THE ROLE OF ISLAMIC BANKS IN THE ENTREPRENEURIAL SUCCESS: EVIDENCE FROM BAHRAIN

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ABSTRACT

The aim of the study is to highlight the significance of Islamic banks towards the entrepreneurs and their success for what they carry from value and benefits. To collect the data, a questionnaire was carried out and distributed to 140 entrepreneurs in the Kingdom of Bahrain, 104 of those questionnaires were sent back completed. The methodology used was Multinomial logistic regression and Spearman correlation tests. The findings disclose that Islamic banks have a role in the success of the entrepreneur. The awareness of entrepreneurs, flexibility, development of services, and the support provided by Islamic banks are all factors that have a role on the entrepreneurial success in Bahrain. The study recommends Islamic banks to understand the needs of the entrepreneurs and provide them with the required services that support them in achieving the level of success they are seeking.

Keywords: Islamic Banks, Islamic Banking Services, Entrepreneurs, Entrepreneurial Success.

INTRODUCTION

Entrepreneurship is a broad word that is used to describe the activity of one or more individuals to come up with an idea and implement it to benefit the community to subsequently increase the growth and success of the individual or group. It is considered to be the main aspect of economic growth and the tool for further development, and it provides a highly productive environment (Sarkar, 2014). Therefore, it is notable that the growth of entrepreneurship volume in some countries has resulted in the development of the economy as a whole.

Entrepreneurs can have a major impact on a growing economy through such results as reducing unemployment and increasing levels of creativity, productivity and development of the economy. The growth of an economy is strongly related to the level of performance of entrepreneurship in that economy. It is essential to realize the significance of economic growth and to assess growth levels. Generating income can occur through either employee salaries or entrepreneurship. The level of employment is considered to be a part of economic growth whereby entrepreneurs create more jobs and lower the unemployment rate in an economy. With regard to economic growth, many economists seek to study and monitor the changes that are made by entrepreneurship to an economy and the strength of its influence to a country’s economy. However, entrepreneurs struggle to obtain the required liquidity to keep their business going or even to get started with a business. To obtain the start-up capital that is need for a business, a bank will require collateral, which is difficult to obtain in the process of starting a
new business (Olawale & Garwe, 2010). Entrepreneurs will always seek the best opportunity for financing; therefore, the concept of crowd funding is popular among entrepreneurs. Crowd funding is an online funding method that is controlled by individuals and can be a source of financing for entrepreneurs instead of referring to financial institutions. Other financial institutions may be threatened by this phenomenon because they are being replaced by less regulated funding programs through which they risk losing their valuable clients.

Banking is one of the most valuable and beneficial financial bodies in an economy. It is an instrument that pushes the economy to develop because it creates competitiveness, opportunities, and employment and it increases efficiency. Lately, Islamic banks have been expanding and developing high performance facilities for all types of clients. These high performance facilities serve all religions, not only Muslims; therefore, the possible expansion of Islamic banks has a higher and faster potential for growth. As stated by Ernst & Young (2012), Islamic banks have obtained over 1.8 trillion dollars in their entire assets over the past 40 years. The growth of Islamic banks all around the world is based on the high level of response to Islamic banking facilities.

Islamic banks can be a source of financing for entrepreneurship, whereby entrepreneurs can obtain their capital from Islamic banks. Although Islamic banking in South Africa was introduced 20 years ago, the entrepreneurship position has remained unchanged. As per the study in South Africa, with the increase of Islamic banking applications, entrepreneurship performance has decreased. Although studies have acknowledged the importance of entrepreneurs for economic growth and its impact on Islamic banks in certain entrepreneurial characteristics, these studies have not clearly identified the role of Islamic banks in relation to the entrepreneurial success. Therefore, this study examines the role of Islamic banking on entrepreneurial success in the Kingdom of Bahrain and focuses on issues of awareness, flexibility, support and development.

Research Problem

The Kingdom of Bahrain’s economy is highly dependent on oil revenue; however, the recent diversification of the Kingdom's economy has resulted in an increase in its GDP and a strong enterprise culture. As the 2030 vision of Bahrain encourages job creation, entrepreneurs will have a significant impact on the achievement of this vision (Bahrain Economic Development Board, 2013). The expansion of existing and new businesses in the economy will achieve the job creation objective, which will lead to more investments in the business market and more opportunities that will help in the success of entrepreneurs in Bahrain.

Bahrain is the leading centre of the world banking sector, specifically in Islamic finance. Islamic banking in Bahrain was established in 1979, which makes Bahrain an important representative of Islamic finance; it has played a key role in the growth of the Islamic banking sector. Moreover, the role of Islamic banks in the economy can lead to an increase in investments, productivity and liquidity, which are all indications of economic growth. The existence of Islamic banks in particular can create significant liquidity worldwide. Therefore, this study focused on Islamic banks rather than conventional banks to consider the value and status with regard to other financial entities.

The objective of all entrepreneurs is to succeed in their work at minimal cost. Therefore, entrepreneurs will always look for the most suitable and low cost banking services that will meet their needs to achieve their objectives. This study aims to test whether Islamic banks have the services that are required to support entrepreneurial success.
Islamic banking follows the profit/loss sharing method in financing, and financing entrepreneurs involves a certain level of risk. To avoid exposure to risk, Islamic banks ensure that entrepreneurs have all of the support that is needed to become successful. This type of collaboration between Islamic banks and entrepreneurs leads to economy growth because Islamic banks and entrepreneurs generate profits from such activities. The success of entrepreneurs is beneficial to the economy as a whole; it creates more jobs, generates additional income and adds the value of new products or services to the market. A review of the literature reveals a gap in the area of Islamic banks as a success factor to entrepreneurs, which is an area that requires additional examination. This study will clarify and guide Islamic banks to identify highly demanded services by entrepreneurs and it examines the role of Islamic banks in entrepreneurial success in the Kingdom of Bahrain because Islamic banks are expanding widely in the region. Such expansion is an important factor that can have an impact on entrepreneurs. Accordingly, this study will try to answer the following questions: Do Islamic banks play a role in the success level of entrepreneurs? Which of the services that are provided by Islamic banks affect the success of entrepreneurs?

The wide spread of Islamic banks instead of traditional or conventional banks in the economy is considered to be important to the development of entrepreneurship in Bahrain as the findings add some measures and information for definition, characterization and assessment of the level of facilities that are provided to entrepreneurs by Islamic banks that aid in identifying the shortcomings and pitfalls (if there are any) of such services and designing the strategies that are needed to obtain the most suitable financing source and consequently deliver a profitable business.

As the Central Bank of Bahrain (2012) reported, Islamic bank growth has significantly increased since it noted a jump of 12 times the total assets in the years between 2000 and 2012. Moreover, such growth has played an important role in enhancing the economy’s growth by increasing the number of entrepreneurs in the country, which increases the profitability and stability of the country’s financial status. Entrepreneurship can be a strong substitute to oil in an economy such as that of Bahrain.

Bahrain's economic vision of 2030 looks to have an economy that is based on increased productivity level and high wage jobs instead of an oil wealth base. Increasing the volume of entrepreneurship in Bahrain and providing entrepreneurs with all of the support that they need will eventually lead to the desired outcome of the 2030 vision (Bahrain Economic Development Board, 2013). Nevertheless, Bahrain is a global leader in Islamic finance because it is the home of the largest attraction of Islamic financial institutions in the Middle East. It is also the centre for institutions for the improvement of Islamic finance such as the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Liquidity Management Centre (LMC), the International Islamic Financial Market (IIFM), the Islamic International Rating Agency (IIRA) and the Shariya Review Bureau (Central Bank of Bahrain, 2012).

**LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT**

Islamic banking is defined as a method of banking or banking movement that is based on Shariah principles and Islamic principles, and it is directed by Islamic economics. The main aspect that differentiates between Islamic banking and conventional banking is the Islamic banking concept that relies on interest-free banking. Islamic banks are prohibited from requesting or paying interest to their clients. *Riba*, which is an Arabic term used to describe the act of receiving or giving interest, is forbidden in Islam regardless of the way it is used. “Where
such loans can be based on setting an interest rate to complete the loan application.” (Qur’an, Al-Baqarah, 275).

Furthermore, banking from the Islamic perspective follows a specific structure such as interest free transactions and profit/loss sharing. To apply for an interest-free loan involves not charging any extra amount on disbursing debts. Interest expenses are a particular economic burden for entrepreneurs as they limit their success of complete engagement. Islamic profit and loss sharing is defined as the link between debtor, creditor and the intermediary in a partnership. Bahrain stands out in the area of Islamic finance among the rest of the Gulf Cooperation Council (GCC) countries. The position that was reached by the Kingdom in the Islamic finance sector was mainly based on the Central Bank of Bahrain policies and procedures, whereby it created the opportunity for the Kingdom to develop and expand (Wilson, 2009). Nevertheless, Bahrain is the foundation of economic growth among banking divisions.

Awareness of Entrepreneurs

Previous studies have agreed that there is a gap in entrepreneurs' knowledge of Islamic banking products and services. Muhamad & Dan concluded in their study that was conducted in Malaysia that the lack of financing from Islamic banks is due to the absence of entrepreneurial knowledge and awareness in addition to the complexity of the policies and procedures of Islamic banks. Therefore, it is recommended that Islamic banks simplify their requirements and provide smooth procedures to encourage entrepreneurs to benefit from their provided services. Islamic banks reflect the image of Muslims to society, which makes it essential for them to have well-trained and educated customer representatives to deliver the full details of products and services to clients, which will increase the knowledge and awareness of what Islamic banks offer. In 2011, a study was conducted on the awareness level of Islamic banks in Pakistan, where it observed that people are mostly unaware of the products that are offered by Islamic banks, which leads them toward maintaining their main accounts with conventional banks while they maintain an additional account with an Islamic bank. Furthermore, another study that was conducted in Gombe state in Nigeria outlined that familiarity with Islamic banking products helps to satisfy entrepreneurs' financial needs. Entrepreneurs are ready to utilize the products of Islamic banks; however, they are doubtful about Islamic banks; procedures because of a lack of information in that area (Gombe State Official Website 2015). Religion plays a major role on the direction that is taken in obtaining finance in Pakistan; the study of Muhammad acknowledged that there has been an enormous shift to Islamic banking due to religious awareness. In addition, conventional borrowing cannot be guaranteed nor collateralized in comparison to Islamic finance, which follows the profit sharing method. This method reduces the uncertainty of losing and failing for the entrepreneur.

Entrepreneurial Support

The Government of Bahrain has concentrated on the development of SMEs by providing the facilities that are needed through several organizations such as Tamkeen. Tamkeen is a governmental organization that focuses on the development of Bahraini SMEs and creates employment opportunities. They currently provide financial support for SMEs (Tamkeen Annual Report, 2011). Tamkeen offers low-cost financing keys through an alliance with banks, and it
addresses the major difficulties that are faced by SMEs such as the absence of collateral, which is mandatory.

For instance, Tamkeen & Al Baraka Islamic Bank are engaged in a contract that encourages SMEs and developing enterprises to reach their goals and be successful by raising their finance portfolio from BHD 10 million to BHD 20 million having both organizations to perform sharia compliance finance for the SMEs. Tamkeen has managed to deliver BHD 412.5 million worth of enterprise contracts with the collaboration of several banks, which consisted of 6,500 agreements in the period of September 2008 until March 2016 (Tamkeen Annual Report, 2011).

Bahrain's government and non-government institutions offer enterprise support facilities that lead them to grow faster and avoid obstacles. Alrabeei study measured the effectiveness of supporting entities to develop and help enterprises to overcome business barriers. The values of these supportive entities were measured based on several elements such as the consciousness of the program, the quantity of services, the outcome of these services on the enterprises, and the basis upon which these entities measure outcomes. The paper suggested certain proposals based on the figures that were obtained to increase the support of enterprises at the evolutionary phase to allow them to face obstacles. The obstacles that are faced by entrepreneurs in Bahrain are the insufficient financing, unqualified human resources personnel, high competitiveness and administrative fees that are charged by the government. Although, the effectiveness index displays a lack of consciousness of these supportive programs can be helpful in their struggle to succeed. However, "Bahrain Development Bank" (BDB), which was established on January 1992, is one of the supportive organizations to entrepreneurs in the Kingdom of Bahrain. BDB is assigned by the government to endorse entrepreneurship and encourage developing economic growth by raising the number of Bahraini entrepreneurs, which accordingly reduces unemployment in the Kingdom and therefore leads to a stronger economy. They provide a variety of financial and advisory services that satisfy entrepreneurs’ demands.

Accessibility to Finance

Financing institutions may have certain criteria in financing enterprises, which were discussed in the study of Lee et al. in which they found that enterprises with creative characteristics have more difficulty accessing financing than ordinary enterprises. When entrepreneurs encounter difficulties in obtaining needed financing from financial institutions, other financing directions are taken. The term bootstrap financing is relevant in this situation, and it is defined as an alternative method of obtaining financial assets for entrepreneurs whose approach differs from normal equity or debt methods. It is more obtainable and less costly to obtain the financial resources that are needed in comparison to those that are obtained through the regular financing organizations.

The study of Nguyen & Wolfe (2016) shows that size matters in financing terms because large enterprises have the advantage in loan facilities from banks, whereas small-to medium enterprises obtain their financing from other sources. In addition, these smalls-to medium enterprises face further restrictions and limitations from banks. Some of the restrictions are based on financing connections and duration with banks, audited bank history, the quantity of services that are used, the characteristics of the enterprise, collateral, and many other restrictions. The most important aspect would be the collateral in obtaining the needed financing. After that come the connections of the enterprises with the banks.
Enterprises have a great impact on the development of the country's economy due to their productivity and elasticity. The accessibility of finance is vital to create the economic growth of the country, and many researchers have noted that it is the most essential obstacle to business growth. Similarly, the paper focuses on the characteristics of enterprises and their ability to obtain financing. Size is again the most difficult limitation in financing accessibility.

For countries that use external funding in their banks, their finances are vital to improving enterprises performance. Nevertheless, the study shows that the enterprise size matters with regard to the amount of bank financing.

The CNIPMMR (2010) questionnaire in Romania addressed the limitations that are faced by SMEs through banks. As the results of the questionnaire showed that 82% of entrepreneurs found that the accessibility of financing is the most difficult obstacle that they face due to the high requirements, high profit rates and admission fees. It is important to understand the obstacles to obtain to a solution and find the help that is needed.

### Comparison between Islamic and Conventional Banks

Research was conducted between the years 2008 and 2013 to examine a six year duration of statistics in order obtain a clear comparison between Islamic and conventional banks. As examined, Islamic banks showed greater liquidity in their assets and offered a more secure environment for clients, while conventional banks offer high earnings for high risk takers. Moreover, the study of Murray Hunter (2014) agrees with the concept of building an entrepreneurial base within an Islamic economy because it creates a stronger economy. The baseline in following Islam in evolving entrepreneurship is to use Tawhid values because they achieve equalization among people regardless of their religion. Mudharabah, which is also known as profit and loss sharing, is a main aspect in Islamic and entrepreneurship culture; it also differentiates between Islamic and conventional methods.

### Entrepreneurship Limitations in the Banking Sector

The study of Kozarevic et al. (2015) in Bosnia and Herzegovina found that the enterprises field is becoming the basis for tactical plans for the banking industry in developed and developing countries. There are several limitations banks in the area of enterprises face, such as the high level of rivalry between banks and tax regulations that restrict the accessibility of financing for enterprises. To be able to build a strong bound between banks and enterprises, some areas of government rules can be implemented. Full tax restructuring for entrepreneurs helps to improve the banking sector to facilitate entrepreneurship. In addition, stability resources with subsidized interest rates for enterprises and a reduction in organizational processes and requirements for entrepreneurs have a strong influence on their performance. Moreover, supportive and consultancy services increase entrepreneurial development. Although entrepreneurial risk is high, the bank insures a strong bank/customer relationship and offers what is most suitable to the customer’s needs.

In developed and developing countries entrepreneurial activity has received a great deal of attention from lawmakers and professionals, especially in the banking field. In Salehi (2011) study, it was observed that bankers in Iran are Bachelor holders and have little experience in the field. This creates a noticeable gap between the bankers and their influence on entrepreneurs. However, a study that was conducted in Indonesia and found that the liquidity ratio in Islamic banks is much higher in relation to that of conventional banks. Although Indonesia is one of the...
leading Muslim countries, it similarly faces a gap in the understanding of the products and services of Islamic banks, as has been observed in other communities.

According to the literature, the following null hypotheses are postulated in the study: The first hypothesis tests whether entrepreneurs' awareness of Islamic banks and their services to entrepreneurs has an influence on the success of entrepreneurs in the Kingdom of Bahrain “there is no significant relationship between the awareness of Islamic banks and the entrepreneurial success in Bahrain”.

Second, the flexibility in providing Islamic banking services to entrepreneurs such as flexibility in the requirements, negotiating terms and the complications that are faced are tested to have an impact on the success of the entrepreneur “there is no significant relationship between the flexibility of Islamic banks and the entrepreneurial success in Bahrain”.

The third hypothesis examines the existence of a relationship between the support services that are offered by Islamic banks to entrepreneurs and the success of entrepreneurs. The support services can include the offering of additional facilities as they assist Islamic banks in achieving their vision of having social responsibility towards their clients “there is no significant relationship between the support that is provided by Islamic banks to entrepreneurs and the entrepreneurial success in Bahrain”.

Finally, the fourth hypothesis tests whether the development of entrepreneurs that is achieved through Islamic banks affects entrepreneurial success. Development signs can include motivation, product advancement or any positive impact from the Islamic bank “there is no significant relationship between the development of entrepreneurs through Islamic banks and the entrepreneurial success in Bahrain”.

RESEARCH DESIGN AND METHODOLOGY

The sampling method that was used in this paper is the probability method, which is likely to precisely assess the representation of the sample to the whole population. The questionnaire was distributed to a random sample of the targeted population. The sample of this paper was chosen from the entrepreneurs in the Kingdom of Bahrain. It had to meet the selected standards to represent the population. Entrepreneurs are the best source from which to obtain the required data to meet the research objectives. The correct sample size for this study is to have 96 entrepreneurs with a 95% confidence level and a 10% margin of error. This will represent the entire population fairly. The questionnaire was distributed among 140 entrepreneurs in Bahrain regardless of the bank that they use. A total of 104 completed the questionnaire. Hence, there were 104 responses for this questionnaire, which gives a response rate of 74%.

Measurement of Variables

To measure the role of Islamic banks on entrepreneurial success, the study managed to divide the variables into three sections, dependent, independent and control variables. The dependent variable is the fixed variable, which is the success of the entrepreneur. However, the independent variable is the Islamic banks, which are examined in four areas. These areas were the awareness of entrepreneurs of Islamic banks, the flexibility of their products and services, the support that is provided and the development of entrepreneurs. The control variables such as gender, age, education, experience and religion and their relevance can be tested at a later point.

The questionnaire has three main sections. The first section covers demographics and consists of five items that measure the demographic characteristics of the respondents. The
second section is about the independent variables, which are divided into four variables: awareness, flexibility, support, and entrepreneurial development. The third section is the dependent variable, which is entrepreneurial success. Table 1 illustrates each component of the questionnaire.

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>MEASUREMENT OF VARIABLES</th>
</tr>
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<tbody>
<tr>
<td>Variable</td>
<td>Definition and Measurement</td>
</tr>
<tr>
<td>Demographic Variables</td>
<td>This section consists of general information about the respondents including gender (Male or female), age, degree, years of experience and finally religion (Muslim or Non-Muslim).</td>
</tr>
<tr>
<td>Awareness</td>
<td>This section measures whether entrepreneurs are aware of the Islamic banks offerings, speed of service, interest rate fluctuation and fees. Also, if the entrepreneur has the experience of dealing with Islamic banks and prefers using Islamic banks. These elements will clarify the awareness level of the entrepreneurs of the Islamic banks.</td>
</tr>
<tr>
<td>Flexibility</td>
<td>This section consists of evaluating the flexibility of Islamic banks requirements, in negotiating terms and the difficulty faced by entrepreneurs.</td>
</tr>
<tr>
<td>Support</td>
<td>The supportive services provided by Islamic banks are measured by the collateral restrictions, differentiating in the services based on the business stability, supporting the poor, providing financial advice.</td>
</tr>
<tr>
<td>Development</td>
<td>This section examines the development made through Islamic banks to the entrepreneur where it has a role in its success and focus on the product itself.</td>
</tr>
<tr>
<td>Entrepreneurial Success</td>
<td>The success level is measured by passing the breakeven point, stability and profit rate.</td>
</tr>
</tbody>
</table>

DATA ANALYSIS AND FINDINGS

Validity and Reliability

To test the validity and reliability of the data collected from the questionnaire, the normality and Alpha Cronbach testing will be measured in the below sections.

Testing Normality

To identify the method used in the study whether it parametric or non-parametric test, the table 2 summarizes the results. Since the sample size is small, the Shapiro-Wilk test will be used. A Shapiro-Wilk test (p>0.05) (Shapiro & Wilk, 1965; Razali & Wah, 2011) results were approximately normally distributed for the Success, Awareness and Development variables. Although, the Flexibility and Support shows that it were not distributed normally. In this case, the data is considered not normally distributed based on the majority of variables. As a result, we will reject H0 since the majority of the variables are not normally distributed. And the Sig. value represents the dependability of the scores to be generalized in the area tested.

<table>
<thead>
<tr>
<th>TABLE 2</th>
<th>VALIDITY AND RELIABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables</td>
<td>Shapiro-Wilk test</td>
</tr>
<tr>
<td></td>
<td>Statistic</td>
</tr>
<tr>
<td>Success</td>
<td>0.95</td>
</tr>
</tbody>
</table>
Cronbach Alpha Test

As stated by Whitelaw (2001) reliability and validity test the appropriateness of a measure. It is essential to consider the validity of any study to achieve an accurate result. Validity is the capacity to reach the intended measurement of the study and to achieve the needed results. The main purpose for testing the validity is to determine whether the test measured the variables in the way that they should be measured and analysed for the purposes of the study. Only completed responses in a questionnaire should be considered to be valid data to be considered to be reliable in the study. The distributed questionnaire was partly taken from a previous study of Shehu (2012), and the additional questions were revised and amended by academics to ensure their validity. In addition, a pilot test was conducted to contribute to the questionnaires’ validity. The pilot test was implemented to ensure that the questionnaire is expressive of the main point of the study. The test was conducted with 40 participants who are business owners. Their contributions helped to measure the time that is spent conducting the questionnaire. Moreover, the test helped us to detect any unclear or misleading terms. Modifications were implemented before the distribution of the questionnaire. The questionnaire covered six main areas of the study, starting with the demographics, four dependent variables and finally the independent variable. We used a 5-point Likert scale where the highest is "Strongly Agree," and lowest is "Strongly Disagree”. Reliability is an essential measure that is used to test the consistency of a questionnaire by using a Cronbach's alpha coefficient. Reliability is the point where there is no random error, and only consistent outcomes are obtained (Thorndike et al., 1991). Based on Harland (2009), an acceptable range of alpha values are a majority values that are above .70. The table 2 shows the variables that were tested in the questionnaire.

**DESCRIPTIVE ANALYSIS**

**Descriptive Analysis of Demographic Variables**

The first part of the questionnaire was designed to collect the demographic variables of the 104 respondents. The data that was collected from the respondents includes gender, age, degree, experience and religion. The results of the respondents’ data are summarized in Table 3.
25-35 | 56 | 53.8  
35-45 | 16 | 15.4  
45 | 23 | 22.1  

<table>
<thead>
<tr>
<th>Degree</th>
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</thead>
</table>
| Master | 45 | 43.3  
| Bachelor | 54 | 51.9  
| High School | 5 | 4.8  

<table>
<thead>
<tr>
<th>Experience</th>
</tr>
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| 0-3 | 17 | 16.3  
| 03-May | 19 | 18.3  
| 05-Oct | 27 | 26  
| 10 | 41 | 39.4  

<table>
<thead>
<tr>
<th>Religion</th>
</tr>
</thead>
</table>
| Muslim | 101 | 97.1  
| Non-Muslim | 3 | 2.9  

About 49 percent of the respondents were females and 51 percent were males. Regarding the age variable, 8.7 percent were under the age 25, 53.8 percent were between 25 and 35, 15.4 percent were between the age 35 and 45, and 22.1 percent were above the age 45. With respect to the academic degree, none of these respondents hold a PhD degree, 43.3 percent of the respondents hold Master degree, and 51.9 percent hold Bachelor's degree and 4.8 percent have high school degree. About 16.3 percent have less than 3 years of experience, 18.3 percent have between 3 to 5 years of experience, 26 percent have between 5 to 10 years of experience and 39.4 percent have more than 10 years of experience in the entrepreneurial field. In terms of religion, 97.1 percent of the respondents are Muslims and 2.9 percent Non-Muslims.

The Awareness of Entrepreneurs

To begin with the first variable, the dependent variable, which is the awareness of entrepreneurs, six statements were used to measure the entrepreneurs' perspective in this regard. The first statement examines the confidence of entrepreneurs in their knowledge of Islamic banks. The majority of the respondents with a percentage of 36.5% agreed with this statement, and 2.9% strongly disagreed, with a mean of 3.78, which is close to agreeing with the standard deviation of 1.014 that shows a high level of reliability within the answers. Therefore, the majority of entrepreneurs are confident that they are aware and conscious of the Islamic banks’ offerings. Supported by Osman & Ali (2008) study that was conducted in Malaysia, the awareness of entrepreneurs of Islamic banks can influence the demand for Islamic products. The second statement measures the entrepreneurs’ experience in working with Islamic banks. Most of the respondents were between strongly agreeing and agreeing with the percentages of 39.4% and 30.8%, respectively, and very few replied that they do not have experience in working with Islamic banks, with a percentage of 2.9%. The mean of 3.89 and a standard deviation of 1.214 indicate that the respondents mostly agreed that they have some experience with Islamic banks; therefore, we conclude that the majority have basic knowledge of working with Islamic banks. The finding also shows that a little less than half of entrepreneurs prefer using Islamic banks’ facilities instead of conventional banks’, whereas only %4.8 said that they disagree and prefer
conventional banks’ facilities. This leads to a mean of 4, which applies to a high preference for Islamic banks and the standard deviation of 1.215 shows that there is a slight variance in the responses of the entrepreneurs. The following statement mainly tests the entrepreneurs’ feedback on the speed of providing a service in Islamic banks in comparison to conventional banks. The majority of the respondents selected the neutral option by %46.2, with a mean of 3.05, which indicates an average speed provided in Islamic banks compared to the conventional and standard deviation of 1.074, which implies the variation level of answers in this statement. The next statement tested the awareness of entrepreneurs regarding the safety of the interest rate fluctuation in comparison to conventional banks, which resulted in %33.7 agreeing that Islamic banks are safer in the interest rate fluctuation, which is the highest voted option, and a few strongly disagreed. The mean 3.46 and standard deviation 1.105 indicate that a high portion of entrepreneurs are aware of the interest rate fluctuation of Islamic banks. In addition, most entrepreneurs have a neutral opinion of the fees that are charged by Islamic banks in comparison with the conventional banks by %30.8, which shows that there is a lack of awareness regarding the fee charges of Islamic banks based on a mean of 3.07 and a standard deviation of 1.254.

<table>
<thead>
<tr>
<th>Questions</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am aware of Islamic banks offerings</td>
<td>3.78</td>
<td>1.01</td>
</tr>
<tr>
<td>I have experience in dealing with Islamic banks</td>
<td>3.89</td>
<td>1.21</td>
</tr>
<tr>
<td>I prefer using Islamic bank facilities</td>
<td>4</td>
<td>1.22</td>
</tr>
<tr>
<td>Islamic banks are faster than conventional banks in providing a service</td>
<td>3.05</td>
<td>1.07</td>
</tr>
<tr>
<td>Islamic banks are safer in the fluctuation of interest rates</td>
<td>3.46</td>
<td>1.11</td>
</tr>
<tr>
<td>In Islamic banks, the fees charged are lower than the conventional banks in the borrowed capital</td>
<td>3.07</td>
<td>1.25</td>
</tr>
</tbody>
</table>

**Flexibility of Islamic Banks**

The next independent variable is the flexibility of Islamic banks and their requirements, which was examined by the above three statements. Overall, the most chosen option for the three statements is the neutral option by a range of 36.5% to 38.5%. This result leads to a conclusion that the majority of entrepreneurs are unsure of their opinion of the flexibility of the Islamic Banks’ requirements. The responses have a mean of 3.17, 2.55 and 3.01 and a standard deviation of 1.097, 1.055 and 1.116, respectively, which shows that there was variation in the responses.
The Support Provided by Islamic Banks

The following independent variable is the support provided by Islamic banks to the entrepreneurs. The six statements set for the support variable are most voted by the Neutral option with the mean ranging from 3.11 to 3.36 and standard deviation between 0.928 and 1.113. This brings us to a conclusion that most of the respondents have established that the Islamic banks have average supporting facilities to the entrepreneurs.

The first statement questions the condition of having collateral when obtaining any financial support from the Islamic banks. The highest voted response were for the neutral by 50 percent and the lowest was by 4.8 percent for the disagree option. This statement results a mean of 3.36 and standard deviation of 0.979. The second statement examines the support of Islamic banks to the entrepreneurs regardless their financial stability. 44.2 percent chose the neutral option with the mean of 3.34 and standard deviation of 1.044 which indicates that the majority are unsure of their opinion in this matter. The third statement measures the charitable support provided by the Islamic banks in comparison with the conventional banks. Similarly, the highest option the entrepreneurs choose is the neutral by 36.5 percent and the lowest voted option is Strongly Disagree by 8.7 percent with the mean of 3.32 and standard deviation of 1.113. The following statement tests the support provided by Islamic banks through the financial advice to the entrepreneurs. The majority or 33.7 percent entrepreneurs felt neutral regarding the financial advice provided while 26.9 percent agreed that this kind of support exists in Islamic banks. The mean was 3.28 leaning to neutral with the standard deviation of 1.07 which disclosed some inconsistency in the responses. The next statement has almost half of the responses with neutral opinion regarding the encouragement of Islamic banks to the low-income entrepreneurs by offering financial facilities without any collateral/guarantee. This result has a mean of 3.11 leaning to neutral and the standard deviation of 0.928. The last question measures the financial stability that Islamic banks offers to the entrepreneurs where the result came out to be 46.2 percent neutral and 24 percent agreed with the mean of 3.29 and standard deviation of 1.035.
Islamic banks can help the needy and is better than conventional banks 3.32 1.11
Islamic banks provided me with financial advice 3.28 1.07
Islamic banks encourage lower income enterprises by offering Islamic finance without collateral/guarantee such as witness/grantor 3.11 0.93
Using Islamic banks facilities stabilized my financial status 3.29 1.04

The Development

Similar to the previous variable, the four independent variables are the development of entrepreneurs for which most of the responses were neutral opinions. As Osman & Ali (2008) acknowledged, the simplicity of the Islamic banks’ processes and their offering of development services to entrepreneurs leads to an increase in the entrepreneurs' contributions to the Islamic banks.

For the first statement, the majority or 41.3% responded neutral; however, 34.6% agreed with the statement. This brings the mean to 3.45, which leans toward neutral and a standard deviation of 0.957. The second statement tests the positive impact of Islamic banks on entrepreneurs; the majority or 36.5% responded neutral, and 29.8% agreed with the statement. This indicates that there may be a slight positive influence on entrepreneurial success because the statement has a mean of 3.42 and a standard deviation of 0.995. The third aspect that was examined is the products of Islamic banks and their motivational influence on the entrepreneurs, which had a mean of 3.6 and a standard deviation of 0.922. The majority or 40.4% had a neutral opinion, 28.8 agreed and 20.2 strongly agreed with the statement, which shows that there are a few who think that the products of Islamic banks are the greatest motivational factor to help in the development of enterprises. The last statement in the development variable is reaching the desired goals using the Islamic banks, which resulted in %44.2, which is the majority of the respondents were neutral, and 29.8% agreed with the statement. With a mean of 3.3 and a standard deviation of 0.952, it shows that the majority have neutral opinions, although some agreed that Islamic banks helped them to achieve their desired goals.

<table>
<thead>
<tr>
<th>Questions</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamic banks helps in the development of entrepreneur</td>
<td>3.45</td>
<td>0.96</td>
</tr>
<tr>
<td>Islamic banks plays a positive role in the success of entrepreneurs</td>
<td>3.42</td>
<td>1</td>
</tr>
<tr>
<td>The most motivational factor in Islamic banks is the nature of its products</td>
<td>3.6</td>
<td>0.92</td>
</tr>
<tr>
<td>I reached the desired level of achievement after dealing with Islamic banks</td>
<td>3.3</td>
<td>0.95</td>
</tr>
</tbody>
</table>

Entrepreneurial Success

Finally, for the dependent variable, which is entrepreneurial success measured in three statements. Entrepreneurs have a neutral opinion by 51% regarding passing their breakeven point after working with Islamic banks with a mean of 3.16 and a standard deviation of 0.887, which shows low inconsistency in the results. Furthermore, 48.1% also have a neutral opinion that Islamic banks have no influence on the financial position of the enterprise, with a mean of 3.28
Table 8: Entrepreneurial Success Variable Analysis

<table>
<thead>
<tr>
<th>Questions</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I passed the Breakeven point after dealing with Islamic banks</td>
<td>3.16</td>
<td>0.89</td>
</tr>
<tr>
<td>The enterprise financial position remained unchanged regardless the bank used</td>
<td>3.28</td>
<td>0.86</td>
</tr>
<tr>
<td>Profit rate increased after dealing with Islamic banks</td>
<td>3.13</td>
<td>0.83</td>
</tr>
</tbody>
</table>

Gender Diversity, Islamic Banks and Entrepreneurial Success:

The advanced descriptive analysis that is used is the Mann-Whitney test, which considers the differences in the mean by the categorized variables based on the gender, the results shows in Table 9.

Table 9: Gender Diversity

<table>
<thead>
<tr>
<th>Variable</th>
<th>Gender</th>
<th>N</th>
<th>Mean</th>
<th>Z-Statistic</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial success</td>
<td>Female</td>
<td>51</td>
<td>3.29</td>
<td>-1.3</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>52</td>
<td>3.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Awareness</td>
<td>Female</td>
<td>51</td>
<td>3.69</td>
<td>-2.06</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>53</td>
<td>3.39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexibility</td>
<td>Female</td>
<td>51</td>
<td>2.99</td>
<td>-1.64</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>52</td>
<td>2.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support</td>
<td>Female</td>
<td>51</td>
<td>3.48</td>
<td>-2.94</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>52</td>
<td>3.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>Female</td>
<td>51</td>
<td>3.6</td>
<td>-2.17</td>
<td>0.03</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>52</td>
<td>3.29</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In developing countries such as Indonesia and Bangladesh, female entrepreneurs are less educated and have the additional responsibilities of housewives' job. Therefore, the income that is generated by male entrepreneurs can be greater than that of female entrepreneurs because the women's main focus will be on supporting the family (Nugroho et al., 2015). This result brings attention to the importance of providing supportive services to encourage female entrepreneurs to enter the market and to compete with the existing entrepreneurs. In addition, the men in Turkey are the leaders in the entrepreneurial sector. Along with the improvements in culture and society, the number of female entrepreneurs has grown quickly (Morçin, 2013). In addition to the growth in the number of entrepreneurs, the success of the female entrepreneurs' rate has also improved. The study of Schündeln (2011) recognized a gap in the gender factor in the entrepreneurial field in western Romania where female entrepreneurs are not sufficiently involved in the market. It is
important to become aware of the success factors in the entrepreneurial field. Therefore, the researcher concluded that female entrepreneurs need support and consulting services to strongly enter the market. However, Sadi (2012) found that the Bahraini female entrepreneurs' main motive to succeed in enterprise is the profit motive. In comparison, Saudi female entrepreneurs’ main intention is to obtain self-achievement by succeeding in the entrepreneurship field.

Recently, women's roles in economic development have shown a notable rise in some Asian countries (Watch, 2012). Moreover, in 2010 approximately 187 million women played a part in the entrepreneurship field as it was monitored by the Global Entrepreneurship Monitor (Kelley et al., 2011). They found nearly 42% of the world’s entrepreneurs are female. Based on the study of Sidiya & Al-jassem (2010), the number of female entrepreneurs in KSA is not as large as that of the male entrepreneurs; however, the female entrepreneurs have approximately SAR 90 billion available in their bank accounts, which indicates that the female entrepreneurs are more successful and profitable in the entrepreneurial field in KSA. Considering the mean column for the first variable, which is entrepreneurial success, it shows that the mean of entrepreneurial success for the females is higher compared to that of the males. As the Sig. is 0.195, which is greater than 0.05, it is concluded that it is not statistically significant. This result indicates that the differences in the mean of the males and females cannot be generalized to Bahrain as a whole; however, it is only related to the tested sample. The fact that the females have a higher means shows that they are more aware of the impact of the bank that is used in relation to the success of the entrepreneurship. Females can be highly selective in their choices, not to mention the educational courses and incubation opportunities that are available only for women in the Kingdom of Bahrain. In addition, the Bahraini female entrepreneur usually starts as a home business, which enables her to study her market prior to the actual opening of the business. Because the Kingdom of Bahrain has a conservative culture, women consider their businesses as their only income, and they give their highest effort to achieve the success of which they dream. Thus, women entrepreneurs need to be careful regarding characteristics such as location, size, age and quality of product/service in order to achieve powerful entrepreneurial venture (Hasan and Almubarak, 2016). Moving to the next variable, the awareness of Islamic banks by entrepreneurs shows a statistical significance because it scored 0.04, which is lower than 0.05. Similarly, females have a greater awareness level in comparison to males, which indicates that the females are knowledgeable of the choices that are available in the market. Because the banking services in Bahrain are limited and can be easily acknowledged, the Bahraini women are keen to be selective and seek the most beneficial opportunity based on the knowledge that they have. In addition, there are several entities that encourage and focus on the female entrepreneurs’ success and seek the independence and equality of women. These entities can develop a greater awareness in and educate female entrepreneurs, while males lack these types of supportive entities.

With regard to flexibility in Islamic banks towards entrepreneurs, 0.101 is greater than 0.05, which is not statistically significant. The females in the sample agreed that the requirements of Islamic banks are difficult to meet in relation to the conventional banks’ requirements. Bahrain is an Islamic community where the majority of the female entrepreneurs follow their religion in their operations and choose the Islamic way of banking whenever possible. This makes women more involved in Islamic banking; thus, they have more experience than men. Moreover, some of the Islamic banks in Bahrain have special facilities only for women, and they have branches that are established only for women, which encourage women to choose the Islamic banking services.
Furthermore, the variable of the support that is provided by Islamic banks to entrepreneurs is significant because it is 0.003, which is lower than 0.05. By reviewing the mean, it shows that the female gender has a higher mean than the male gender, which indicates that the support that is provided to the female entrepreneurs is greater than that which is received by the male entrepreneurs from Islamic banks. Female entrepreneurs in the developing countries are businesswomen and at the same time in control of the family chores, which leads them to seek supportive facilities and products (Nugroho & Chowdhury, 2015).

Focusing on the provision of supportive facilities and services by Islamic banks to the female gender can be seen as a help and encouragement for the independence of women. It creates an opportunity for women to shine and proves to the community that women are capable and can add value to the market. The Bahraini women can be productive once they obtain the needed support. The analysis of Naser, Salem & Nuseibeh (2013) found that gender shows a significant difference at the satisfaction level of several features of Kuwait Finance House (KFH) in Kuwait. Because GCC is considered to be a conservative region, women tend to seek out a bank that provides the support and trust that they need. The last variable, which is the development of entrepreneurs by Islamic banks, is also statistically significant by 0.03. The means in Table 4 show that the female entrepreneurs experience more development in their work than the male entrepreneurs when they work with Islamic banks. This result is due to the development program and the focus towards enhancing female entrepreneurs in Bahrain's community.

This result is backed up with an interview with Miss Mariam Ishaq, the assistant manager of REYADAT Mall, which is a subsidiary of Bahrain Development Bank in Bahrain. REYADAT Mall is an incubation centre that helps and supports start-up female Bahraini entrepreneurs. Miss Mariam stated that most of the female entrepreneurs study the financing facilities that are available and have a background in all of the possible financial support that they can obtain from different institutions. In addition, REYADAT provides all types of support to the entrepreneurs, starting with subsidized rent from TAMKEEN to financing support without any collateral. Based on the past three years, the success rate for female entrepreneurs reached 50%, which is considered to be a high rate with regard to the competitive market in Bahrain.

Testing Hypotheses

Two tests were implemented to test the hypothesis; the Spearman correlation and a multinomial logistic regression test. The Spearman correlation is used to test the hypothesis based on the nonparametric results of the gathered data. This method is used for the ranks instead of the values of the answers. As is shown in Table 10 and Table 11, the Spearman correlations were measured based on the relationships between the independent variables and the dependent variable.

<p>| TABLE 10 |</p>
<table>
<thead>
<tr>
<th>SPEARMAN CORRELATION MATRIX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Success</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Correlation</td>
</tr>
<tr>
<td>p-value</td>
</tr>
</tbody>
</table>

Testing Hypotheses
To strengthen the results of the study, the Multinomial Logistic Regression test is used. As illustrated in the Table 11, this test measures the impact of the independent variables on the dependent variable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Correlation</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibility</td>
<td>0.365</td>
<td>0.374</td>
</tr>
<tr>
<td>Support</td>
<td>0.514</td>
<td>0.695</td>
</tr>
<tr>
<td>Development</td>
<td>0.565</td>
<td>0.721</td>
</tr>
</tbody>
</table>

First Hypothesis

Referring to the table 4.10 above, the correlation resulted as moderate positive correlation value of 0.500 between the existence of the relationship between the awareness of Islamic banks and the entrepreneurial success in Bahrain with Sig. 0.000 and Chi² for awareness variable is 111.162 and the Sig. 0.000 which is considered statistically significant therefore we will accept H1.

Awareness of Islamic banks products and services was defined by Masood et al. (2011) as the understanding of the present products and services available and the nature of them. This understanding can be gained by experience or through other customers' experience. Recently, the Islamic banks in Bahrain have been increasing in value and in size although there is a gap in the knowledge and awareness of the bank's employees which creates an issue in delivering certain information to the customers. The full picture of Islamic banks and accurate details received by the customer distinguish a higher level of performance and better decision making process. Moreover, Ramdhony (2013) found that the awareness of Islamic banks and its products by the customers in Mauritius were 82% aware and 14% not aware of Islamic banks products. This indicates that the majority of the customers have the knowledge and understanding of Islamic banks products. The possession of knowledge has an outcome of high level of performance and success as foreseen by the Human capital theory (Ployhart & Moliterno, 2011).

Many specialists agreed that maximizing the entrepreneur's value can be through the knowledge and the market awareness which can be a strong resource for succeeding as an entrepreneur (Hamdan, 2019 forthcoming; Reyad et al., 2018; Solesvik et al., 2013). As paper by Awan (2011) conducted that the customer's awareness of Islamic bank's offerings in Pakistan resulted to a more satisfied level of customers in the country whether it's an independent Islamic
bank or a window. When applying the gender factor, women entrepreneurs develop strong and deep relations in the market which provides informative resources to the entrepreneurs (Hampton et al., 2011). Since Bahrain is a Muslim community, they are more curious and interested to approach Islamic banks. In the past few years Islamic banks have been growing in GCC and specifically in Bahrain where it takes an important role as the centre of organizations that are concerned in the improvement of Islamic products. The background of the Islamic banking creates a wise customer or in this case entrepreneur to choose the correct decision. Entrepreneurship is a risky investment, the greater knowledge the entrepreneur gain the higher possibility to succeed in the market.

Second Hypothesis

The test shows that r=0.365 which is a weak positive linear relationship between the flexibility of Islamic banks and the entrepreneurial success. It is considered statistically significant since the Sig. came out as 0.000; Chi² for flexibility variable is 930.910 and the Sig. 0.000 which is considered statistically significant therefore we will accept H₁. As a result, we will accept H₁ and reject H₀. The study of Vasilescu (2014) acknowledges that the achievement of a successful entrepreneurship can be possible through the capability of obtaining finance. This indicates that the financial institutions have a strong impact of the entrepreneur's success.

Some changes in the banks regulations have been noticed by market observers since the procedures of the loan financing are increasing in their restrictions for the small finance pursuers. From the entrepreneurs' point of view, the bank loans can be incompatible to the entrepreneurial needs to a faster growth rate. For example, Japan is considered a growing entrepreneurial market. Such markets have higher flexibility standards as reduced admission requirements and lower charges. In a fragile and risky market of entrepreneurs, it can be significantly difficult to obtain finance therefore it limits the ability to develop and expand. Also, challenging for entrepreneurs to create an effective debt marketplace while avoiding the equity marketplace, therefore it shapes a strong economy. Moreover, the finance to the entrepreneur is similar to the entrepreneur as an individual in the difficulties, limitation and challenges they go through.

On the other hand, Islamic banks are restricted in their financing facilities regardless of their impressive development in comparison with the conventional banks (Basu et al., 2015). As Klinger & Schündeln (2011) stated that at the beginning of any entrepreneurial financing approach some difficulties such as procedures, limited market, economical ambiguity, and other limitations will occur to the entrepreneur. Based on the outcome of the study, the success of an entrepreneur can be affected by the Islamic banks level of constraints although the relationship between the two variables is weak. Since the entrepreneurs in Bahrain have other opportunities to get the required service they look for from the bank in some of the non-financial institutions, hence the importance of dealing with Islamic Bank's policies and procedures has limited impact on their success.

Third Hypothesis

As the above table 10 illustrate, the outcome of the Spearman correlation between the support provided by Islamic banks to the entrepreneurs and the entrepreneurial success indicates that there is a positive and significant correlation which was statistically significant as r=0.514, Sig. is less than 0.05. Also, Chi² for support variable is 39.100 and the Sig. 0.001. Accordingly,
we will accept H$_1$ where it confirms that there is a significant relationship between the support provided by Islamic banks to the entrepreneurs and the entrepreneurial success.

Vasilescu (2014) paper identified the key constraints that are faced by the entrepreneurs to access finance as the inequality of information between the entrepreneurs and financers, the increased risk of the entrepreneur's business, the transaction costs and the absence of guarantee/collateral. The study of Vasilescu (2014) focused on the innovative entrepreneurs only, where they face additional constrains in comparison to the larger businesses such as the risk of return on the new products and new entrance to the market. The absence of guarantee/collateral is linked to debt financing. The guarantee/collateral is requested by the financer to reduce the risk related to the finance. An entrepreneur may struggle in obtaining such requirement in the starting phase which causes uncertainty problem in financing.

Once the financial crisis occurred, the banks requirement in enterprise financing increased in its complexity. Such as reduced tenor increased profit rates and guarantee/collateral restrictions (Dalberg, 2011). Based on the EC survey (2013) SMEs’ Access to Finance, obtaining finance is a major obstacle for the entrepreneur. In Europe, a successful entrepreneurship can be reached by following a main mechanism to support the entrepreneurship. For example, the Horizon 2020 program for Research and Innovation with almost €80 billion finance available and COSME program for the competitiveness of Enterprises and SMEs with nearly €2.3 billion finance available. Additionally, Horizon 2020 offers support to the entrepreneurs in Europe which holds an important role in assisting the entrepreneurs for financing their businesses.

In the case of the Bahraini market, it is noticed that each bank differ in their requirements in the supporting services provided to the entrepreneurs. For example, Bahrain development bank is one of the most important bank in providing banking facilities and supportive services to the entrepreneurs since it is a semi-governmental bank that encourages entrepreneurs to build their own business. In addition, many other banks provide such services but the restrictions always exist since it creates credit risk to the bank.

Fourth Hypothesis

Coming to the last hypothesis of the study, the correlation between the developments gained through the Islamic banks and the entrepreneurial success shows that there is a moderate positive relationship which was statistically significant where r=0.565 and Sig. is 0.000. In addition, Chi$^2$ for the development variable is 626.633 and the Sig. 0.000. The outcome indicates that there is a relationship between the development services received from Islamic banks and the entrepreneurial success, therefore we will accept H1 and reject H0.

As Vasilescu (2014) stated, innovation is a vital element for the economical evolution route. Though, lack of funding sources reduce the level of succeeding and impedes the enterprise from growing and expanding in the market. Referring to Kozarevic et al. (2015) paper concluded that with the expansion of IT, banks increased their services and facilities to improve and develop the enterprises. They are not providing the financing accessibility only; they offer additional services such as consulting. The importance of the development services cannot be sidestepped in its influence towards succeeding, although very few banks offer these services. In the Kingdom of Bahrain, the leading bank in promoting the development services is Bahrain Development Bank since there main focus is creating successful enterprises by providing the financials and consultancy services to the entrepreneurs. Based on our interview with a manager of the bank, approximately 50% of the entrepreneurs who benefit from the consultancy services succeed in their businesses.
CONCLUSION

By examining and analysing the data collected to reach the objective of this research paper, a conclusion was attained accordingly, which will be presented next. The importance of entrepreneurs in building up the country's economy has taken a substantial part of the literature, though few related the success of the entrepreneurs to the banking power used. Therefore, this research paper aimed to find the role of the Islamic banks towards entrepreneurs and the entrepreneurial success in the Kingdom of Bahrain. This noticeable increase in entrepreneurs in the Kingdom is a reason of targeting this precise segment along with the current booming status of Islamic banks. This research study will provide guidance to entrepreneurs and it will help the Islamic banks in acknowledging the demand of the market and improving the services provided.

This paper examined the role of the Islamic banks and the success of entrepreneurs in the Kingdom of Bahrain. The result shows the following: Entrepreneurs’ awareness level of Islamic banks has a role in the entrepreneurial success, where this kind of information can increase the chance of grabbing opportunities provided among banks. The flexibility of Islamic banks requirement for the services provided to the entrepreneur is an important factor in achieving the success of the entrepreneur. The entrepreneurs’ development influenced by Islamic banks reflects on the entrepreneurial success. The Islamic banks support to the entrepreneur through the nonfinancial services effects on the success of the entrepreneurs. The gender factor has a high influence on the success of the entrepreneurs where the female entrepreneurs receive additional supporting services offered by other institutions that encourage the women to enter the market.

There must be some limitations in conducting any kind of research regardless how well it is done. This research faced several limitations; such as the sample size since generally, this research paper is considered small. Moreover, there are a lot of related variables that are not included in this paper where only four were measured. Finally, the lack of information handling this kind of topic whether it's in Bahrain or outside. To consider other factors that can influence the success of the entrepreneurs like their educational level, age and financial capabilities. To conduct the research for a larger population such as the GCC countries this will result of more relevant outcome. The use of case studies, analytical reports and in-depth interview methods to gather data, which contributes to improved observation and backs the analysis result.

RECOMMENDATIONS

The study shows that there is a relationship between the success of entrepreneurship and the spread of Islamic banking through the Islamic banks in the Kingdom of Bahrain, and that this banking sector clearly contributes to the advancement of entrepreneurship as well as other civil society institutions to their success. Therefore, the study recommends the following:

1. To promote a culture of entrepreneurship in educational institutions and to endorse compulsory study materials in the school and university curricula of the Kingdom of Bahrain, in order to make the student fully educated about all steps that contribute to facilitating any step in this field.
2. Encouraging and developing the Islamic banking sector to influence its role in supporting entrepreneurship and providing legal facilities.
3. Holding training courses and workshops on entrepreneurship to encourage young people to create personal initiatives that will put them at the forefront of entrepreneurship.
4. To strengthen the national financial institutions' ability to reach those who cannot access banking and encourage them to adopt regulatory frameworks to facilitate the provision of safe and secure services to these populations and to increase access to information and financial knowledge, especially for women.
5. Adopting a consistent and comprehensive approach to promoting entrepreneurship and engaging all stakeholders, taking into account civil society initiatives, academic institutions and the private sector as engines of entrepreneurship.
6. Development of modern technologies to strengthen entrepreneurship, and cooperate to support, exchange and transfer technology and innovation of capacity-building programs to promote entrepreneurship.
7. Contribute to the availability of innovative business models that form the core of creative thinking to create new entrepreneurship.
8. Enable the increase of equitable economic growth and the protection of workers’ rights.

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