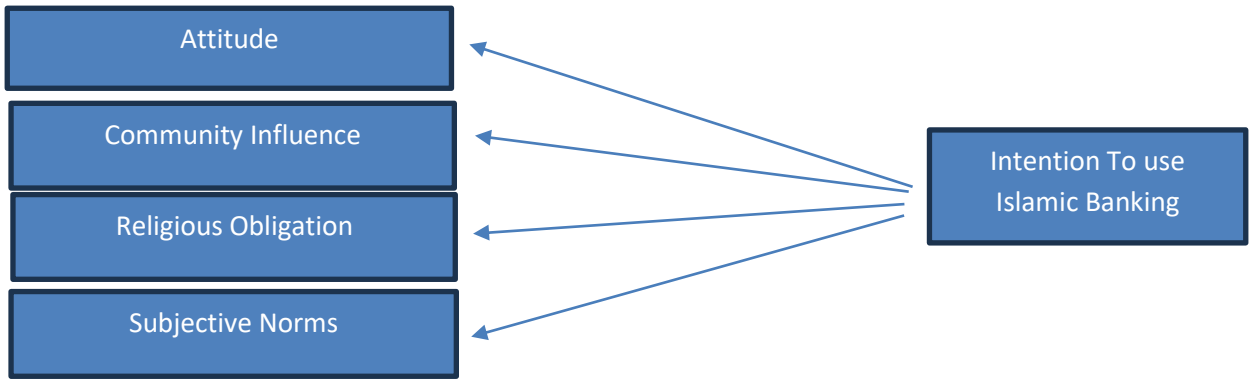
Subjective norms refer to the perceived social pressure to perform or not perform a particular behavior (Ajzen et al., 2018). In the context of Islamic banking, subjective norms encompass the influence of societal expectations and norms regarding Sharia-compliant financial practices (Fattah et al., 2024). Research suggests that subjective norms play a significant role in the intention to use Islamic banking services (Alqasa et al., 2014). Nani (2019) found that individuals who perceive strong social expectations to comply with Islamic financial principles are more likely to adopt Islamic banking. This is particularly relevant in Pakistan, where societal norms heavily favor adherence to Islamic teachings in all aspects of life, including finance (Khan, 2015).

Hypothesis Development and Research Model

This article employs partial Least Squares Structural Equation Modeling (PLS-SEM) techniques to show the strong relationship between variables (Hair et al., 2011). The research model is shown in Figure 1. To determine the effects of Independent Variables (Attitude, Community Influence, Religious Obligation, and Subjective Norms) on the Dependent Variable (Intention to use Islamic banking) using multiple regression techniques. Echchabi and Olaniyi (2012) conducted a study that enabled the identification of beneficial factors. The study of attitude has been widely discussed to illustrate its effect on intention. According to past studies, Islamic finance is interconnected to various contextual relationships. According to Isaid and Faisal (2015), there is a relationship between intentions to show and consumers’ attitudes towards appropriate respect for Islamic obligations. According to Abbass and Tanveer (2019) and Ali et al. (2019), it was studied that

customer attitude has a significant impact on the community's choices regarding the use of Islamic banking services. However, in the study of Jaffar and Musa, 2016 based on early research, the person has a strong attitude toward the Islamic obligation to use these Islamic services.

Figure 1: Conceptual Model



The literature review mentioned an increase in exploration into the phenomenon of the personal mindset of religious scholars (students) regarding the use of Islamic banking services. In the study of Bodibe et al. (2016), social factors also affect their intention to decide. However, the study of van Zomeren and Postmes (2008) articulated that individuals possess a distinct identity within a community setting. This notion was supported by Obeid Kaabachi's (2016) study, which highlighted that people tend to mirror the behaviors and actions of the community to which they belong. Amin et al. (2011) extensively discussed the impact of community on intentions, especially regarding the utilization of Islamic finance in Malaysia. Religiosity, a term frequently used in sociological contexts related to religious activities, has a significant influence on the lives of individuals and shapes their consumption preferences according to the study of (Sun et al., 2012). Previous research by Wilson and Liu (2011) emphasized that the selection of halal products among Muslim communities and societies have profound implications and development in marketing structure. They suggested that Islamic financial institutions must adhere to halal principles to gain acceptance from Muslim consumers. This aligns with the findings of Bodibe et al. (2016), indicating that religiosity plays a crucial role in customers' decision-making processes regarding Islamic banking. According to Jamshidi and Nazimah (2016) also pointed out the impact of religiosity and beliefs on customers' intentions to use Islamic credit cards.

Additionally, the findings of Alam et al. (2012) highlighted the significance of religious factors, subjective attitudes, and norms in the selection of home financing within Malaysia's Islamic banking sector. According to Wilson and Hollensen (2013), Muslims' religious obligations encompass worship and daily life practices, affirming the importance of faith in their decisions and perceptions. According to Fishbein and Ajzen (1977) defined subjective norms of Islamic Sharia society as social influences that dictate certain behaviors, often encouraged by peers and family members. According to Ham et al. (2015) suggested that subjective norms of Islamic Sharia society have a strong influence on purchasing behavior, particularly in the context of green food consumption in Croatia. In various fields of study, subjective norms have been identified as a key factor affecting individuals' engagement in activities (Charag et al., 2019). Madahi and Sukati (2016) explored channel-switching intentions in Malaysia, revealing that subjective norms of the Islamic society have a significant impact on customers' decisions to adopt Islamic banking services. Abduh et al. (2011) proposed that subjective norms play a role in depositors' decisions to withdraw from Islamic Sharia banking in Malaysia. Similarly, Echchabi and Azouzi (2015) affirmed the importance of subjective norms for Tunisians in similar contexts. Oladapo et al.

(2019) highlighted that subjective norms and attitudes heavily influence people's inclinations towards participating in Islamic banking in Nigeria. A number of studies show that community influence, religious obligation, attitude towards Sharia services and subjective norms positively influence Islamic sharia-compliant (Raza et al., 2019). However, this case has undergone a great extent of investigation by devoted scholars in Pakistan. The following hypotheses were acquired based on all previous studies.

H1. Consumers' attitude towards Islamic services has a positive impact on the uses of Islamic Sharia-compliance services.

H2. Community influence has a significant influence on the uses of Islamic Sharia-compliance services.

H3. Religious obligation has a significant effect on the uses of Islamic Sharia-compliance services.

H4. The integration of Subjective norms has a positive influence on the uses of Islamic Sharia-compliance services.

Methodology

Data Collection and Sample

This study employs an empirical approach and presents a sample of 150 students from various universities and religious institutions across Pakistan. Participants were selected using stratified random samplings to ensure representation from different educational backgrounds. A structured questionnaire was developed used to collection of data on students' knowledge, attitudes, and intentions regarding Islamic banking.

Table 1: Description of Variables

Variables	Items
Gender	Male
	Female
Marital Status	Single
	Married
	Other
Education	MPhil in Islamic Studies
Gender	PhD in Islamic Studies
	Fiqah
	Doora E Hadees
Age	20-25
	25-30
	30-35
	35 or above
Tenure	Less than 1 Year
	1-5 years
	6-10 years
	11-20 years
	20 to above

The survey methods, constructed using a five-point Likert scale questionnaire, have been employed by researchers to collect appropriate data (Abduh et al., 2011; Nath et al., 2013; Isaid

and Faisal, 2015). This questionnaire was developed to collect the necessary data and is divided into two main sections. The first part consists of short questions related to respondent demographics such as age, gender, occupation, and occupation experience. In contrast, the second portion was designed using a five-point Likert scale ("1" – Strongly Disagree to "5" – Strongly Agree) to measure all variables, specifically the intentions of devoted students (Scholars) in adopting Islamic sharia-compliant services. All questions were derived from previous studies that are validated to measure the aspects influencing devoted students in incorporating Islamic sharia-compliant services.

Table 2: Summary of the Questionnaire instrument

Factor	Items	Instruments Reference
Intention to Use	7	(Albaity & Rahman, 2019),(Ahmad, 2014)
Attitude (towards students)	8	(Ahmad, 2014),(Albaity & Rahman, 2019)
Community Influence (CI)	5	(Ahmad, 2014)
Religious Obligation (RO)	12	(Jaffar & Musa, 2014), (Ahmad, 2014)
Subjective Norms (SN)	8	(Asyari et al., 2022), (Jaffar & Musa, 2014)

Results and Discussions

As stated earlier, the objective of my study is to assess the personal mindset of devoted students in Pakistan regarding the use of Islamic Sharia-compliant services. This Data collected through questionnaire was analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM) in Smart-PLS-4 version 4to evaluate the data. This technique allowed for a comprehensive evaluation of the model of structural components to ensure reliability and validity (Barclay et al., 1995). The initial steps involved testing the model of reliability and validity followed by an analysis of the structural relationships between variables according to Hair et al. (2011). These steps show the proper testing of all values and constructs are perfectly relatable with my data of all variables.

Measurements

The scholars first analyze construct discriminant validity, reliability, and convergent (Thu, 2022). The average variance extracted (AVE) values for all constructs exceed 0.50, signifying the convergent validity of the (MM) measurement model. As explained in Table 3, the reliability threshold ranged from 0.86 to 0.96, while Cronbach's alpha ranged from 0.63 to 0.69. The construct was deemed reliable because the value obtained fell within the range of 0.6 to 0.9. The Cronbach's value between 0.6 and 0.9 is acceptable because the result falls within this range values (Hajjar, 2018). Construct Reliability 1. Customer Intention (CI), Cronbach's Alpha value is (0.886), Composite Reliability (Rho_a) value is (0.891), Composite Reliability (Rho-c) value is (0.914), Average Variance Extracted (AVE) value is (0.639) 2. Islamic Banking (IB), Cronbach's Alpha value is (0.917), Composite Reliability (Rho_a) value is (0.919), Composite Reliability (Rho-c) value is (0.933), Average Variance Extracted (AVE) value is (0.667),3. Intention to Use (IU), Cronbach's Alpha value is (0.904), Composite Reliability (Rho-a) value is (0.905), Composite Reliability (Rho-c) value is (0.926), Average Variance Extracted (AVE) value is (0.678), 4. Religious Obligation (RO), Cronbach's Alpha value is (0.953), Composite Reliability (Rho_a) value is (0.956), Composite Reliability (Rho-c) value is (0.959), Average Variance Extracted (AVE) value is (0.683) 5. Subjective Norms (SN), Cronbach's Alpha value is (0.938), Composite Reliability (Rho-a) value is (0.942), Composite Reliability (Rho-c) value is (0.949), Average Variance Extracted (AVE) value is (0.699). The validity test explained values in Table 3 show that they ranged from 0.63 to 0.69, indicating that the Average Variance Extracted (AVE) of

the construct value fall between 0.63 to 0.69 validity is greater than the minimum limit of 0.50 (Hair et al., 2011). Furthermore, the correlation of each variable value construct validity in my study was more than 50 that may the accepted. The outer loading of model items, also known as reliability, is appropriate because it meets the minimum standard of 0.70. Using the Fornell–Larcker test, to demonstrate the validity of the items and this is a 0.70 value followed by the identification of the strongest relationship of the construct validity, which was determined (Hair et al., 2011). Therefore, Table no 3 shows that the Average Variance Extracted (AVE) constructs are the highest correlation values. In other way, discriminant validity declares the diagonal element in Table 4 is consistent with the results of this study.

Table 3: Reliability and validity of the instrument

	Loading	**Cronbach's alpha**	**Composite reliability (rho_a)**	**Composite reliability (rho_c)**	**Average variance extracted (AVE)**
CI1	0.69	0.886	0.891	0.914	0.639
CI2	0.835				
CI3	0.847				
CI4	0.84				
CI5	0.777				
CI6	0.796				
IB1	0.822	0.917	0.919	0.933	0.667
IB2	0.79				
IB3	0.821				
IB4	0.832				
IB5	0.778				
IB6	0.836				
IB7	0.836				
IU1	0.793	0.904	0.905	0.926	0.678
IU2	0.858				
IU3	0.811				
IU4	0.805				
IU5	0.864				
IU6	0.805				
RO1	0.804	0.953	0.956	0.959	0.683
RO2	0.838				
RO3	0.87				
RO4	0.846				
RO5	0.872				
RO6	0.831				
RO7	0.776				
RO8	0.78				
RO9	0.804				
RO10	0.804				
RO11	0.855				
SN1	0.804	0.938	0.942	0.949	0.699
SN2	0.846				
SN3	0.844				
SN4	0.9				
SN5	0.884				

SN6	0.876
SN7	0.827
SN8	0.692

Structural Model

Evaluating the validity and reliability of the values discriminant and convergence and validity with competent values, the coefficient of determination (R2) value (0.763), path coefficient (β) analysis, and the relevance of the construct were evaluated and also evaluated the level of significance of quality criteria analysis (F2). The results are analyzed through PLS-SEM according to TRA Model. The effect of analysis of (F2) values in Table 5 was used to assess both values (exogenous and endogenous) constructs (Hair et al., 2011). The effect sizes of all values (constructs) 0.35, 0.15, and 0.02 are considered large, moderate, and small, respectively (Jamshidi & Hussin, 2016). These results analysis showed that the effects of variable attitude towards Islamic sharia (0.592) and other variable religious obligation (0.032) on the intention to use Islamic sharia services among religious students (scholars) were moderate. Additionally, the effect sizes (F2) of other variables first variable community influence is (0.005) and other variable subjective norms is (0.002) were trimmed. Overall, two variables reserve significant effects on the intention to use Islamic Sharia services because of regression coefficient above 0.2 and p-value is less than 0.001($p < 0.001$) that are shown in (Table 5 and Figure 2). These results significantly support the acceptance of the two hypotheses and the rejection of the other two. After analyzing the variables, the results shown in Table 5 indicate an R-squared value of 0.763, which suggests that the intention to use Islamic banking services among religious Students (Scholars) is 76%. Finally, the discussion of my research study, hypotheses, relationships between variables, standard deviations, t-statistics, p-values, and significance levels are shown in Tables 5 and 6 respectively. In this my study incorporates several findings that demonstrate that variable of religious obligation with the most positive impact on this.

Table 4: Discriminant Validity of Constructs

Constructs	**Community Influence**	**Attitude to Islamic Banking**	**Intention to use**	**Religious Obligation**	**Subjective Norms**
Community Influence	0.799				
Attitude to Islamic Banking	0.745	0.817			
Intention to use (IU)	0.73	0.856	0.823		
Religious Obligation (RO)	0.838	0.776	0.769	0.826	
Subjective Norms (SN)	0.827	0.737	0.719	0.836	0.836

Table 5: Hypothesis Outcomes

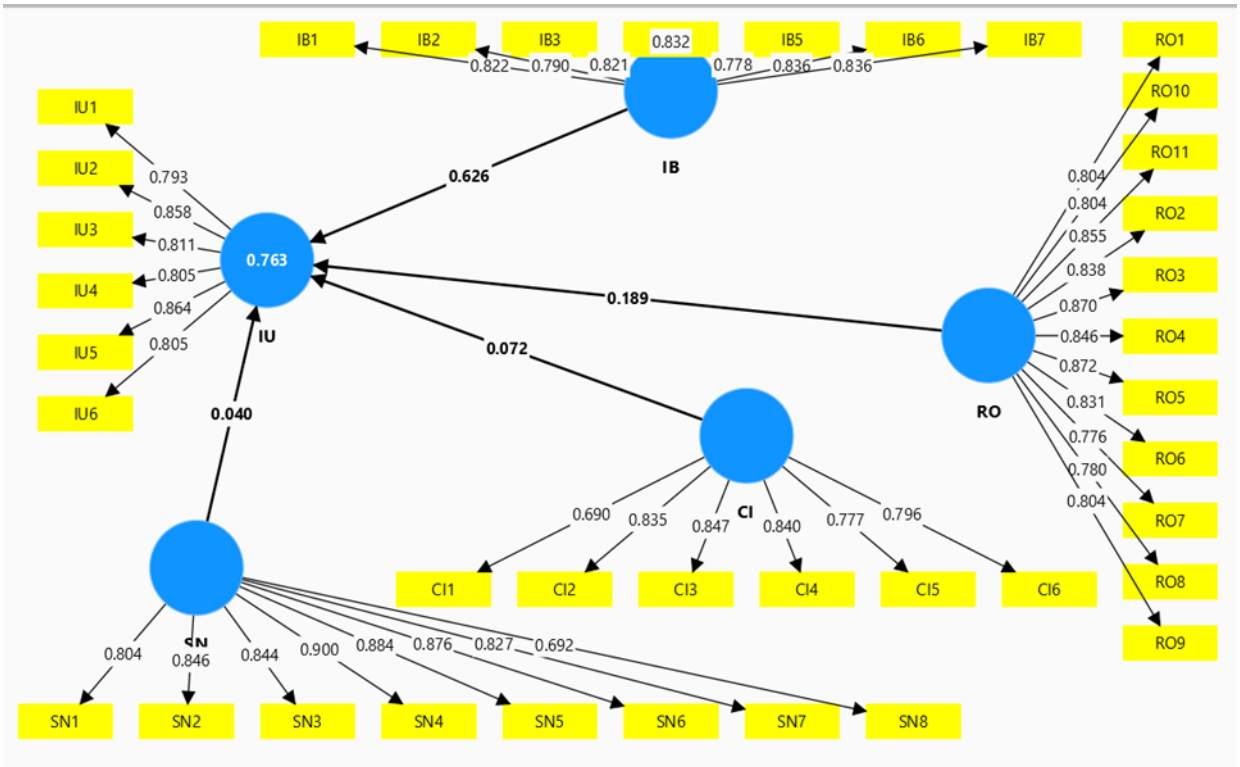
Hypothesis	**Relationship**	**Path coefficient (β)**	**Significance Level**	**F^2**	**R^2**
H1	CI -> IU	0.072	NS	0.005	0.763
H2	IB -> IU	0.626	*	0.592	
H3	RO -> IU	0.189	*	0.032	
H4	SN -> IU	0.04	NS	0.002	

Table 6: Hypothesis and Outcomes

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
CI -> IU	0.072	0.077	0.091	0.792	0.429
IB -> IU	0.626	0.616	0.077	8.168	0
RO -> IU	0.189	0.196	0.096	1.979	0.048
SN -> IU	0.04	0.039	0.085	0.472	0.637

Notes: * S=Significant at 0.00; NS= Not Significant; IB=Attitude to Islamic Banking: CI=Community Influence; RO=Religious Obligation; SN=Subjective Norms; IU=Intention to Use Islamic Banking

Figure 2: The Conceptual Model



Source: Using SEM-PLS-4

According to the religious Students (Scholars) in Pakistan, religion is the most influential variable that impacts Sharia-Compliant Services, as demonstrated by the β value (β =0.189, ŧ =1.979, þ < 0.001). According to the study of (Marhaini, 2018) that shows the significant results of Chinese Muslims that they are using Sharia-Compliant Services. That was supported by (Ali et al., 2018) They found out that this study had a significant impact on Brunei Muslims, who adopted the Sharia-Compliant Services. The intention to use Sharia-Compliant Services of religious students has been significantly influenced by their actions to follow religious principles and values. Governed Islamic Banking by Sharia law, prohibited interest (Riba), and emphasized risk-sharing, transparency, and ethical investment. Religious students, especially those with strong Islamic beliefs, were inclined to favor these financial institutions due to their adherence to Islamic banking principles. This study shows that religiosity plays a key role in the form of positive attitudes toward Sharia-Compliant Services. According to (Amin et al., 2014) The study of Sharia-Compliant Services is taking it too closely and is linked to consumer religiosity. A significant

number of people adopt Sharia-Compliant Services to avoid interest-based transactions forbidden by their religious rules and uphold their faith.

This study's results are strongly associated with the understanding of religious obligations among devoted Students, as it is known from the Holy books. Riba is something that is prohibited in all official religions. So, when some financial institutions offered "Riba-free" services, religious students believed in the financial institutions (Muhamad, 2009; Bodibe et al., 2016). According to a study by Usman et al. (2017), the results revealed that the greater the devoted obligation, the higher the possibility of Students using Sharia-compliant services and following the Islamic Sharia.

In Table 6, it is shown that the behavior of faith-oriented Students has a positive relationship with their intention to use Sharia-compliant services, as the findings were supported by the β value ($\beta = 0.626$, $t = 8.168$, $p < 0.001$). Therefore, H1 is significant. In the study of (Mamman et al., 2016) The variable of attitude has shown a positive relationship with the fact that they are adopting Sharia-compliant services. Also, describe in the study of (Bodibe et al., 2016). They demonstrated that variable attitude has a significant impact on individuals. All the results of religiosity have a substantial impact on consumers' attitudes, as they use Sharia-Compliant Services (Wilson, 2012). The concept of Halal is used in Sharia-Compliant, and they will win the trust of Islamic Students. (Muthuswamy, 2015),(Barentsen, 2019).

On the other hand, H2 community influence variable does not have a significantly related with to the personal mindset of religious Students in using Sharia-Compliant Services, which means H2 (β= 0.072, ŧ=0.792, þ=0.429) and H4 subjective norms does not have a strong association to the personal mindset of faith-oriented Students in using Sharia-Compliant Services (β =0.040, ŧ = 0.472, þ=0.637) are rejected (Sun et al., 2012) and (Ham et al., 2015). These findings explained (Mamman et al., 2016) and (Amin et al., 2011). They are determined by subjective norms and community influence, which affect consumers' willingness to use Sharia-compliant services. Indonesian religious Students and leaders have an esteemed level of religious understanding, supported by academic education (Janah et al., 2020). The subjective norms and community influences variables affect students' attitudes toward various aspects related to their adoption of Sharia-compliant services. These results suggest that the intention of religious students to use Sharia-compliant services has not been shaped by external influences such as community, relatives, or family because they have a positive and well-informed perception of ordinary people. Additionally, it is explained that societal norms subjectively influence community decisions and are not a significant part of the decision-making process for all of them.

Conclusion

The objective of this research is to reveal religious students' intention to use Sharia-Compliant Services. The results confirm that the variables are significant and correlated, serving as the primary determinant in their intention to use, along with religious obligation. We can conclude that the following religious rules and principles, as well as the concept of Sharia-compliance to be free from Riba, are pivotal factors among this particular group of students. It should be image raising as an interest (Riba) free and Islamically legitimate institution providing Islamic services to all its consumers (Muslims and Non-Muslims) without any discrimination on religious norms and beliefs. On the other hand, the use of these services has no significant correlation with community influence and Subjective norms, as there is an overall grip on their religious faith mentioned by the previous factor.

Research implications

Theoretical Significance

The study results contribute to the examination of the literature on Sharia-compliant practices, focusing on the effects of attitudes toward Sharia-compliant services, community influence, subjective norms, and Sharia obligations on the behavior and mindset of religious students (Scholars) in Pakistan who use Sharia-compliant services. In my study, I also make a theoretical contribution to the role of religious students' religious devotion in promoting the development of Sharia-compliant services in Pakistan. According to this research study, further awareness should be incorporated into Sharia-compliant services marketing management strategies by engaging religious students with Sharia-compliant services.

Practical and social implications

The conclusion of my research study offers valuable insights into how Islamic Banks' managers and policymakers can encourage religious students (scholars) to utilize Islamic Sharia-compliant services, thereby helping them develop a more effective strategy for financial growth. However, Islamic Bank managers and policymakers should identify potential customers, such as religious students (scholars), and analyze their social behavior to encourage the growth of Sharia-compliant services. The belief of Islamic students (scholars) in the model and structure of Islamic banking reflects an open attitude towards worldly metropolises, improves their interaction with societal norms, and positions them as dependable officials in a good position.

Implications of Sharia-Compliant financial banking systems in Pakistan

Based on the final findings and significance of this study, it will contribute to the future development of Sharia-compliant financial banking systems in Pakistan. These findings suggest that Sharia-compliant financial banking systems offer a practical alternative to non-Sharia-compliant ones. Moreover, support from the government, Islamic organizations, and religious students (scholars) are essential for establishing trust among religious communities regarding Sharia-Compliant Services. To enhance the adoption of Sharia-Compliant among religious students (scholars), the study has deemed the significance of religious students (scholars) in fostering a positive attitude toward Islamic banking. This study also suggests that increasing religious students' awareness and intention to use Sharia-Compliant financial Services can improve public trust. Thus, Islamic banking institutions (financial) should adopt sharia-compliant financial marketing strategies and ensure their operations are aligned with sharia principles.

The clear vision of this research and direction

In future research, information systems related to Sharia norms should be studied to understand the positive interest among religious students in Pakistan, which is attributed to the increasing public confidence. The questions that must be answered address how their expectations about community influence and subjective norms are shaped, and whether the levels of acceptance and subsequent purpose to use these Sharia-Compliant financial Services by the students.

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Questionnaire

The Personal Mindset of Religious Students to Use Islamic Banking Services: The Case of Pakistan

Section A

Gender (a) Male (b) Female

Marital status (a) Single (b) Married (c) other

Education (a) M.Phil. in Islamic Study (b)PhD in Islamic Study (c) Fiqah (d)Doora E Hadees

Age (a) 20-25 (b) 25-30 (c) 30-35 (d) 35 or above

Tenure (a) Less than 1 year (b) 1-5 years (c) 6-10 years (d) 11-20 years (d)20 to above

Section B

	Intention to Use Islamic Banking Services	Strongly disagree	disagree	neutral	agree	Strongly agree
IU1	I plan to choose Islamic banking services in the forthcoming month.	1	2	3	4	5
IU2	I am likely to choose Islamic banking services in future.	1	2	3	4	5
IU3	I will choose Islamic banking and services.	1	2	3	4	5
IU4	I am interested to use Islamic banking services.	1	2	3	4	5
IU5	I am interested to use Islamic banking services in the future	1	2	3	4	5

IU7	I will definitely recommend Islamic banking services to others	1	2	3	4	5
	Attitude towards Islamic Banking Services					
IB1	Choosing Islamic banking services is a good idea	1	2	3	4	5
IB2	Choosing Islamic banking services is useful and beneficial	1	2	3	4	5
IB3	I appreciate Islamic banking services.	1	2	3	4	5
IB4	Islamic banking services is one of the best Islamic banking products.	1	2	3	4	5
IB5	My family member prefers Islamic banking service.	1	2	3	4	5
IB6	I appreciate Islamic banking.	1	2	3	4	5
IB7	Islamic banking is carries positive values.	1	2	3	4	5
IB8	My friends would think that I should choose Islamic banking products	1	2	3	4	5
	Community Influence					
CI1	Most people who are close to me think that I have to choose Islamic banking services	1	2	3	4	5
CI2	It is expected by others that I should choose Islamic banking services	1	2	3	4	5
CI3	Most people who are important to me think that Islamic banking services is useful	1	2	3	4	5
CI4	Most of people who are important to me think that Islamic banking services is beneficial.	1	2	3	4	5
CI5	Most people are assume me familiar with the need of Shariah	1	2	3	4	5
	Religious Obligation					
RO1	Using Islamic banking services is a religious obligation for me.	1	2	3	4	5
RO2	Islamic banking practices are important in my daily life.	1	2	3	4	5
RO3	Islamic banking services is in line with an Islamic philosophy of doing banking business.	1	2	3	4	5
RO4	Islamic banking services is based on Islamic principles of business implementation.	1	2	3	4	5
R06	An introduction of Islamic banking services is based on the al-Quran and Hadith	1	2	3	4	5
R06	Islamic banking services is free from **Riba**.	1	2	3	4	5
RO7	Islamic banking services is free from fraud.	1	2	3	4	5
RO8	Islamic financial institutions and agencies that provide Islamic financing are compliant with Shariah or Islamic law.	1	2	3	4	5
RO9	Islamic financial institutions and agencies that provide Islamic financing are interest-free	1	2	3	4	5
RO10	Muslims are prohibited from associating themselves with the element of interest practice by the conventional system.	1	2	3	4	5

RO11	Religion motivates me for borrowing Islamic financing.	1	2	3	4	5
RO12	As a Halal business operator, I should be using Islamic financing in business	1	2	3	4	5
	Subjective Norms					
SN1	I know a lot of people who use Islamic banking services.	1	2	3	4	5
SN2	Islamic banking service is used by important people in my life.	1	2	3	4	5
SN3	The majority of people I know would support my decision to use Islamic banking service.	1	2	3	4	5
SN4	The majority of people I know believe I should use Islamic banking.	1	2	3	4	5
SN5	Most people whose opinion I value would approve my adoption in Islamic banking services in business.	1	2	3	4	5
SN6	Most people who are important to me think I should adopt Islamic banking services in business.	1	2	3	4	5
SN7	It is expected of me that I should adopt Islamic banking services in business	1	2	3	4	5
SN8	Recommendation from shareholders, co-owner may influence my decisions to use Islamic banking services	1	2	3	4	5