

RESOURCE-BASED VIEW & PERFORMANCE OF ISLAMIC BANKS: A QUANTITATIVE STUDY TO REFLECT LIGHT ON RELATIONSHIP IN THE PRESENCE OF CSR ACTIVITIES

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Purpose

In recent times Islamic Banks are in stiff competition with commercial as well as Islamic banks. In fact, the competition is harder than other categories of the banking sector. Hence the use of marketing and promotional strategies is a must to create a better image of the firm's offering over the bank's performance. However, there is a lack of studies that may relate the resource-based view (RBV) to the performance of Islamic Banks. Therefore, this study has been conducted purposively to understand the use of cost-leadership and differentiation strategies over the performance of Islamic banks.

Methodology

This study does not collect data from Islamic window Banks like Habib Bank, Al-Habib Bank, Standard Chartered Bank, etc. Hence, data has been collected only from the middle and top-layer managers of leading Islamic Banks and the sample size for the study is 250.

Findings

Findings of the study indicated that differentiation strategy has significant impact over CSR as well as performance of the Islamic Banks. Hence, in the recent era use of differentiation strategies might be more preferred by Islamic Banks.

Practical Implications

This study has been grounded upon the professionals from the Islamic banking industry from Pakistan and statistical testing of the structural equation modeling reflected that RBV is a significant view for enhancing the performance of larger firms and the use of cost-leadership & differentiation strategies are pleasing for the performance of firms from the Islamic banking industry.

Significance

This study is not only associated with the relationship of generic strategies by Islamic Banks over the bank performance but will also leads to better understanding of indirect impact of CSR activities over performance of the bank. Therefore, use of this study will lead to better policy making as well as research integration in the related arenas.

Key Words: Islamic Banking, Islamic Banks, Resource-Based View, Cost-Leadership strategies & Differentiation strategies.

1. Introduction

One of the initial challenges faced by most of the firms is to survive in the era of heavy competition. In fact, one of the studies from Europe highlighted that approx. 33% of the new firms could not last till the end of the second year of their incorporation (Islami et al., 2019).

Similarly, 50-60% of the firms vanished by the seventh year. On the other side studies also reflected that the probability of getting survive is higher for specialized firms is considerably lower as compared to the generalist organization. Although the debate about the existence or growth of generalist or specialized firms is grounded upon the prevalence of environmental factors. Hence it has been determined that firms may face a decline at any stage of their life cycle and hence the interest in conducting more research on the use of Michael Porter's generic strategies has increased (Islami et al., 2019). On the other side day after the other competition is getting fierce in the Islamic Banking industry (Rahmayati, 2020). Hence, in this intensely competitive environment, Islamic Financial Institutions must try to understand & focus on the want and desires of customers through efficient and quality services. This focus not only enhances the level of competitiveness for Islamic Financial Institutions but also enhances their sales, profitability, and market share (Rahmayati, 2020). On the other side, one of the previous studies by Muhammad et al (2019) highlighted that Islamic Banking has also entered the era of commoditization and requires some unique, modern & innovative types of marketing.

1.1 Statement of Problem & Theoretical Framework

Porter's forces and strategies are considered one of the prime parts of management theories for explaining the behavior of a firm toward competitors in any given industry. However, the term "**Generic**" is used with only those strategies that are usable by any firm regardless of employee and customer base. These strategies are classified as cost-leadership strategies, focus strategies, and generic strategies (Islami et al., 2019). Ali et al (2022) recommended using corporate social responsibility as the mediator between strategies given by Michael Porters (i.e., cost-leadership strategies and differentiation strategies) & Performance of Islamic Banks. However, the study also recommended using corporate social responsibility as the mediator for further research work. Therefore, in light of the given recommendation this study uses CSR as the mediator between the strategies of Michael Porters and the performance of Islamic Banks. On the other hand, Stoian (2017) highlighted that CSR activities can also be used to optimize the impact of competitive strategies of the firm. In fact, the use of CSR activities is also aligned with the

resource-based theory formulated by Michael Porters. Similarly, has been highlighted by Chun and Cho (2017) and Stoian (2017) that CSR activities are found to be associated respectively with differentiation strategies & cost leadership strategies. Thus, considering these parameters, the following research model has been proposed for conducting further research work on the effect of Michael Porter's forces on the performance of Islamic Banks from Pakistan.

1.2 Major Research Questions

RQ1: How generic competitive strategies of Michael Porters are implemented in Islamic Banking Sector?

RQ2: What is the implication of CSR activities for Islamic Banks?

RQ3: How CSR activities of Islamic Banks might be improved?

RQ4: What is the understanding behind the performance of Islamic Banks?

2. Literature Review

Islamic Banks are not facing competition from leading commercial banks but also from the growing Islamic banking sector. Therefore, to deal effectively with the competition and to attract customers in the required manner Islamic Banks are required to use effective pricing, promotional and differentiation strategies. Therefore, Islamic Banks must also consider religiosity in terms of Islam to provide desired value to their customer to enhance the attractiveness of customers. This will increase the abilities of managers from the Islamic Banking sector for devising better marketing strategies lie clear communication, better relationships, and the use of IT services, etc as the key to attracting customers (Muhammad et al., 2019).

Khan et al (2020) were one of the initial studies that uses the concept of Michael Porter's five competitive forces and generic strategies to highlight the impact of cost-leadership strategies and differentiation strategies over enterprise risk management practices. Similarly, the study of uses enterprise risk management strategies was used by Ali et al (2022) as higher order construct to reflect the impact of differentiation strategies and cost-leadership strategies on the performance of Islamic Banks. The study further mentioned that these two strategies are tailored fit to the needs of Islamic Banks as the sizes of Islamic Banks are modest as compared to their traditional & conventional rivals.

2.1 Cost Leadership Strategies and Firm's Performance

The cost-Leadership strategy is based on developing low-cost products based on the principle of high standardization in order to attract price-sensitive versions of customers. In fact, by applying this strategy firm wishes to make its price lower than its competitors'. Although lowering costs as compared to the competitors does not means that the cost of the firm is lowest in the category. Thus, this strategy also encompasses the inclusion of necessary features and characteristics (Islami et al., 2019). However, the findings of the study reflected that cost-leadership strategies have mixed impacts on firm performance as some of the studies highlighted the positive impact

of cost-leadership strategies but some of the strategies also highlighted otherwise. However, most of the studies referred to above are not from South-Asian markets as the positive impact was from the small hotels of Ghana, and the negative impact was discussed on the base of the Indonesian market (Ali et al., 2022). Contrary to these findings study with reference to Persian banks conducted with reference to Banks in Tehran indicated that there is a definite and positive relationship between the use of a cost-leadership strategy and bank performance (Taghipour et al., 2020). However, when the analysis was made with reference to the commercial banks of Kenya the findings indicated the cost-leadership strategy is positively associated with the performance of the commercial bank. The study concluded that banks may take advantage of competitive pricing, low-interest rates, and low-operating cost in order to optimize the level of performance (Gitau & Mang'ana, 2021). Similar was the case of Islamic Banks from Pakistan where cost leadership strategy is found beneficial for the enhancement of the financial as well as non-financial performance of the firm (Ali et al., 2019).

2.2 Differentiation Strategies and Firm's Performance

Literature on differentiation strategies indicated that differentiation strategies are opted for by the firm in order to outwit its competitors as well as to optimize the firm's performance. Several studies reflected the positive impact of differentiation strategies on a firm's performance (Ali et al., 2022). In fact, the differentiation strategies were used emphatically by the hotel industry of Romania in order to create a better picture as well as to increase the uniqueness of their offerings. In fact, hotels from Romania were found to be developing a broad range of new services as well also found involved in the continuous betterment of existing products. However, the strategy is reciprocal to the lowest-cost strategy and makes users believe in the uniqueness of the products as compared to the competition (Bordean et al., 2010).

Similarly, it has also been indicated by Chun and Cho (2017) that differentiation strategies are the strategies that produce a significant impact on a firm's image as these strategies are used to optimize the level of quality of a firm's offerings. However, the use of these strategies tends to increase significantly in the marketing and advertising budget and therefore produces a negative impact on earning management. Similarly, findings from Persian Banks also confirm the use of differentiation strategies over the performance of the bank (Taghipour et al., 2020)

2.3 CSR Activities and Firm's Performance

Stoain (2017) postulated that a CSR activity that may be supplemented with the competitive advantage of the firm has also the tendency to optimize the firm's growth. The study investigated the phenomenon through multi-nominal logistic analysis on SMEs and admits that there is existence of a significant relationship between the use of CSR activities and SMEs growth. The study also indicated that the use of CSR activities is negatively associated with earning management practices. Although there is a lot to be explored, therefore further investigations may be conducted in this vein. Similar has been proved by several studies by Forcadell and

Aracil (2017) for European Banks listed in DJSI on the data from 2003 to 2013; Odo and Chimeka (2021) and Oyewumi et al (2018) in the context of Nigeria. Similar evidence also persists in the context of Asia Maqbool and Zameer (2018) highlighted the same in the context of Indian Banks. In fact, a similar has been found true with reference to the listed banks of Pakistan (Szegedi et al., 2020); Islamic Banks (Bukhari et al., 2021 & Rehman et al., 2020)

2.4 Cost Leadership Strategy, CSR Activities, and Firm Performance

A study by Stoain (2017) claimed the existence of an indirect relationship between CSR activities & cost-leadership strategy and a firm's performance. However, after statistical testing study failed to prove the indirect relationship between cost-leadership strategy and a firm's performance through CSR activities. Hence highlighted that SMEs that implement cost leadership strategies and try to supplement these strategies with CSR activities related to the environment are assumed to grow at a slower pace than the expectations.

However, the study of Panwar et al (2016) reflected a mixed impact of cost-leadership strategy with the two different segments of CSR activities used in the study. That means the use of cost leadership has a definite positive association with environmental engagement but on the other hand also has a negative association with community engagement. That means both of the studies claim that cost-leadership strategy by SMEs has a positive association with environmental CSR although the impact has not been translated positively towards the firm's performance. On the other side, the study also indicated that smaller firms have a lower resource base than larger firms. Therefore, small firms may limit their capabilities and may feel reluctant to pursue strategies effectively.

2.5 Differentiation Strategy, CSR Activities, and Firm Performance

Pursuing differentiation strategies firms must not emphasize earning management as these phenomena may not be run in parallel. Thus, it is legitimate to believe that a firm's production may be supplemented and induced through the combination of differentiation strategies and CSR activities of the firm (Chun & Cho, 2017). In fact, the relationship between differentiation strategies with the CSR activities has been checked by Panwar et al (2016) and the result highlighted that there is a positive relationship between two of the parameters that were used in the study.

H_{1A}: There is a relationship between cost leadership strategies used by Islamic Banks with CSR activities of Islamic Banks.

H_{2A}: There is a relationship between differentiation strategies used by Islamic Banks and with CSR activities of Islamic Banks.

H_{3A}: There is a relationship between CSR activities and the performance of Islamic Banks.

H_{4A}: CSR activities mediate the relationship between cost-leadership strategies and the performance of Islamic banks.

H5A: CSR activities mediate the relationship between differentiation strategies and the performance of Islamic banks.

3. Research Methodology

3.1 Research Design

Research Design is the area that is used to answer the major research questions of the research. Hence to answer these questions in an adequate manner there is a need to use implications and indications of well-known authors e.g. Sekaran and Bougie (2016); Saunders et al. (2007); Saunders et al (2015). Considering these three authors, this study is based upon two major tools for devising research design in an authentic and appropriate manner. i.e., research trees and research onion. Thus, legitimate to declare that the philosophy of research used to supplement this study is epistemology which is declared as the philosophy of knowledge (Saunders et al., 2007).

Similar was also indicated by Horrigan (2007) while using the optimized concept of research onion by Saunders et al (2015) the philosophical stance used in the study post-positivism. Philosophical stances are used to associate research philosophy with the research approach and methodological choices. Thus, the selection of post-positivism is optimal as it can be adjusted with qualitative as well as quantitative designs but suits better for quantitative designs (Adam, 2014). In addition to these parameters, the approach for the study is deductive, the research strategy is a survey, the methodological choice is mono-quantitative, and the time horizon is cross-sectional (Saunders et al., 2007 & Saunders et al., 2015). Similarly, the purpose of the research is correlational, the researcher's interference is moderate, the unit of analysis is individual, and the nature of the experiment is field experiment (Sekaran & Bougie, 2016).

3.2 Sampling Design

Ali et al (2021) collected data by using quota sampling i.e., one of the non-probability sampling methods. However, the method is also perceived as one of the best alternatives to probability sampling (Yang & Banamah, 2014). Although, this study does not collect data from Islamic window Banks like Habib Bank, Al-Habib Bank, Standard Chartered Bank, etc. Moreover, the data has been collected only from the middle and top-level managers of leading Islamic Banks including Bank Alfalah, Bank Islami, Dubai Bank Islami, and Faysal Bank Islami. However, the sample size is 250. The reason for using lesser samples compared to Ali et al (2021) is the focus of the study that is specific toward the use of competitive strategies by full-fledged Islamic Banks. These statements are also aligned with the indications of Panwar et al (2016) that smaller organizations lack resources in comparison to their larger counterparts. Hence mixing full-fledged Islamic banks with Islamic Window Banks may distort the information and may also diminish the authenticity of the results.

3.3 Research Instrument

The research instrument for this study is a closed-ended questionnaire that is a hybrid of Islami et al (2020) and Panwar et al (2016). Most of the elements for low-cost strategies, differentiation strategies, and firm performance were adapted from Islami et al (2020). Although the role of Panwar et al (2016) in designing research instruments is not limited as it is used to adapt elements for CSR activities and to add some elements to the construct of cost-leadership and differentiation strategies.

3.4 Software and Statistical Technique

Ali et al (2021) use SMART-PLS in order to incorporate structural equation modeling. Similarly, a study by Muhammad et al (2019) also uses multiple regression analysis to predict the results of promotional strategies for Islamic Banks. Hence in the light of these parameters' structural equation modeling through SMART-PLS is used to analyze the impact of Michael Porter's competitive forces on the performance of Islamic Banks. The use of SEM is the most effective way as it does not only incorporate confirmatory factor analysis but also incorporate multiple regression analysis as indicated by Grace and Bollen (2005) and Keith (2014).

3.5 Statistical Analysis

Structural Equation Modeling (SEM) is perceived as the better analytical tool to assess causality and temporal ordering (Gunzler et al., 2013). Especially in comparison to regression use of the tool is found to be better and its implication becomes more effective when it is implemented through SMART-PLS. Use of SEM through SMART-PLS is based upon the outer (structural) model & inner (measurement) model (Wong, 2013) to substantiate descriptive and inferential analysis (Khoshmaram et al., 2017 & Ogwiji & Lasisi, 2022). The purpose of the outer model is to reflect the relationship between indicators and latent variables while the inner model is used to highlight the relationship among major research variables (Wong, 2013). On the other side use of structural equation modeling through SMART-PLS is also beneficial for understanding, tracing, and highlighting all the valid paths and interrelated effects (Vijayabanu & Arunkumar, 2018).

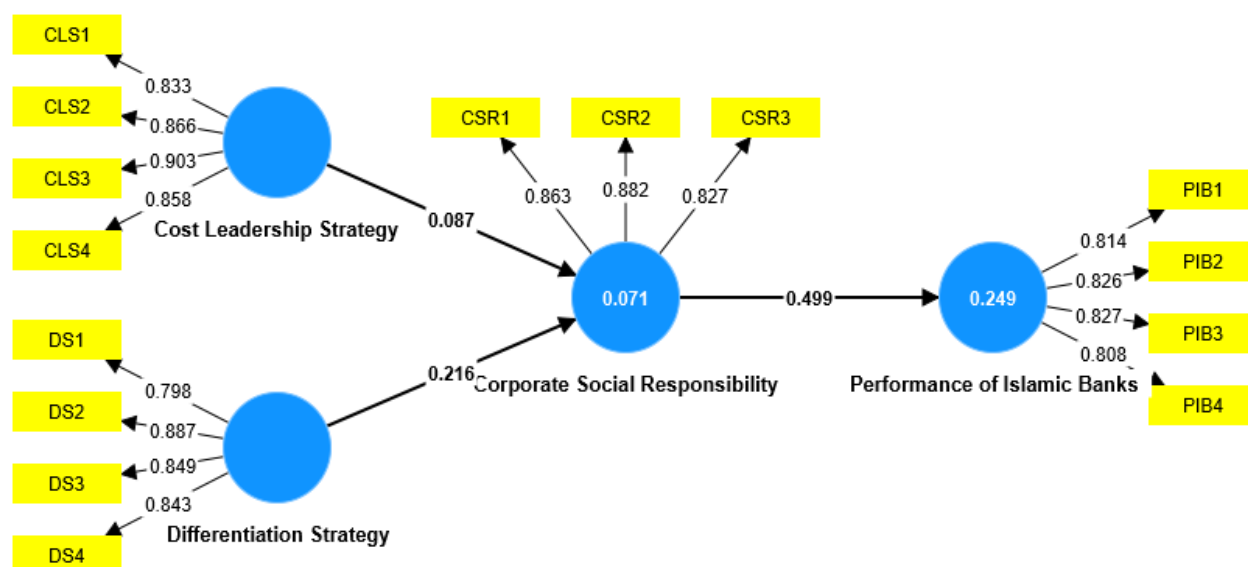


Figure 1: Outer Loading

Figure 1 is used to make readers aware of outer loadings and their applicability. Outer loading is similar to factor loading. The purpose of outer loading is to validate the use of indicators in the process of research (Afthanorhan, 2013). The preferred accepted value of outer loadings is 0.70 but if the inclusion does not reflect negatively upon overall convergent criteria then the researcher may also include elements with values between 0.60 & 0.70 (Sander & Teh, 2014). Hence on the bases of these parameters, no element may remove from the study as the minimum value indicated is from the construct of differentiation strategy with the value of 0.798.

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Corporate Social Responsibility	0.820	0.824	0.893	0.736
Cost Leadership Strategy	0.892	0.931	0.923	0.749
Differentiation Strategy	0.867	0.883	0.909	0.714
Performance of Islamic Banks	0.837	0.845	0.890	0.670

Table 1: Construct Reliability & Convergent Validity

Table 1 is placed to highlight construct reliability convergent validity. Elements that are used to reflect construct reliability include Cronbach's alpha, Goldstein's rho, and composite reliability. However, to ensure construct reliability there is a need to follow the limits as prescribed by Vijayabanu and Arunkumar (2018), i.e., 0.40 or above for Cronbach's alpha and 0.60 or above for composite reliability. However, when it comes to convergent validity then there is a need to observe composite reliability and (AVE) average variance extracted (Alarcón et al., 2015).

Although the presence of AVE alone with values of 0.50 or above is sufficient to reflect convergent validity (Yaccob et al., 2021). Thus, in light of these parameters, the table is assuring the presence of construct reliability as well as convergent validity.

	Corporate Social Responsibility	Cost Leadership Strategy	Differentiation Strategy	Performance of Islamic Banks
Corporate Social Responsibility				
Cost Leadership Strategy	0.204			
Differentiation Strategy	0.294	0.520		
Performance of Islamic Banks	0.589	0.272	0.334	

Table 2: Discriminant Validity

Table 2 is implemented to show discriminant validity. For this study, researchers preferred the Heterotrait-Monotrait ratio which is the best tool to highlight discriminant validity (Iqbal et al., 2021). The maximum range to assure discriminant validity through using this tool is 0.85 and no value higher than that can assure discriminant validity (Hair *et al.*, 2019). Hence legitimate to declare that table 2 is assuring the presence of discriminant validity as no value is found higher than 0.85.

	R-square	R-square adjusted
Corporate Social Responsibility	0.710	0.693
Performance of Islamic Banks	0.569	0.545

Table 3: Quality Criteria (Predictive Accuracy)

Table 3 is plotted to indicate Quality Criteria through predictive accuracy. It is also known as the coefficient of determination and it is used to measure the appropriateness of structural and measurement models (Purwanto et al., 2020). The purpose of the tool is to indicate the percentage of change that may be triggered by the 1% change in the independent variable. Thus, there are three different levels of values that are used to indicate the impact of an independent variable over a dependent variable. In this regard 0.25 is termed as the lowest value that a 1% change in the independent variable may bring into the dependent variable. 0.50 are moderate level impact and 0.75 or above is perceived as a substantial impact (Wong, 2013). Hence on the basis of the mentioned criteria, both of the outcome variables are moderately affected by the 1% change in the independent (predictor) variable.

Table 4 is used to reflect the path coefficient and the tool is used to highlight the impact of different forms of variables on each other. The table is associated with the measurement model and belongs to the inferential statistical part of the analysis (Silaparaasetti et al., 2017). Hair et al (2017), pointed out two major criteria that are used to evaluate the tool i.e., t-statistical value and p-value. The minimum t-value that is required to reflect the relationship between/among the variables is 1.97 and the maximum p-value that may substantiate the relationship is 0.05. Although both of the given criteria are always required to be fulfilled and processed in an effective way, researchers are not allowed to compromise on any of the above-mentioned criteria (Hair et al., 2017). Therefore, it is legitimate to declare that the activities associated with the corporate social responsibility of Islamic Banks from Pakistan are positively associated with the performance of Islamic Banks.

Adding to that linkage of differentiation strategy by Islamic Banks of Pakistan is found to be significant with CSR activities. Although there is no relationship exists between the cost-leadership strategy by Islamic Banks and corporate social activities.

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Corporate Social Responsibility -> Performance of Islamic Banks	0.499	0.501	0.066	7.611	0.000
Cost Leadership Strategy -> Corporate Social Responsibility	0.087	0.095	0.084	1.032	0.302
Differentiation Strategy -> Corporate Social Responsibility	0.216	0.220	0.089	2.436	0.015

Table 4: Path Coefficient

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Differentiation Strategy -> Corporate Social Responsibility -> Performance of Islamic Banks	0.108	0.112	0.052	2.079	0.038
Cost Leadership Strategy -> Corporate Social Responsibility -> Performance of Islamic Banks	0.043	0.047	0.043	1.020	0.308

Table 5: Specific Indirect Effect

Table 5 is an advanced part of the path coefficient, and it is used to reflect specific indirect effects (mediation analysis). However, the table is part of inferential statistics and therefore the measure to evaluate the authenticity of relationships are same as used by Hair et al (2017) and Hair et al (2019) for t-values and p-values. Hence on the bases of the above criteria differentiation strategy as the part of generic competitive strategy given by Michael Porters was found to have a positive indirect relationship with the performance of Islamic banks. However, there is no indirect relationship exists between the cost-leadership strategy by Islamic Banks and the firm's performance. Hence in light of these findings, table 6 has been developed to make readers look over the hypothesis's acceptance summary.

Sr. No.	Hypotheses	Result
01	H _{1A} : There is a relationship between cost-leadership strategies used by Islamic Banks with CSR activities of Islamic Banks	Failed to Reject The Null Hypothesis
02	H _{2A} : There is a relationship between differentiation strategies used by Islamic Banks and with CSR activities of Islamic Banks	Reject The Null Hypothesis
03	H _{3A} : There is a relationship between CSR activities and the performance of Islamic Banks	Reject The Null Hypothesis
04	H _{4A} : CSR activities mediate the relationship between cost-leadership strategies and the performance of Islamic banks.	Failed to Reject The Null Hypothesis
05	H _{5A} : CSR activities mediate the relationship between differentiation strategies and the performance of Islamic banks	Reject The Null Hypothesis

Table 6: Hypotheses acceptance summary

4. Conclusion

After going through rigorous analysis on the bases of data collected from managers of full-flash Islamic Banks it has been concluded that there is a significant relationship between corporate social responsibility and performance of the Islamic Bank. Therefore, it is optimal to indicate the findings of the study are consistent with the indications of Stoain (2017) and also with the studies conducted on listed banks of Pakistan Szegedi et al. (2020) & especially with Islamic Banks Bukhari et al. (2021) and Rehman et al. (2020). However, when it comes to the relationship between the generic strategies of Michael Porters and the CSR activities of the bank then the study concluded that the cost-leadership strategy does not have any association with the CSR activities. Although differentiation strategy does have a relationship with the CSR activities of the bank. Hence the use of CSR as the mediator between Michael's strategies and the Bank's performance is justified as previously it has been proved that CSR activities of Islamic Banks are the significant predictor of the Bank's performance. Now one of the generic strategies is also found to be effectively correlated with CSR activities. Hence legitimate to declare that the use of

CSR activities as the mediator is significant as predicted by Ali et al (2022). Relating the findings of the study to the firm's performance, it has been observed that cost-leadership strategy does not have any relationship with the performance of the bank. Hence the findings are consistent with Taghipour et al. (2020) but in against the findings of Ali et al. (2019) and Gitau & Mang'ana (2021). However, the study of Gitau & Mang'ana (2021) was not based on banks from Pakistan neither the study was focused on Islamic Banks only. Additionally, further, the study of Ali et al (2019) used a sample size of 118 respondents that are mainly operations managers and branch managers. The study itself highlighted these points as the limitation of the research. Hence the difference in findings is valid and must perceive as appropriate with reference to Pakistan, full-fledged Islamic banks, and post-pandemic analysis of cost-leadership strategy over the performance of full-fledged Islamic Banks of Pakistan.

Contrary to these findings the study indicated that the use of a differentiation strategy does have a positive in-direct relationship with the performance of the banks. Hence found to be consistent with the indications of Ali et al. (2022); Kungu et al (2014); Taghipour et al. (2020). However, the relationship of differentiation strategy is prevalent in a bank's performance through CSR activities (indirect relationship). Therefore, the study is also consistent with the studies e.g., Chun and Cho (2017) and Panwar et al (2016), that reflected the presence of an in-direct relationship between differentiation strategy and a firm's performance.

Hence the postulate given by Stoain (2017) is also found true that the use of CSR activities may enhance generic competitive strategies. However, the impact of the indirect impact of generic strategies has only be found true for differentiation strategies. Thus, legitimate to declare that this study is partially aligned with Chun and Cho (2017) and Stoian (2017).

4.1 Recommendations and Future Need of Research

In the light of analysis, it has been recommended that Islamic Banks must try to use differentiation strategies more in the post-COVID era in order to optimize the image of their services, after-sales services, and overall brand. This will provide a boost to the firm as well as the economy. Therefore, legitimate to declare use of the differentiation strategies is not only important for the firm's performance but also for the optimization of the overall economy. In fact, a similar was also highlighted in previous studies by Ali et al. (2022); Chun and Cho (2017); Kungu et al (2014); Stoian (2017), and Taghipour et al. (2020). Although the importance became enhanced in the current economic conditions and also recommended for the betterment of business in different industries e.g., Celikyay et al (2022). Therefore, future studies on the use of Michael Porter's generic strategies must be conducted with reference to the Islamic Banking Industry of Pakistan. Especially important are studies that may be conducted by taking samples from full-fledged Islamic Banks by using different combinations of competitive strategies with different forms of mediators. Although studies that may provide a comparative analysis of Islamic-Window banks and Full-Fledged Islamic Banks may also be found interesting and insightful.

4.2 Policy Implications

This study provides indications to the managers, intrapreneurs, and policymakers about the significance of CSR activities for the performance of Islamic Banks. Thus, CSR activities must be an integral part of bank operations in order to enhance firm performance as well as to support the country's development and well-being. In fact, the indications were also made priorly by Ali and Anwar (2021). Hence in light of these parameters, this study is one of the pervasive e ones that may enhance academic as well as pervasive research work associated with policymaking and strategies of Islamic Banks.

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