

FACTORS THAT IMPACT MICROFINANCE INSTITUTIONS
PERFORMANCES IN SUDAN

ABBAS KHEDER AHMED MUSTAFA

A thesis submitted in fulfilment of the
requirements for the award of the degree of
Doctor of Philosophy (Management)

Faculty of Management
Universiti Teknologi Malaysia

FEBRUARY 2017

DEDICATION

This thesis is dedicated to my divine father Kheder Ahmed and to the soul of my mother Altayah Mohamed thanks for your unconditional love and support; my beloved wife Nassrin and my gorgeous kids Ahmed, Dania, Abdulrahman and Momin for being supportive and patient during my research work; my supportive and durable brother Babikir and sister Widad; and my all other lovely own brothers and sisters for their encouragement.

ACKNOWLEDGEMENT

I would like to thank above all else, Allah Almighty for blessing me and truly giving me the faith, courage, inspiration to continue on this journey in my life. First of all, I wish to express my sincere appreciation and thanks to my PhD supervisor, Dr. Maisarah Mohamed Saat, for her encouragement, guidance, insightful advices, kindness, for devoting much of her valuable time, and for sharing with me her knowledge and experience as academician and scholar. Dr. Maisarah shaped my doctoral experience and provided me with the necessary skills to be successful in my academic career, without her continued support and interest, this thesis would not have been the same as presented here. Much appreciation goes to the members of the examination committee in the first assessment and also the viva. I would also like to express my thanks to the Central Bank of Sudan-Microfinance Division staff for providing me with the valuable and rich data and information related to microfinance. Also my appreciation to microfinance specialist, Mr. Alnuman Yousif.

Moreover, I am indebted to the Universiti Teknologi Malaysia (UTM) that provided the facilities and support to pursue this degree. I would also like to acknowledge all my colleagues at Faculty of Management whom I had the pleasure of working with during my time spent with the group and special thanks to Miss. Shaz for all her assistance. Finally, I would like to thank my parents, my wife Nassrin, for always giving me the motivation, the support to continue working on my PhD. Special thanks to my sons Ahmed and Abdulrahman and my daughter Dania and for their patience and understanding.

ABSTRACT

Microfinance has attained a universal avowal as a vital tool for poverty alleviation. Microfinance Institutions (MFIs) provide financial services to the poor people who are deprived by mainstream commercial banks. MFIs face unique and unparalleled challenges of financial sustainability and outreach; therefore, a debate arises of whether microfinance worthwhile or worthless? Moreover, there are gaps in the existing literature of MFIs in less developed countries and Islamic MFIs. Consequently, this research studies the factors that influence the performances of microfinance sector in Sudan. The first three objectives of this research are to pursue an understanding of how microfinance interventions are implemented and how the mechanisms of the involvement namely; interest rate, client protection, financing method, microinsurance and institutional characteristic affect MFI's performance from financial sustainability and outreach perspectives. The fourth objective is to assess the impacts of microfinance loans on the clients. This study deployed mixed methods, in the quantitative study 123 MFIs and 228 clients participated in two separate survey questionnaires and in qualitative study 18 managers from MFIs participated in the semi-structured interview. Smart PLS-SEM, Descriptive, and Chi-square techniques of analysis, were used to analyse the data collected. While comparing the results of qualitative data integrated along with quantitative results, it was found that predictors of interest rate, client protection, and lending method have significant and positive relationship with the performance of MFIs from financial sustainability and outreach perspectives, however, the predictor microinsurance shown no relationship with the performances of MFIs. Moreover, results of the structural analysis provided sufficient support that the institutional characteristics of client type, the type of organization and the years of establishment of MFIs have an effect on the performances of MFIs. On the other hand, results from client's survey stated that microfinance loan has positive impact on MFI clients. This study contributes to the literature of microfinance industry by determining the factors that have impact in the performance of MFIs. In addition, the results proved that microfinance loans have significant effect on clients and provided social and economic security. This study contributed also to MFIs by proposing, as a future work, a theoretical Performance Measurement Frameworks (PMF), that is recognized by Consultative Group to Assist the Poor (CGAP). One of the recommendations for policy makers is that; encouraging institutional diversification, making MFIs a tax-free income, revising microinsurance policies, client-oriented regulations, and enforcing a positive interest rate ceiling, can assist MFIs in achieving their core objectives. Moreover, Government should not politicize microfinance programs.

ABSTRAK

Pembiayaan Mikro telah mendapat pengakuan universal sebagai alat penting untuk membasmi kemiskinan. Institusi Pembiayaan Mikro (MFIs) menyediakan perkhidmatan kewangan kepada orang miskin yang dinafikan oleh bank-bank perdagangan arus perdana. MFIs menghadapi cabaran yang unik dan hebat daripada segi kemampuan kewangan dan jangkauan; maka, timbul suatu perbahasan sama ada pembiayaan mikro ini berfaedah atau tidak bernilai? Selain itu, terdapat jurang dalam literatur MFIs sedia ada di negara-negara kurang maju dan MFIs Islam. Oleh itu, kajian ini mengkaji faktor-faktor yang memberi kesan kepada prestasi sektor pembiayaan mikro di Sudan. Tiga objektif pertama kajian ini adalah untuk memahami bagaimana campur tangan pembiayaan mikro dilaksanakan dan bagaimana mekanisme penglibatan iaitu kadar faedah, perlindungan pelanggan, kaedah pembiayaan, insurans mikro dan ciri-ciri institusi mempengaruhi prestasi MFIs dari perspektif kemampuan dan jangkauan kewangan. Objektif keempat adalah menilai kesan pinjaman pembiayaan mikro kepada pelanggan. Kajian ini menggunakan kaedah campuran, dalam kajian kuantitatif 123 MFIs dan 228 pelanggan mengambil bahagian dalam dua borang soal selidik yang sejumlah, dan dalam kajian kualitatif 18 pengurus dari MFIs telah mengambil bahagian dalam temu bual separa berstruktur. Teknik analisis seramai Smart PLS-SEM, Deskriptif dan Chi-square telah digunakan untuk menganalisis data yang dikumpul. Semasa membandingkan keputusan data kualitatif bersepadu bersama-sama dengan keputusan kuantitatif, didapati bahawa faktor-faktor kadar faedah, perlindungan pelanggan dan kaedah pembiayaan mempunyai hubungan signifikan dan positif dengan prestasi MFIs dari sudut kemampuan kewangan dan jangkauan. Tetapi, insurans mikro menunjukkan tiada hubungan dengan prestasi MFIs. Tambahan pula, dapatan analisis struktur menunjukkan bukti yang cukup bahawa ciri-ciri institusi mengenai jenis pelanggan, jenis organisasi dan tempoh penubuhan MFIs mempunyai kesan ke atas prestasi MFIs. Sebaliknya, keputusan kaji selidik pelanggan menyatakan bahawa pinjaman pembiayaan mikro mempunyai kesan positif kepada pelanggan MFIs. Kajian ini menyumbang kepada literatur industri pembiayaan mikro dengan menentukan faktor-faktor yang memberi kesan terhadap prestasi MFIs. Di samping itu, keputusan membuktikan bahawa pinjaman kewangan mikro mempunyai kesan besar kepada pelanggan dan jaminan sosial dan ekonomi yang disediakan. Kajian ini juga menyumbang kepada MFIs dengan mencadangkan, sebagai kajian masa depan, satu teori Rangka Kerja Pengukuran Prestasi (PMF), yang diiktiraf oleh Kumpulan Perundingan bagi Membantu Golongan Miskin (CGAP). Satu daripada cadangan kepada pembuat dasar ialah menggalakkan kepelbagaian institusi yang menjadikan MFIs pendapatan bebas cukai, menyemak semula polisi insurans mikro, peraturan-peraturan yang berorientasikan pelanggan, dan menguatkuasakan kadar faedah siling yang positif, yang boleh membantu MFIs dalam mencapai objektif teras mereka. Selain itu, kerajaan tidak sepatutnya mempolitikkan program pembiayaan mikro.

TABLE OF CONTENTS

CHAPTER	TITLE	PAGE
	DECLARATION	ii
	DEDICATION	iii
	ACKNOWLEDGEMENTS	iv
	ABSTRACT	v
	ABSTRAK	vi
	TABLE OF CONTENTS	vii
	LIST OF TABLES	xiii
	LIST OF FIGURES	xvi
	LIST OF APPENDICES	xvii
1	INTRODUCTION	1
	1.1 Overview	1
	1.2 Background of study	2
	1.3 Problem Statement	4
	1.4 Research Questions	7
	1.5 Research Objectives	8
	1.6 Significance / Contribution of the Study	8
	1.7 Scope of the Study	10
	1.8 Key Terms of Operational Definition	11
	1.9 Outline of this Thesis	13
2	LITERATURE REVIEW	14
	2.1 Introduction	14

2.2	Background of Microfinance	15
2.2.1	Definition of microfinance	15
2.2.2	The history of microfinance	16
2.2.3	Issues in microfinance	17
2.2.4	Islamic microfinance	19
2.2.5	Microfinance and market intervention	21
2.3	Financial Sustainability and Outreach	22
2.3.1	Financial sustainability	25
2.3.2	Outreach	26
2.4	Interest Rate	29
2.5	Client Protection	33
2.6	Financing Methodology	35
2.6.1	Group financing design	36
2.6.2	Village banking design	37
2.6.3	Individual financing design	38
2.7	Microinsurance	39
2.8	Institutional Characteristics	41
2.8.1	Organization types	42
2.8.2	Years of establishment	44
2.8.3	Client type	45
2.9	Performance Measurement Frameworks	47
2.10	Welfare Impact of Microfinance on Clients	52
2.11	Theory	53
2.11.1	Agency Theory	54
2.11.2	Moral Hazard	55
2.11.3	Adverse selection	56
2.12	Country Context	56
2.12.1	The economy of Sudan	57
2.12.2	Microfinance in Sudan	57
2.12.3	Microfinance providers in Sudan	60
2.13	Conceptual Framework	66
2.13.1	Dependent variables	67
2.13.2	Hypothesis	69

2.13.2.1	Relationship between high interest rate and performance of MFIs	69
2.13.2.2	Relationship between client protection and performance of MFIs	70
2.13.2.3	Relationship between financing method and performance of MFIs	71
2.13.2.4	Relationship between microinsurance and performance of MFIs	72
2.13.2.5	Relationship between institutional characteristic and performance of MFIs	73
2.13.2.6	Welfare impact of microfinance	74
2.14	Summary	77
3	RESEARCH METHODOLOGY	78
3.1	Introduction	78
3.2	Research Philosophy and Research Approach	79
3.3	Research Design	81
3.4	Research Methods	83
3.4.1	Combining quantitative and qualitative approach	84
3.4.2	Justification of the selected research methodology	85
3.5	Research Instrument	88
3.5.1	Validity of the instrument	90
3.5.2	Pretest	90
3.5.3	Pilot test	91
3.6	Population and Sampling	93
3.7	Data Collection	96
3.8	Data Processing and Analysis	96
3.8.1	Interview analysis	97
3.8.2	Questionnaire analysis	98

	3.8.3	Partial Least Square (PLS)	99
	3.9	Ethical Consideration	101
	3.10	Summary	101
4		DATA ANALYSIS AND FINDINGS	102
	4.1	Introduction	102
	4.2	Quantitative findings	103
	4.2.1	Data obtained from MFIs to examine the factors that impact performance of MFIs	103
	4.2.1.1	Data screening	104
	4.2.1.2	Descriptive analysis	105
	4.2.1.3	Pre-analysis	107
	4.2.1.4	Testing Measurement Model	109
	4.2.1.5	Structural Model Results	114
	4.2.1.6	Financial sustainability	116
	4.2.1.7	Outreach	117
	4.2.1.8	Analysis of Variance (One-way ANOVA)	117
	4.2.2	Data Obtained from MFI Clients to Examine the Impact of Microfinance Loans	123
	4.2.2.1	Pre-processing and screening the data	123
	4.2.2.2	Characteristics of MFI clients	124
	4.2.2.3	Impact of microcredit on the microenterprise	125
	4.2.2.4	Impact of microcredit on the household	128
	4.2.2.5	Impact of microcredit loans on the individual MFI clients	131
	4.3	Qualitative findings	133
	4.3.1	Respondents' profile	134
	4.3.2	Interest rate	136
	4.3.3	Client protection	138
	4.3.4	Financing methodology	139

	4.3.5	Microinsurance	141
	4.3.6	Institutional characteristics	143
	4.4	Hypotheses Testing Results	144
	4.5	Summary	146
5		DISCUSSION AND CONCLUSION	147
	5.1	Introduction	147
	5.2	Relationship between interest rate, financing method, client protection, and microinsurance and performance of MFIs	148
	5.2.1	Relationship between interest rate and performance of MFIs	149
	5.2.2	Relationship between Client Protection and performance of MFIs	152
	5.2.3	Relationship between financing method and performance of MFIs	154
	5.2.4	Relationship between microinsurance and performance of MFIs	156
	5.3	Institutional characteristics and difference in performance	158
	5.4	Welfare Impact of Microfinance	161
	5.4.1	Microenterprise level	161
	5.4.2	Household level	162
	5.4.3	Individual MFI clients level	164
	5.5	Research Limitations	166
	5.6	Future Studies	167
	5.7	Conclusion	170
	5.8	Implication	172
	5.9	Contributions of the Study	174
	5.9.1	Theoretical contribution	174
	5.9.2	Empirical contribution	175
	5.9.3	Practical contribution	176
	5.9.4	Social and economic contribution	178

5.10 Recommendation	178
REFERENCES	180
Appendices A - F	200 – 226

LIST OF TABLES

TABLE NO.	TITLE	PAGE
2.1	Interest rate literature summary	32
2.2	Financing method literature theme	39
2.3	Microinsurance literature theme	41
2.4	Institutional characteristics literature theme	47
2.5	Performance Measurement Frameworks	52
2.6	Hypothesis	76
3.1	Research layers and approaches	81
3.2	Qualitative and Quantitative paradigms	87
3.3	Recommended research methodology	87
3.4	Components of research instrument	89
3.5	Pilot test Cronbach's Alpha Values for MFIs survey	92
3.6	Pilot test Cronbach' Alpha Values for Clients survey	93
3.7	Population of MFIs	94
3.8	Stages and statistical methods	100
4.1	Questionnaire response rate for MFIs	105
4.2	Descriptive statistics for MFIs	105
4.3	Demographic profile of MFIs	106
4.4	VIF test of multicollinearity	108
4.5	KMO and Bartlett's Test	110
4.6	Outer loadings	112
4.7	AVE, CR, and Cronbach Alpha of the constructs	113
4.8	Supported hypothesis, Path coefficients and T-statistics	115
4.9	Descriptive (type of MFIs)	118

4.10	Test of Homogeneity of Variances (type of MFIs)	118
4.11	ANOVA (type of MFIs)	118
4.12	Multiple Comparisons (type of MFIs)	119
4.13	Descriptive (years of MFI establishment)	120
4.14	Test of Homogeneity of Variances (years of MFI establishment)	120
4.15	Multiple Comparisons (years of MFI establishment)	121
4.16	Descriptive (type of clients)	122
4.17	Test of Homogeneity of Variances (type of clients)	122
4.18	ANOVA (type of clients)	122
4.19	Questionnaire respondent rate	123
4.20	Demography of respondent (clients survey)	124
4.21	Impact on business revenue	126
4.22	Impact on business revenue –Test Statistics	126
4.23	Impact on fixed assets	126
4.24	Impact on business tools –Test Statistics	127
4.25	Impact on employing	127
4.26	Impact on employing – Test Statistics	127
4.27	Impact on personal income	128
4.28	Impact on personal income – Test Statistics	128
4.29	Impact on house appliances	129
4.30	Impact on house appliances – Test Statistics	129
4.31	Education expenses	129
4.32	Impact on education expenses – Test Statistics	130
4.33	Impact on food expense	130
4.34	Impact on food expenses Test – Statistics	130
4.35	Impact on self-esteem	131
4.36	Impact on coping with undesirable suddenness	131
4.37	Impact on coping with undesirable suddenness – Test Statistics	132
4.38	What you do in unexpected	132
4.39	Saving plan before loan	132
4.40	Saving plan after loan	132

4.41	Impact on saving plans after loan – Test Statistics	133
4.42	Profile of interviewees	134
4.43	Interviews result Matrix- Factors that impact MFIs performance	135
4.44	Results of hypothesis (Overall)	145

LIST OF FIGURES

FIGURE NO.	TITLE	PAGE
2.1	Three dimension criteria framework	23
2.2	The Performance Prism	51
2.3	Conceptual framework	67
3.1	The phase of the research activities	83
4.1	Structural Model- with R ² coefficients	115
4.2	Structural Model- Path coefficients	116

LIST OF APPENDICES

APPENDIX	TITLE	PAGE
A	Questionnaire for MFIs	200
B	Questionnaire for borrowers	210
C	Interview guide	220
D	Normality	223
E	Total Variance Explained	225
F	Publications	226

CHAPTER 1

INTRODUCTION

1.1 Overview

Microfinance has attained a universal avowal as a vital tool for poverty alleviation in many developing countries and alleged as an important tool towards reducing poverty and hunger (Johnson and Rogaly, 1997; Gibbons and Meehan, 2002; Armendariz de Aghion and Morduch, 2005; Bakhtiari, 2011; Hudon and Sandberg, 2013; Shu and Oney, 2014; Ammar and Ahmed, 2016). Microfinance Institutions (MFIs) face unique and unparalleled challenges of dual objectives of financial sustainability (the ability to cover all operational and finance expenses with revenue plus produce a surplus) and outreach (providing financial services to the poor).

There are major gaps in the existing literature of MFIs in less developed countries as well as Islamic MFIs (Kasim and Shamsir, 2012; Ismail and Possumah, 2013). Consequently, this research studies the performance of microfinance sector in North Africa, particularly in Sudan as a proxy for least developed country that implementing an Islamic microfinance system. This research intended to provide contribution to the body of knowledge and empirical (managerial) contribution.

The remaining of this chapter is divided into eight sections that introduce this study by outlining the background of the study, problem statement, research

objectives, research questions, the significance and contribution of the research, the scope of the research, outline of this thesis, and operational definition.

1.2 Background of the Study

Microfinance is perceived as a vital dynamic mechanism towards attaining the millennium target of reducing poverty and hunger (Simanowitz and Walter, 2002; Fernando, 2004). The beginning of modern microfinance industry was in 1976 by a Bangladeshi Professor Muhammed Yunus (founder of Grameen Bank), when he used his own money to make loans to village women. The sector has since developed to include more than 10,000 organizations with about USD 70 billion assets serving about 150 million clients worldwide (Augustine, 2012).

Microfinance in Sudan has started in 1990 when the Central Bank of Sudan (CBOS) implemented the policy of financing craftsmen. CBOS have been requested banks to allocate 12 percent of their financing resources to microfinance programs. In 2006, CBOS formulated a strategy for the development of the Microfinance sector and an independent unit was established in 2007 and has been granted a full administrative and controlling role under the direct supervision of the CBOS Governor.

MFIs have dual objectives of financial sustainability and outreach (CGAP, 2009; Shu and Oney, 2014; Ammar and Ahmed, 2016). The establishment of MFIs aims to achieve their primary challenging objectives of sustainability and outreach to the poor who are not served by the conventional financial institutions. This has been a prime component of the development strategy of many developing countries. However, the majority of MFIs are not "sustainable," where sustainability is associated in microfinance literature with financial self-sufficiency (financial sustainability and financial self-sufficiency will be used interchangeably) (Brau and Woller, 2004; Waweru and Spraaakman, 2012; Hudon and Sandberg, 2013).

From a best practice perspective, Morduch (2000) stated that only MFIs that pursue best practices or principles of good banking can achieve both poverty alleviation and financial sustainability. However, Waweru and Sprakman (2012) mentioned those best practices are still unclear, and therefore more work is needed to determine how MFIs can provide loans to the poor while attaining financial sustainability.

The foremost concerning about sustainability is how MFIs manage the relationship with their clients (small size borrowers) as well as their staff productivity in providing efficient and effective loans. A sound management of lender-borrower link hooked on the capability of the MFI to cope the related agency problems of moral hazard as well as adverse selection. Consequently, this improves MFIs performance by gaining more returns from loans, weans them from subsidy and earns more income. Hence, effective management of agency problem substantially impacts the sustainability of MFIs (Aveh, 2011). In other words, the reason for examining the dynamics that manage the agency problem is credit provision by MFIs and loan repayment problems in addition to high dependency on subsidies and donations.

Outreach, on the other hand, is MFI's financial services to the poor particularly in rural areas and this has been an important issue in microfinance. Unfortunately, microfinance reaches only a small fraction of the world's poor (Robinson, 2001; Christen, 2004). The present outreach of microfinance in Sudan (the country of this study) is only 1% to 3% of the needs of the potential target group (CBOS, 2013). This indicates that discussion or research on outreach is vital.

In management accounting terms, data that managers use to successfully monitor an MFI is called performance measurements. Performance measurement is a crucial mechanism for management of MFIs and is essential for sustainability and outreach. Measuring the performance of an MFI is about evaluating its development in achieving goals. Since microfinance have dual features of financial performance and social performance aspects, the quantifiable conventional measures of profitability do not report the degree of sustainability and outreach of MFIs. As Nietoa *et al.* (2005) stated, the techniques used to measure the performance of

conventional banking institutions may not be appropriate within microfinance context. Funders, sponsor and practitioners encourage and promote assessment of impact of MFIs, so they can see what is being achieved and consequently provide their support (Hulme, 2000; Obaidullah, 2008).

Obaidullah (2008) revealed that Islamic MFIs are similar to traditional MFIs; they use group financing method as a substitute for collateral and their goal is alleviation of poverty. Islamic MFIs experience wide-ranging discrepancies in the operational mechanisms, models, and instruments. While, in terms of reach, saturation and financial competency, Islamic MFIs are way behind their conventional colleagues, thus this study aim to verify factors that enhance MFIs performance in Islamic financing system (Bhuiyan *et al.*, 2011).

Moreover, few studies are made in the context of North Africa and particularly Sudan - as a proxy of Least Developed Country- have investigated the factors that have effects on the sustainability and outreach of MFIs from the perspectives of interest rate, client protection practicing, microinsurance, financing methods, and institutional characteristics as well as assessing the impact of microfinance loan on MFI clients.

1.3 Problem Statement

The first problem to highlight is that MFIs face unique and unmatched core objectives since it must attain a double bottom line of sustainability and outreach. (SEEP Network, 2005; CGAP, 2006; Hudon and Traca, 2011; Shu and Oney, 2014; Ammar and Ahmed, 2016). Encouraging MFIs in attaining financial sustainability may adversely affect the mission of social outreach i.e. a sign of mission drift (Osotimehin and Akinlabi, 2011; Quayes, 2012). There is an increasing divergence between the advocates of social performance and financial performance; there is a trade-off between financial self-sufficiency and outreach. The Department for International Development (DFID) in the United Kingdom has commissioned an organized appraisal of microfinance impact and recommended further research

(Goodwin-Groen, 2012). Hence this encourages research on the significant factors that have influence on sustainability and outreach of MFIs.

The majority of MFIs are claimed not to be financially sustainable; more than 95% of MFIs still require subsidies to cover their costs and to finance their loans (Morduch, 2000; Brau and Woller, 2004; Perilleux *et al.*, 2012). Morduch (2000) is also doubtful of the optimistic of microfinance being able to be financial self-sustainable and in same time to ensure depth of outreach and alleviation of poverty (Aveh, 2011; Quayes, 2012). Recent research indicates a number of financial challenges for the more poverty-oriented MFIs (Hudon and Sandberg, 2013). Consequently, there is an issue of financial sustainability of MFIs that need to be considered; accordingly, this study will examine the factors that affect financial sustainability.

Outreach to the poor is another major problem in microfinance industry. Microfinance financial services reach only a fraction of the world's poor particularly in rural areas; outreach problem (Robinson, 2001). For example, only about 133 million people are estimated to be served by the MFIs, compared to the 900 million poor people (in the Asia Pacific region) (Osotimehin and Akinlabi, 2011). The present outreach of microfinance in Sudan (the country of this study) is still very low, as it is generally considered that it covers only 1% to 3% of the needs of the potential target group (CBOS, 2013). This issue needs to be addressed by investigating the factors that have effects on outreach.

A critical issue to Sudan is that microfinance is still underdeveloped. Most commercial banks are reluctant to engage in microfinance because they consider it to be unprofitable and unsustainable due to the strong prevailing "charity" culture in Sudanese microfinance and they are wary to invest in a business that they do not master. Most MFIs are small, with weak processes and poor management information systems. As a consequence, there are doubts on whether Sudanese microfinance providers are capable of playing a leading role in any microfinance initiative (Khojali and Hansen, 2010).

Another problem in microfinance industry, particularly in Sudan, is that MFIs are imposing excessively interest rate on loans to the MFI clients: if MFIs charge too high interest rates, they may lead the poor to be in a deeper problem rather than to help themselves to pull out of poverty (Braun and Woller, 2004; Ammar and Ahmed, 2016). In contrast, for the purpose of achieving financial sustainability, MFIs have to charge interest rates relatively high enough to cover its operational and finance cost that are high due to small microfinance and the little economies of scale exists in the financing process to cover fixed costs (Dehejia *et al.*, 2012). Consequently, this study examines the relationship between imposing high interest rate and financial sustainability and outreach.

Recently in microfinance industry there is a criticism on ethical issues such as relying on exploitative financing methods, practicing coerce loan recovery, and making clients fall into "debt traps" rather than pulling them out (Harper, 2005; Hulme and Arun, 2011; Kamani, 2011). Moreover, the risk of over-indebting clients is the most crucial challenge facing MFIs but research focusing on financing method is underexplored creating a significant gap in the literature (Lascelles and Mendelson, 2012). Therefore, this study examines these ethical issues from client protection point of view, whether financing methods can affect financial sustainability and outreach.

As stated by Central Bank of Sudan, there is a problem in implementation of microinsurance by insurance providers in Sudanese MFIs (CBOS, 2016). On the other hand, there is limited academic research on the microinsurance markets that discusses the agricultural insurance; this has called for further research (Schmit *et al.*, 2014). Consequently, it is timely that this study examines the impact of microinsurance on the performance of MFIs.

There are some studies criticized and documented subsidized microfinance programs (Adams, 1984; Morduch, 2000; Robinson, 2001; Suraya Hanim, 2011). Some studies subsidized microfinance programs led to non-poor MFI clients. Conversely, some scholars also alleged that subsidies will aid MFIs reaching more poor people (Zeller and Meyer, 2002). Such beliefs made a conflict over the objective of subsidies and how MFIs should finance them. In contrast, those who

receives donations and subsidy focus in social performance, consequently result in conflicts (Shu and Oney, 2014; Wulandari and Kassim 2016). Thus, knowledge about the impact of microfinance on the MFI clients is partial and need further studies.

Based in the problem stated above, this study attempts to examine the effectiveness of the subsidised system of microfinance implemented by Sudan, which is not well documented, by assessing the impacts of microfinance loans on the MFI clients. The topic is significant, mainly in Africa where poverty predominant and where MFIs plays a vital part in assisting programs in poverty reduction/alleviation

1.4 Research Questions

The overall questions of this research are developed based on the discussion on the problems. The main research questions that have been identified to provide direction for this research are:

1. Is there a relationship between interest rate, client protection principles, financing method, and microinsurance and the *financial sustainability* of MFIs?
2. Is there a relationship between interest rate, client protection principles, financing method, and microinsurance and the *outreach* of MFIs?
3. What is the difference, if any; exist on the performance of MFIs based on institutional characteristic in terms of (a) ownership type (b) years of MFI establishment (c) client type?
4. Do microfinance loans have impact on the MFI clients' business, household and individual for one of MFIs in Sudan?

1.5 Research Objectives

The main purpose of this research is to pursue the understanding of how microfinance involvements are implemented and how the numerous factors of the involvement impact financial sustainability and outreach. Also, this study aims to examine the impact of microfinance loan on the clients of MFIs. In this context, the objectives of this study are;

1. To investigate the relationship between interest rate, client protection principles, financing method, and microinsurance and *the financial sustainability* of MFIs.
2. To investigate the relationship between interest rate, client protection principles, financing method, and microinsurance and *the outreach* of MFIs.
3. To examine the effect of institutional characteristics on the financial *sustainability* of MFIs.
4. To investigate the impact of microfinance loans on the client's business, household and individual on a MFI in Sudan.

1.6 Significance / Contributions of the Study

The research is significant in bridging the gap in literature since there is insufficient evidence and missing link in the existing literature. The first gap is that most of the empirical studies on the performance of MFIs - especially sustainability and outreach - have been in Asian countries and South American and very few studies focus particularly in Africa and the majority of the empirical work has been in the area of social impact analysis (Aveh, 2011). There are very limited studies in the context of North Africa and particularly Sudan - as a proxy of Least Developed Country- that have investigated the factors that impact the sustainability and outreach of MFIs (Aveh, 2011). In addition, according to the interview with CBOS (microfinance unit), there is no study which empirically tested the factor that affects

the performance of MFIs from financial sustainability and outreach in Sudan. Hence, this study investigates the factors affect affects the performance of MFIs.

The second literature gap is on the scarce cases of successful MFIs that implement Islamic financing system; these institutions are not incorporated into the formal financial systems, except Indonesia. Islamic MFIs experience wide-ranging discrepancies in the operational mechanisms, models, and instruments. While, in terms of reach, saturation and financial competency, Islamic MFIs are way behind their conventional colleagues (Bhuiyan *et al.*, 2011). Additionally, there is a gap in the existing literature of Islamic microfinance (Kasim and Shamsir, 2012; Ismail and Possumah, 2013). Microfinance sector largely has been neglected in the critical literature (Hudon and Sandberg, 2013). Consequently, this research examines these factors to prove or disprove contradicting evidence. The above stated existing literature gaps are expected to be bridged by this study.

Furthermore, El-Komi and Croson (2012) stated that very little previous research has examined the relationship between conventional and Islamic microfinance (macro). Also they stated a big proportion of the poor are practicing Muslims; thus they are unable to take advantage of conventional microfinance contracts which involve the payment of interest. Consequently, this study focuses on microfinance in Muslim countries in North Africa and particularly in Sudan that adopting Islamic financing system.

Generally, this study contributes empirically in determining the role and importance of interest rate, client protection, financing method, microinsurance, and institutional characteristics to develop a sustainable competitive advantage for MFIs. Such contribution provides some acumen for the relationship between these factors and MFIs' performance that has been a focal and equivocal point of researches particularly in the case of Sudan.

Additionally, this study contributes in demonstrating empirically the current impact of microfinance loan on MFI clients which partially identified to assist in decision making by microfinance stakeholders. On the other hand, this study

contributes in mitigating the debate of whether microfinance is worthwhile or worthless by testing empirically the impact of microfinance loan on clients.

This study contributes to the practice, management, stakeholders, and policy makers of the microfinance industry by providing practical recommendations and implications of the study. Besides, this study contributes to MFIs by proposing a Performance Measurement Framework that addresses the shortcoming of all pervious PMFs and integrates five mile stones in one framework. This is the first multifaceted, integrated and balanced PMF that proposed particularly to MFIs.

Furthermore, this study provides social and economic contributions by making recommendations to MFIs which in turn will further improve the financial sustainability and outreach of MFIs and consequently contributes in reducing poverty and hunger in addition to the development and empowerment of the poor, particularly women.

1.7 Scope of the Study

This research studies the factors that have an impact on sustainability and outreach of MFIs, as well as the impact of microfinance loans on the clients (or borrowers). The research was carried out in Sudan as a proxy for least developed country that implementing an Islamic financing system. Mixed-mode method was adopted involving qualitative and quantitative approaches to develop a research design which fits the research questions and objectives. The respondents of this research comprise of two separate groups; managers of MFIs and clients (borrowers) of MFIs. Two sets of questionnaire were used; to collect data from general manager (or similar position) and from clients. Semi-structured interviews were used to collect data from the MFIs. Smart PLS and one-way ANOVA were used for quantitative data analysis using SPSS 21.0 and Smart PLS (SEM) statistic software while content analysis was used to analyse the interview data.

1.8 Key Terms of Operational Definition

(a) Financial sustainability

Financial sustainability is defined as the ability to cover all expenses with revenue plus produce a surplus of revenue over expenses to finance future growth (Ayayi and Sene, 2011).

(b) Outreach

Outreach refers to the ability of MFIs to provide microfinance financial services to the poor, particularly in rural areas (Robinson, 2001; CBOS, 2013).

(c) Subsidies in microfinance

Subsidies in microfinance means MFIs are financed by the government or others in the form of subsidies and donations. Microfinance is a costly inefficient business due to high transaction costs that incurred from small scale loan (Suraya Hanim, 2011).

(d) Interest rate

The interest rate is the price of money. Where for-profit financial institutions set their interest rates by the rate that will maximize shareholder wealth, MFIs face unique matters in determining an appropriate level of interest rate (Aveh, 2011).

(e) Client Protection

Client Protection Principles are designed to aid MFIs in practicing good ethics and successful business. These principles represent the least required standards that microfinance clients are entitled to receive MFIs. Recently, microfinance industry is criticism on ethical issues such as imposing excessive interest rate and making clients fall into more debts rather than pull them out (Harper, 2005; Hulme and Arun, 2011; Kamani, 2011).

(f) Microinsurance

Microinsurance is a non-traditional insurance created for the protection of poor and vulnerable people against specific risk (perils) in exchange for payment of

premium. Unlike banks, which demanded collateral, in order to get a loan from MFIs, borrowers have to provide some other sort of collateral such as insurance etc. (Khojali and Hansen, 2010).

(g) Borrower's characteristics

Borrower's characteristics refer to the characteristics of individual borrower which have effects on loan repayment, such as age, gender, education etc. (Kevane and Wydick (2001).

(h) Business characteristics

Business characteristics refer to the type of business which have an influence on the loan repayment defaults such as agriculture, trading as well as business training (Kevane and Wydick (2001).

(i) Financing characteristics

Loan characteristics refer to the characteristics of program design and implementation such as effects of loan size, nature of the loan, repayment period, repayment mode etc. (Kevane and Wydick (2001).

(j) Institutional characteristics

Institutional characteristics of MFIs have impact in the performance of MFIs (Zeller and Meyer, 2002). In the context of this research, the following are used in representing institutional characteristics:

(i) Ownership type

Ownership type refers to the property right of the organization that provides microfinance services to the poor. Ownership type has a crucial influence on MFI's performance (Jansson and Westley, 2004). The types of ownership focused by this study are government organizations, non-profit organizations and for-profit organizations.

(ii) Client type

Client type refers to the client characteristics and the client business. Client characteristics, identified by gender type (some MFIs target financing to women

rather than men) and/or identified by poverty targeting (financing to the very poor and poor versus financing to the marginally poor and non-poor) (Aveh, 2011).

(iii) Financing methodology

This refers to financing method used to provide loans to the poor including group financing that made the group members co-signers, thus reducing the chance of default (Jansson and Westley, 2004).

(k) Financial inclusion

Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society, in contrast to financial exclusion where those services are not available or affordable (de Aghion *et al.*, 2007). Focus should be on supply and usage of affordable and quality financial services and products to the low-income people who are financially excluded by conventional banks. These financial services and products should be in a simple and appropriate manner that can encounter demand with the necessary consideration to client protection practices.

(l) Microinsurance premium

This refers to the amount paid by microinsurance-policyholder to retain an insurance in effective, usually is paid in installments (CGAP, 2014).

1.9 Outline of this Thesis

Key concepts and objectives of the research were introduced in this chapter. The rest of this thesis is organized as follows: Chapter 2 presents and discusses an overview of the literature relevant to microfinance and the variables of the study. Chapter 3 discusses the research methodology in terms of sample frame, research method, research instrument, data collection procedures, and determining data analysis method. In Chapter 4 an analysis of collected data and evidences with the initial model is presented. Finally, Chapter 5 contains discussion and conclusion of research findings.

REFERENCES

- Abbink, K., Irlenbusch, B. and Renner, E. (2006). Group Size and Social Ties in Microfinance Institutions *Economic Inquiry*. 44(4), 614-628.
- Adams, D. W. (1984). Are the Arguments for Cheap Agricultural Credit Sound? In Adams, D. W., Graham, D. H. and Von Pischke, J. D. (Eds.) *Undermining Rural Development with Cheap Credit* (pp. 65-77). Boulder, Colorado: Westview Press.
- Adams, D. W. and Von Pischke, J. (1992). Microenterprise Credit Programs: Déjà Vu. *World Development*. 20(10), 1463-1470.
- Afrane, S. (2002). Impact Assessment of Microfinance Interventions in Ghana and South Africa: A Synthesis of Major Impacts and Lessons. *Journal of Microfinance/ESR Review*. 4(1), 37-58.
- African-Economic-Outlook. (2012). Retrieved October 17, 2012, from www.oecd-library.org-Sudan
- Agency, S. N. (2012). Islamic Microfinance Forum. In P. Newsstand (Ed.), *Document ID: 2594188701* (Vol. Document ID: 2594188701). ProQuest Newsstand.
- Ahmed, E. M., Ammar, A., and Ali, a. E. L. S. (2016). Sudanese Microfinance Services Providers Drivers for Intention to Adopt Mobile Banking. *Journal of Internet Banking and Commerce*, 21(3).
- Ahlin, C., Lin, J. and Maio, M. (2011). Where Does Microfinance Flourish? Microfinance Institution Performance in Macroeconomic Context. *Journal of Development Economics*. 95(2), 105-120.
- Ahlin, C. and Townsend, R. M. (2007). Using Repayment Data to Test Across Models of Joint Liability Financing. *The Economic Journal*. 117(517), 11-51.
- Alchian, A. A. and Demsetz, H. (1972). Production, Information Costs, and Economic Organization. *The American Economic Review*. 777-795.

- Aleem, I. (1990). Imperfect Information, Screening, and the Costs of Informal Financing: A Study of a Rural Credit Market in Pakistan. *The World Bank Economic Review*. 4(3), 329-349.
- Amaratunga, D., Baldry, D., Sarshar, M. and Newton, R. (2002). Quantitative and Qualitative Research in the Built Environment: Application of “Mixed” Research Approach. *Work Study*. 51(1), 17-31.
- Amin, R., St Pierre, M., Ahmed, A. and Haq, R. (2001). Integration of an Essential Services Package (ESP) in Child and Reproductive Health and Family Planning with a Micro-Credit Program for Poor Women: Experience from a Pilot Project in Rural Bangladesh. *World Development*. 29(9), 1611-1621.
- Ammar, A. and Ahmed, E. M. (2016). Factors Influencing Sudanese Microfinance Intention to Adopt Mobile Banking. *Cogent Business & Management*. 3, 1-20.
- Amran Rasli (2006). *Data Analysis and Interpretation-A Handbook for Postgraduate Social Scientists (+ CD)*. Skudai: Penerbit UTM.
- Annim, S. K. (2010). *Microfinance Paradigm: Institutional Performance and Outreach*. Doctor Philosophy, University of Manchester, United Kingdom.
- Armendariz de Aghion, B. and Morduch, J. (2005). *The Economics of Microfinance*: Cambridge, MA: MIT Press.
- Arnold, L. G. and Booker, B. (2013). Good Intentions Pave the Way to the Local Money Lender. *Economics Letters*. 118(3), 466-469.
- Arun, T., Bendig, M. and Arun, S. (2012). Bequest Motives and Determinants of Micro Life Insurance in Sri Lanka. *World Development*. 40(8), 1700-1711.
- Arsyad, L. (2005). *An Assessment of Performance and Sustainability of Microfinance Institutions: A Case Study of Village Credit Institutions in Gianyar, Bali, Indonesia*. Doctor Philosophy, Flinders University, Australia.
- Arrow, K. J. (1968). Applications of Control Theory to Economic Growth. In *Mathematics of the decision sciences, Dantzig G. B. and Veinott A. F. (Eds.), Vol.12 in the Series Lectures in Applied Mathematics*. American Mathematical Society, Providence, RI, 85-119.
- Attewell, P. and Rule, J. P. (1991). Survey and Other Methodologies Applied in IT Impact Research. *Harvard Business School Press*. 3, 299-315.

- Augustine, D. (2012). Good Practice in Corporate Governance: Transparency, Trust, and Performance in the Microfinance Industry. *Business & Society*. 51(4), 659-676.
- Aveh, F. K. (2011). *An Evaluation of the Performance of Microfinance Institutions in Ghana*. Doctor Philosophy, Bradford university, United Kingdom.
- Ayayi, A. and Sene, M. (2011). What Drives Microfinance Institution's Financial Sustainability. *Economics of Transition*. 20(1), 37-72.
- Bakhtiari, S. (2011). Microfinance and Poverty Reduction: Some International Evidence. *International Business & Economics Research Journal (IBER)*. 5(12), 65-71.
- Balanda, K. P. and MacGillivray, H. L. (1988). Kurtosis: A Critical Review. *The American Statistician*. 42(2), 111-119.
- Ballantine, J. and Brignall, S. (1994). A Taxonomy of Performance Measurement Frameworks. *Research Paper*. 135.
- Banerjee, A., Besley, T. and Guinnane, T. (1994). Thy Neighbour's Keeper. The Design of a Credit Cooperative with Theory and a Test. *Quarterly Journal of Economics*. 109(2), 491-515.
- Banks, R. L. and Wheelwright, S. C. (1979). Operations versus Strategy—Trading Tomorrow for Today. *Harvard Business Review*. 57(3), 112-120.
- Battilana, J. and Dorado, S. (2010). Building Sustainable Hybrid Organizations: The Case of Commercial Microfinance Organizations. *Academy of Management Journal*. 53(6), 1419-1440.
- Becchetti, L. and Conzo, P. (2011). Enhancing Capabilities through Credit Access: Creditworthiness as a Signal of Trustworthiness Under Asymmetric Information. *Journal of Public Economics*. 95, 265-278.
- Berhane, G., Gardebroek, C. and Moll, H. A. (2009). Risk-Matching Behavior in Microcredit Group Formation: Evidence from Northern Ethiopia. *Agricultural Economics*. 40(4), 409-419.
- Berger, A., Espinosa-Vegab, M., W, F. and Miller, N. (2011). Why Do Borrowers Pledge Collateral? New Empirical Evidence on the Role of Asymmetric Information. *Journal of Financial Intermediation*. 20, 55-70.
- Bhuiyan, A. B., Siwar, C., Ismail, A. G. and Talib, B. (2011). Islamic Microcredit Is the Way of Alternative Approach for Eradicating Poverty in Bangladesh- A

- Review of Islami Bank Microcredit Scheme. *Australian Journal of Basic and Applied Sciences*. 5(5), 221-230.
- Biener, C. and Eling, M. (2011). The Performance of Microinsurance Programs: A Data Envelopment Analysis. *Journal of Risk and Insurance*. 78(1), 83-115.
- Boeije, H. (2002). A Purposeful Approach to the Constant Comparative Method in the Analysis of Qualitative Interviews. *Quality and Quantity*. 36(4), 391-409.
- Bourne, M., Mills, J., Wilcox, M., Neely, A. and Platts, K. (2000). Designing, Implementing and Updating Performance Measurement Systems. *International Journal of Operations & Production Management*. 20(7), 754-771.
- Brau, J. C. and Woller, G. M. (2004). Microfinance: A Comprehensive Review of the Existing Literature. *Journal of Entrepreneurial Finance and Business Ventures*. 9(1), 1-26.
- Brown, M. G. (1996). *Keeping Score: Using the Right Metrics to Drive World-Class Performance*: AMACOM/American Management Association.
- Bruns, W. J. J. (1998). Profit as a Performance Measure: Powerful Concept, Insufficient Measure. *Paper presented at the First International Conference on Performance Measurement, "Performance Measurement - Theory And Practice"*. 14-17 July 1998. Cambridge- UK, 1-16.
- Bruton, G. D., Khavul, S. and Chavez, H. (2011). Microfinancing in Emerging Economies: Building a New Line of Inquiry from the Ground Up. *Journal of International Business Studies*. 42(5), 718-739.
- Bryman, A. and Bell, E. (2007). *Business Research Methods*. (2nd ed.) Oxford, UK: Oxford University Press.
- Cassar, A., Crowley, L. and Wydick, B. (2007). The Effect of Social Capital on Group Loan Repayment: Evidence from Field Experiments. *The Economic Journal*. 117(517), F85-F106.
- CBOS. (2012). Central Bank Of Sudan: Microfinance Unit. Retrieved September 9, 2012, from <http://www.mfu.gov>.
- CBOS. (2013). Central Bank Of Sudan: Microfinance Unit. Retrieved August 21, 2013, from <http://www.mfu.gov>.
- CBOS. (2014). Central Bank Of Sudan: Microfinance Unit. Retrieved July 14, 2013, from <http://www.mfu.gov>.

- CBOS. (2015). Central Bank Of Sudan: Microfinance Unit. Retrieved July 12, 2015 from <http://www.mfu.gov>.
- CBOS. (2016). Central Bank Of Sudan: Microfinance Unit. Retrieved June 3, 2016, from <http://www.mfu.gov>.
- CGAP. (2003). The Impact of Microfinance. *Donor Brief, 13*.
- CGAP. (2006). Good Practice Guidelines for funders of microfinance. *Consultative Group to Assist the Poor/The World Bank* (October 2006, 2nd ed).
- CGAP. (2009). Measuring Results of Microfinance Institutions Minimum Indicators That Donors and Investors Should Track. [A Technical Guide]. © 2009, *Consultative Group to Assist the Poor/The World Bank, Internet*: Retrieved September 4, 2012, from www.cgap.org (Consultative Group to Assist the Poor).
- CGAP. (2014). Microinsurance: The Next Generation of Impact Investments. from Consultative Group to Assist the Poor.
- Chandler, A. D. (1997). The Visible Hand: Managerial Revolution in American Business. *Harvard University press*.
- Chin, W. W. (2010). *How to Write Up and Report PLS Analyses* (Vol. Handbook of Partial Least Squares: Concepts, Methods and Applications in Marketing and Related Fields). Berlin: Springer.
- Chin, W. W., Marcolin, B. L. and Newsted, P. R. (2003). A Partial Least Squares Latent Variable Modeling Approach for Measuring Interaction Effects: Results from a Monte Carlo Simulation Study and an Electronic-Mail Emotion/Adoption Study. *Information Systems Research*. 14(2), 189-217.
- Christen, R. P. R. R. (2004). Financial Institutions with a 'Double Bottom Line': Implications for the Future of Microfinance. In Occasional, C. (Ed.) *Paper No. 8*: Washington.
- Christmas, T. H. (2005). *Using Partial Least Squares Approach to Predict Factors that Contribute to the Impact of E-Folios on Pre-Service Teachers' Learning*. Doctor Philosophy, Louisiana State University, USA.
- Churchill, G. A. and Iacobucci, D. (2002). *Marketing Research: Methodological Foundations*. outh-Western, Thomas Learning.
- Cohen, M., Chen, M. A. and Dunn, E. (1996). Household Economic Portfolios. Retrieved May 29, 2012, from www.eldis.org/vfile/upload/1/document/0708/DOC2932.pdf.

- Conning, J. (1999). Outreach, Sustainability and Leverage in Monitored and Peer-Monitored Financing. *Journal of Development Economics*. 60(1), 51-77.
- Counts, A. (2008). *Small Loans, Big Dreams: How Nobel Prize Winner Muhammad Yunus and Microfinance are Changing The World*: Wiley.
- Crespí, R., García-Cestona, M. A. and Salas, V. (2004). Governance Mechanisms in Spanish Banks. Does Ownership Matter? *Journal of Banking & Finance*. 28(10), 2311-2330.
- Creswell, J. W. (2003). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. (2nd ed.) Thousand Oaks: Sage.
- Cronbach, L. J. and Shavelson, R. J. (2004). My Current thoughts on Coefficient Alpha and Successor Procedures. *Educational and Psychological Measurement*. 64(3), 391-418.
- Cull, R., Demirguc-Kunt, A. and Morduch, J. (2007). Financial Performance and Outreach: A Global Analysis of Leading Microbanks. *Economic Journal*. 117(517), F107-F133.
- Cull, R., Demirguc-Kunt, A. and Morduch, J. (2009). Microfinance Meets the Market. *Journal of Economic Perspectives*. 23(1), 167-192.
- Cull, R., Demirguc-Kunt, A. and Morduch, J. (2011). Does Regulatory Supervision Curtail Microfinance Profitability and Outreach? *World Development*. 39(6), 949-965.
- Cohen, J. (1988). *Statistical Power Analysis in the Behavioral Sciences*. (2nd ed.) Hillsdale: Erlbaum.
- Daniel, R. (2014). Implementing Client Protection in Microfinance. *The State of the Practice (Samart Campaign)*. 1(14), 1-35.
- De Aghion, B. A., Armendariz, B. and Morduch, J. (2007). *The Economics of Microfinance*: MIT press.
- De Mel, S., McKenzie, D. and Woodruff, C. (2011). Getting Credit to High Return Microentrepreneurs: The Results of an Information Intervention. *World Bank Economic Review*. 25(3), 456-485.
- Dehejia, R., Montgomery, H., and Morduch, J. (2012). Do Interest Rates Matter? Credit Demand in the Dhaka Slums. *Journal of Development Economics*. 97(2), 437-449.

- Demirguc-Kunt, A. and Klapper, L. (2012). Measuring Financial Inclusion. In The Global-FIndex (Ed.) *World Bank Policy Research Working Papers 6025*. World Bank.
- Denzin, N. K. (1978). *The Research Act: A Theoretical Introduction to Sociological Methods*. Chicago: Aldine Publishing Company.
- De Quidt, J., Fetzter, T. R., and Ghatak, M. (2016). Market Structure and Borrower Welfare in Microfinance. *Available at SSRN 2540048*.
- Dhumale, R. and Sapcanin, A. (1999). An Application of Islamic Banking Principles to Microfinance. *Technical Note, a Study by the Regional Bureau for Arab States, UNDP, in Cooperation with the Middle East and North Africa Region, World Bank*.
- Dibba, M. (2016). *Is There a Trade-Off Between Sustainability and Outreach in Offering Microfinance Services. Paper presented at the Annual South Africa Business Research Conference*. 11-12 January. Cape Town South Africa.
- Diro, B. A. and Regasa, D. G. (2014). Impact of Micro Credit on the Livelihood of Borrowers: Evidence from Mekelle City. *Ethiopia International Research Journals*. 3(1), 25-32.
- Dunn, E. and Arbuckle, J. G. (2001). Microcredit and Microenterprise Performance: Impact Evidence from Peru. *Small Enterprise Development*. 12(4), 22-33.
- Easterby-Smith, M., Thorpe, R. and Jackson, P. (2012). *Management Research: Sage Publications*.
- El-Gamal, M. A. (2006). *Islamic Finance: Law, Economics, and Practice: Cambridge University Press*.
- Ehlers, T. B. and Main, K (1998). Woman and the False Promise of Microenterprise. *Gender and Society*. 12(4) 424-440.
- El-Komi, M. and Croson, R. (2012). Experiences in Islamic Microfinance. In D. University of Texas (ED), *Central for Behavioral and Experimental Economic Science*.
- Eling, M., Pradhan, S. and Schmit, J. T. (2013). The Determinants of Microinsurance Demand - IDEAS. In RePEc:usg:sfwpfi:2013:08 (Ed.), 1308. USA: University of St. Gallen, School of Finance.
- Epstein, M. J. and Crane, C. A. (2005). Alleviating Global Poverty through Microfinance: Factors and Measures of Financial, Economic, and Social Performance.

- Espinosa, J. O. (2012). The Impact of Microfinance on its Beneficiaries: Impact Assessment on Bancamia in Armenia, Colombia.
- Ewing, P. and Lundahl, L. (1996). The Balanced Scorecard at ABB Sweden—the EVITA Project. *Paper presented at the The International Workshop on Cost Management*.
- Falshaw, J. R., Glaister, K. W. and Tatoglu, E. (2006). Evidence on Formal Strategic Planning and Company Performance. *Management Decision*. 44(1), 9-30.
- Feigenberg, B., Field, E. M. and Pande, R. (2010). *Building Social Capital through Microfinance* (No. w16018). National Bureau of Economic Research.
- Fernando, N. A. (2004). Microfinance Outreach to the Poorest: A Realistic Objective? *Finance for the Poor*. 5(1), 1-5.
- FINCA. (2009). FINCA International. Retrieved July 22, 2012, from http://en.wikipedia.org/wiki/FINCA_International
- Fitzgerald, L., Johnson, R., Brignall, S., Silvestro, R. and Voss, C. (1991). *Performance Measurement in Service Businesses*. London: CIMA.
- Fornell, C. and Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*. 39-50.
- Franco-Santos, M. and Bourne, M. (2005). An Examination of the Literature Relating to Issues Affecting How Companies Manage through Measures. *Production Planning & Control*. 16(2), 114-124.
- Gangopadhyay S. and Lensink R. (2007). *Delegated Monitoring and Moral Hazard in Underdeveloped Credit Markets*. Working Paper: University of Groningen.
- Ganka, D. (2010). *Financial Sustainability of Rural Microfinance Institutions (MFIs) in Tanzania*. Doctor Philosophy, University of Greenwich, United Kingdom.
- Garg, V. K., Walters, B. A. and Priem, R. L. (2003). Chief Executive Scanning Emphases, Environmental Dynamism, and Manufacturing Firm Performance. *Strategic Management Journal*. 24(8), 725.
- Gefen, D., Straub, D. and Boudreau, M. (2000). Structural Equation Modeling Techniques and Regression: Guidelines for Research Practice. *Communications of the Association for Information Systems*. 7(7 August), 1-78.

- Gibbons, D. and Meehan, J. W. (2002). Financing Microfinance for Poverty Reduction. *Draft Paper Commissioned by the Microcredit Summit Campaign. Malaysia: CASHPOR Financial and Technical Services.*
- Giné, X. and Karlan, D. S. (2014). Group versus Individual Liability: Short and Long Term Evidence from Philippine Microcredit Financing Groups. *Journal of Development Economics.* 107, 65-83.
- Godquin, M. (2004). Microfinance Repayment Performance in Bangladesh: How to Improve the Allocation of Loans by MFIS. *World Development.* 32(11), 1909-1926.
- Goetz, A. M. and Gupta, R. S. (1996). Who Takes the Credit? Gender, Power, and Control Over Loan Use in Rural Credit Programs in Bangladesh. *World Development.* 24(1), 45-63.
- Gonzalez-Vega, C. (1994). Stages in the Evolution of Thought on Rural Finance. A Vision from the Ohio State University. *Economics and Sociology Occasional Paper.* 2134.
- Gonzalez, A. (2008). *Microfinance, Incentives to Repay, and Overindebtedness: Evidence from a Household Survey in Bolivia.* Doctor Philosophy, The Ohio State University.
- Goodwin-Groen, R. (2012). *Financial inclusion does not come easily'': An Institutional Analysis of the Development of the Microfinance Markets in Bosnia and Uganda between 1997 and 2007.* Doctor Philosophy, University of Bath, United Kingdom.
- Gorrell, G., Ford, N., Madden, A., Holdridge, P. and Eaglestone, B. (2011). Countering Method Bias in Questionnaire-Based User Studies. *Journal of Documentation.* 67(3), 507-524
- Grameen-Foundation. (2014). Frequently Asked Questions about Microfinance Retrieved November 20, 2014, from <http://www.grameenfoundation.org/>.
- Greenley, G. E. and Foxall, G. R. (1997). Multiple Stakeholder Orientation in UK Companies and the Implications for Company Performance. *Journal of Management Studies.* 34(2), 259-284
- Grover, V. and Segars, A. H. (2005). An Empirical Evaluation of Stages of Strategic Information Systems Planning: Patterns of Process Design and Effectiveness. *Information & Management.* 42(5), 761-779.
- Gummesson, E. (2000). *Qualitative Methods in Management Research.* Sage.

- Hair, J. F., Anderson, R. E., Tatham, R. L. and Black, W. C. (1998). *Multivariate Data Analysis*. New Jersey: Upper Saddle River Prentice Hall.
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E. and Tatham, R. L. (2005). *Multivariate Data Analysis*. Upper Saddle River, N.J: Pearson Education Inc.
- Harper, M. (2005). Farm Credit and Microfinance: Is There a Critical Mismatch? *Small Enterprise Development*. 16(3), 58-67.
- Hart, S. and Banbury, C. (1994). How Strategy-Making Processes Can Make a Difference. *Strategic Management Journal*. 15(4), 251.
- Hartarska, V. (2005). Governance and Performance of Microfinance Institutions in Central and Eastern Europe and the Newly Independent States. *World Development*. 33(10), 1627-1643.
- Hashemi, S. (1996). CGAP Focus Note 21: Linking Microfinance and Safety Net Programs to Include the Poorest: The Case of IGVGD in Bangladesh. Washington, DC: *Consultative Group to Assist the Poor*.
- Helms, B. (2006). *Access for All: Building Inclusive Financial Systems*: World Bank Publications.
- Henry, and Thode. (2002). *Testing for normality* (Vol. 164): CRC Press.
- Hillier, B. and Ibrahim, M. V. (1993). Asymmetric Information and Models of Credit Rationing. *Bulletin of Economic Research*. 45(4), 271-304.
- Hinkin, T. R. (1998). A Brief Tutorial on the Development of Measures for Use in Survey Questionnaires. *Organizational Research Methods*. 1(1), 104-121.
- Hollis, A. and Sweetman, A. (1998). Microcredit: What Can We Learn from the Past? *World Development*. 26(10), 1875-1891.
- Hossain, M., and Diaz, C. (1997). Reaching the Poor with Effective Microcredit: Evaluation of a Grameen Bank Replication in the Philippines. *Journal of Philippine Development*, XXIV (2), 275-308.
- Hossien, H. (2013). *Strategic Marketing Planning and SMEs' Performance*. Doctor Philosophy, University Teknologi Malaysia, Skudai.
- Hudon, M. and Sandberg, J. (2013). The Ethical Crisis in Microfinance. *Business Ethics Quarterly*. 23(4), 561-589.
- Hudon, M. and Traca, D. (2011). On the Efficiency Effects of Subsidies in Microfinance: An Empirical Inquiry. *World Development*. 39(6), 966-973.
- Hulme, D. (2000). Impact Assessment Methodologies for Microfinance: Theory, Experience and Better Practice. *World Development*. 28(1), 79-98.

- Hulme, D. (2008). *The Story of the Grameen Bank: from Subsidised Microcredit to Market -Based Microfinance*. Brooks World Poverty Institute-Manchester.
- Hulme, D. and Arun, T. (2011). *What's Wrong and Right with Microfinance: Missing an Angle on Responsible Finance?* Brooks World Poverty Institute, University of Manchester, UK.
- Hulme, D. and Mosley, P. (1996). *Finance Against Poverty* (Vol. 2): Psychology Press.
- Hussain, M. M., and Pasha, A. T. (2011). Conceptual and Operational Differences Between General Tkaful and Conventional Insurance. *Australian Journal of Business and Management Research*, 1(8), 23
- Hussey, J. and Hussey, R. (1997). *Business Research: A Practical Guide for Undergraduate and Postgraduate Students*. London: McMillan.
- Hsiu-Ling W, Chien-Hsun. and Fang-Ying S (2007). The Impact of Financial Development and Bank Characteristics on the Operational Performance of Commercial Banks in the Chinese Transitional Economy. *Journal of Economic Studies*. 34, 401-414.
- Iqbal, Z. and Mirakhor, A. (2007). *An Introduction to Islamic Finance*. Singapore John Wiley and Sons.
- Ismail, A. G. and Possumah, B. T. (2013). Theoretical Model for Zakat-Based Islamic Microfinance Institutions in Reducing Poverty. *International Research Journal of Finance and Economics*. (103), 136-150.
- Israel, G. D. (1992). *Determining Sample Size*: University of Florida Cooperative Extension Service, Institute of Food and Agriculture Sciences, EDIS.
- Jansson, T. R. R. and Westley, G. (2004). Principles and Practices for Regulating and Supervising Microfinance. *Inter-American Development Bank, Washington, D.C.*
- Jay K, R., Patten, R. H., Johnston Jr, D. E. and Koesoemo, W. (2007). The Promise and the Peril of Microfinance Institutions in Indonesia. *Bulletin of Indonesian Economical Studies*. 43(1), 87-112.
- Jeon, D. and Menicucci, D. (2010). When is the Optimal Financing Contract in Microfinance State Non-Contingent? *European Economic Review*. 55, 720-731.

- Jesen, M. C. and Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics*. 3, 305-360.
- Johnson, and Rogaly, B. (1997). *Microfinance and Poverty Reduction*: Oxfam Pubns.
- Johnson, H. T. (1992). Relevance Regained from Top-Down Control to Bottom-Up Empowerment. *New York : Free Press*.
- Kamani, A. (2011). *Undermining the Chances of Sustainable Development in India with Microfmance*. Sterling, VA: Kumarian Press.
- Kaplan, R. S. and Norton, D. P. (2004). *Strategy Maps: Converting Intangible Assets into Tangible Outcomes*: Harvard Business Press.
- Kaplan, R. S. and Norton, D. P. (2006). *Alignment: Using the Balanced Scorecard to Create Corporate Synergies*: Harvard Business Press.
- Karim, N., Tarazi, M. and Reille, X. (2008). Islamic Microfinance: An Emerging Market Niche. Focus Note 49. Washington, D.C.: CGAP, August.
- Kasim, R. S. R. and Shamsir, N. F. M. (2012). Innovative Governance Framework for Global Islamic Microfinance Institutions. *International Conference on Innovation, Management and Technology Research, ICIMTR2012*, 21-22.
- Keegan, D. P., Eiler, R. G. and Jones, C. R. (1989). Are Your Performance Measure Obsolete? *Management Accounting*. 70, 45-50.
- Khalily, M. A. (2004). Quantitative Approach to Impact Analysis of Microfinance Programmes in Bangladesh—What Have We Learned? *Journal of International Development*. 16(3), 331-353.
- Khandker, S. R., Samad, H. A. and Khan, Z. H. (1998). Income and Employment Effects of Micro-Credit Programmes: Village-Level Evidence from Bangladesh. *The Journal of Development Studies*. 35(2), 96-124.
- Kevane, M. and Wydick, B. (2001). Microenterprise Financing to Female Entrepreneurs: Sacrificing Economic Growth for Poverty Alleviation?. *World Development*. 29(7), 1225-1236.
- Khojali, A. and Hansen, L. M. P. (2010). Microfinance Assessment Consultancy To Darfur, Sudan. In F. International (Ed.). Sudan: Tufts University.
- King, N. (2004). Using Interviews in Qualitative Research. In Cassell C. and Symon G. (Eds.) *Essential Guide to Qualitative Methods in Organizational Research* (pp. 11-22). Thousand Oaks, CA: Sage Publications.

- Krishnaswamy, K. and Ponce, A. (2010). *An Analysis of the Karnataka Mass Defaults*. Center for Micro Finance Working Paper. Institute for Financial Management and Research.
- Kriegel, H. P., Peer K. and Zimek, A. (2010). Outlier Detection Techniques. *Paper presented at the International Conference on Data Mining*. 29 September 2010. Columbus, Ohio, USA 1-73.
- Labie, M. (2001). Corporate Governance in Microfinance Organizations: Along and Winding Road. *Management Decision*. 39(4), 296-302.
- Iacobucci, D. (2002). Explaining Business Groups Started by Habitual Entrepreneurs in the Italian Manufacturing Sector. *Entrepreneurship and Regional Development*. 14(1), 31-47.
- Lascelles, D. and Mendelson, S. (2012). *Microfinance Banana Skins. Staying Relevant*. Kent, UK.
- Ledgerwood, J. (1999). *Sustainable Banking with the Poor Microfinance Handbook*. (2nd ed.) Washington D. C: The World Bank.
- Lingle, J. H. and Schiemann, W. A. (1996). From Balanced Scorecard to Strategic Gauges: Is Measurement Worth It? *Management Review*. 85(3), 56-61.
- Lynch, R. I. and Cross, F. K. (1991). *Measure Up: The Essential Guide to Measure Business Performance*. London: Mandarin.
- Madajewicz, M. (2011). Joint Liability Versus Individual Liability in Credit Contracts. *Journal of Economic Behaviour and Organization*. 77, 107–123.
- Mahjabeen, R. (2008). Microfinancing in Bangladesh: Impact on Households, Consumption and Welfare. *Journal of Policy Modeling*. 30(6), 1083-1092.
- Maisel, L. S. (1992). Performance Measurement: The Balanced Scorecard Approach. *Journal of Cost Management*. 6(2), 47-52.
- Mallick, D. (2012). Microfinance and Moneylender Interest Rate: Evidence from Bangladesh. *World Development*. 40(6), 1181-1189.
- Manos, R. and Yaron, J. (2009). Key Issues in Assessing the Performance of Microfinance Institutions. *Canadian Journal of Development Studies-Revue Canadienne D Etudes Du Developpement*. 29(1-2), 101-122.
- Maudal, O. (1996). *Preprocessing Data for Neural Network Based Classifiers: Rough Sets vs Principal Component Analysis*. Citeseer.
- Mayoux, L. (2001). *Jobs, Gender and Small Enterprises: Getting the Policy Environment Right*. International Labour Office- UK.

- McDougall, P. P., Covin, J. G., Robinson, R. B. and Herron, L. (1994). The Effects of Industry Growth and Strategic Breadth on New Venture Performance and Strategy Content. *Strategic Management Journal*. 15(7), 537-554.
- MENA. (2012). BoK Inks Deal with IDB to Set Up Irada Company for Microfinance. In D. I. 2624265511 (Ed.). Retrieved October 4, 2012, from www.proquest.com.
- Meier, S. and Sprenger, C. D. (2013). Discounting Financial Literacy: Time Preferences and Participation in Financial Education Programs. *Journal of Economic Behavior and Organization*. 95, 159-174.
- Mersland, R. and Strom, R. O. (2009). Performance and Governance in Microfinance Institutions. *Journal of Banking & Finance*. 33(4), 662-669.
- Meyer, M. W. and Gupta, V. (1992). The Performance Paradox. In Staw, B. M. and Cummings, L. L. (Eds.) *Research in Organizational Behavior*. (pp. 306-369). Greenwich.
- Montgomery, R. (1996). Disciplining or Protecting the Poor? Avoiding the Social Costs of Peer Pressure in Micro-Credit Schemes. *Journal of International Development*. 8(2), 289-305.
- Morduch, J. (1999a). The Microfinance Promise. *Journal of Economic Literature*. 37(4), 1569-1614.
- Morduch, J. (1999b). The Role of Subsidies in Microfinance: Evidence from the Grameen Bank. *Journal of Development Economics*. 60(1), 229-248.
- Morduch, J. (2000). The Microfinance Schism. *World Development*. 28(4), 617-629.
- Morris, S. (2006). Sample Size Required for Advance Impact Analysis. *Applied HRM Research*. 60(1-2), 13-15.
- Muriu, P. W. (2011). *Microfinance Profitability*. University of Birmingham.
- Nachmias and Nachmias. (2008). *Research Methods in the Social Sciences*. New York: Worth.
- Nader, Y. F. (2008). Microcredit and the Socio-Economic Wellbeing of Women and their Families in Cairo. *The Journal of Socio-Economics*. 37(2), 644-656.
- Najmi, H. S. M., Bashir, F. and Zubair-Zia, M. (2015). Socioeconomic Impact of Microfinance on Borrowers: A Case Study of NRSP Bank Minchanabad. *Pakistan Journal of Humanities and Social Sciences*. 3(1), 41-61.
- Nanayakkara, G. (2012). Measuring the Performance of Microfinancing Institutions: A New Approach. *South Asia Economic Journal*. 13(1), 85-104.

- Navajas, S., Schreiner, M., Meyer, R. L., Gonzalez-Vega, C. and Rodriguez-Meza, J. (2000). Microcredit and the Poorest of the Poor: Theory and Evidence from Bolivia. *World Development*. 28(2), 333-346.
- Nawai, N. and Shariff, M. N. M. (2010). Determinants of Repayment Performance in Microcredit Programs: A Review of Literature. *International Journal of Business and Social Science*. 1(2), 152-161.
- Neely, A., Gregory, M. and Platts, K. (2005). Performance Measurement System Design: A Literature Review and Research Agenda. *International Journal of Operations & Production Management*. 25(12), 1228-1263.
- Neumann, C. S., Vitacco, M. J. and Rogers, R. (2003). The Antisocial Process Screening Device An Examination of its Construct and Criterion-Related Validity. *Assessment*. 10(2), 143-150.
- Nietoa, B. G., Cincaa, C. S. and Molinerob, C. M. (2005). Microfinance Institutions and Efficiency. *The International Journal of Management Science*. 35, 131-142.
- Noaman, Y. M., Elfatih, A. S., Yassir, J., Ola, A. A. and Mohamed, Y. (2012). Mapping, Capacity Assessment and Capacity Development of Microfinance Providers in Sudan. Policy Assessment, Consultancy and Training (PACT). Retrieved March 18, 2013, from www.pactorg.com.
- Obaidullah, M. (2008). *Introduction to Islamic Microfinance* IBF Net (P) Limited, India: International Institute of Islamic Business and Finance.
- Osoimehin, K. and Akinlabi, B. H. M. (2011). Determinants of Microfinance Outreach in South-Western Nigeria: An Empirical Analysis. *Interdisciplinary Journal of Contemporary Research in Business*. 3(8), 780-797.
- Osoimehin, K. O., Jegede, C. A., Akinlabi, B. H. and Olajide, O. T. (2012). An Evaluation of the Challenges and Prospects of Micro and Small Scale Enterprises Development in Nigeria. *American International Journal of Contemporary Research*. 2(4), 174-185.
- Pande, R. and Urduy, C. (2005). *Institutions and Development: A View from Below*. Cambridge, UK: Cambridge University Press.
- Park, A. and Ren, C. Q. (2001). Microfinance with Chinese Characteristics. *World Development*. 29(1), 39-62.

- Pattenden, J. (2010). A Neoliberalisation of Civil Society? Self-Help Groups and the Labouring Class Poor in Rural South India. *Journal of Peasant Studies*. 37(3), 485-512.
- Perilleux, A., Hudon, M. and Bloy, E. (2012). Surplus Distribution in Microfinance: Differences Among Cooperative, Nonprofit, and Shareholder Forms of Ownership. *Nonprofit and Voluntary Sector Quarterly*. 41(3), 386-404.
- Perry, D. (2002). Microcredit and Woman Moneylenders. The Shifting Terrain of Credit in Rural Senegal. *Human Organization*. 61(1), 30-40.
- Pike, S. and Roos, G. (2004a). Mathematics and Modern Business Measurement. *Journal of Intellectual Capital*. 5(2), 243-256.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J-Y. and Podsakoff, N. P. (2003). Common Method Biases in Behavioral Research: A Critical Review of the Literature and Recommended Remedies. *Journal of Applied Psychology*. 88(5), 879.
- Powell, T. C. (1992). Organizational Alignment as Competitive Advantage. *Strategic Management Journal*. 13(2), 119-134.
- Priyadarshee, A. N. U. R. A. G. and Ghalib, A. (2012). Over-Indebtedness, Coercion, and Default: Causes of the Andhra Pradesh Microfinance Crisis and Regulatory Implications. *Enterprise Development and Microfinance*. 23(3), 185-200.
- Quayes, S. (2012). Depth of Outreach and Financial Sustainability of Microfinance Institutions. *Applied Economics*. 44(26), 3421-3433.
- Rahim Abdul Rahman, A. (2010). Islamic microfinance: An Ethical Alternative to Poverty Alleviation. *Humanomics*, 26(4), 284-295.
- Rankin, K. N. (2002). Social Capital, Microfinance, and the Politics of Development. *Feminist Economics*. 8(1), 1-24.
- Reille, X. and Forster, S. (2008). Focus Note. Foreign Capital Investment in Microfinance. *C-GAP, Washington.*, 1-24.
- Remenyi, D., Williams, B., Money, A. and Swartz, E. (1998). *Doing Research in Business and Management: An Introduction to Process and Method*: London: SAGE publication Ltd.
- Robinson, M. S. (1996). Addressing Some Key Questions on Finance and Poverty. *Journal of International Development Planning Review*. 8, 153-163.

- Robinson, M. S. (2001). *The Microfinance Revolution: Sustainable Finance for the Poor*. World Bank Washington, DC.
- Rock, R., Otero, M. and Saltzman, S. (1998). *Principles and Practices of Microfinance Governance*. ACCION International, Washington, D.C.
- Rosenberg, R. (2009). *Measuring Results of Microfinance Institutions: Minimum Indicators That Donors and Investors Should Track*. CGAP: A Technical Guide.
- Rutherford, S. (1998). The Savings of the Poor: Improving Financial Services in Bangladesh. *Journal of International Development*. 10(1), 1-15.
- Safiek M. H. S. (2009). Commercial Bank Selection: Comparison Between Single and Multiple bank Users in Malaysia. *International Journal of Economic and Finance*. 1(2), 263-273.
- Sarason, Y. and Tegarden, L. F. (2003). The Erosion of the Competitive Advantage of Strategic Planning: A Configuration Theory and Resource Based View. *Journal of Business and Management*. Winter 2003(9), 1-20.
- Saunders, M., Lewis, P. and Thornhill, A. (2009). *Research Methods for Business Students*. Prentice Hall.
- Saunders, M. N., Saunders, M., Lewis, P. and Thornhill, A. (2000). *Research Methods For Business Students*. Pearson Education India.
- Schicks, J. (2013). Microfinance Over-Indebtedness: Understanding its Drivers and Challenging the Common Myths. *Oxford Development Studies*. 41, 95-117.
- Schmit, J. T., Biener, C. and Eling, M. (2014). Regulation in Microinsurance Markets: Principles, Practice, and Directions for Future Development. *World Development*. 58, 21-40.
- Schreiner, M. J. (1997). *A Framework for the Analysis of the Performance and Sustainability of Subsidized Microfinance Organizations with Application to Bancosol of Bolivia and Grameen Bank of Bangladesh*. Doctor Philosophy, Ohio State University.
- SEEP Network, S. (2005). *Measuring Performance of Microfinance Institutions: A Framework for Reporting, Analysis, and Monitoring*. Washington, DC: SEEP Network.
- Sekaran, U. (2003). *Research Methods for Business*. Hoboken: NJ: John Wiley & Sons.

- Servet, J. M. (2011). *Corporate Responsibility versus Social Performance and Financial Inclusion*. Singapore: World Scientific, 301-23.
- Shu, C. and Oney, B. (2014). Outreach and Performance Analysis of Microfinance Institutions in Cameroon. *Economic Research-Ekonomiska Istrazivanja*. 27(1), 107-119.
- Simanowitz, A. and Walter, A. (2002). Ensuring Impact: Reaching the Poorest while Building Financially Self-Sufficient Institutions, and Showing Improvement in the Lives of the Poorest Women and their Families. *Unpublished background paper for the Microcredit Summit*. 5, 10-13.
- Sousa, S. D., Aspinwall, E. M. and Guimarães Rodrigues, A. (2006). Performance Measures in English Small and Medium Enterprises: Survey Results. *Benchmarking: An International Journal*. 13(1/2), 120-134.
- Strauss, A. and Corbin, J. (1998). *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory* (2nd ed.) Thousand Oaks, CA: Sage.
- Steel, W. F., Aryeetey, E., Hettige, H. and Nissanke, M. (1997). Informal Financial Markets Under Liberalization in Four African Countries. *World Development*. 25(5), 817-830.
- Suraya Hanim Mokhtar (2011). *Microfinance Performance in Malaysia*. Doctor Philosophy, Lincoln University, New Zealand.
- Suraya Hanim Mokhtar, Nartea, G. and Gan, C. (2012). Determinants of Microcredit Loans Repayment Problem among Microfinance Borrowers in Malaysia. *International Journal of Business and Social Research*. 2(7), 33-45.
- Suzan, M. (2006). *The Role of Interest Rates on Loan Repayments in Micro Finance Institutions in Uganda*. Master Degree, Makerere University, Uganda.
- Swartz, N. P., & Coetzer, P. (2010). Takaful: An Islamic Insurance Instrument. *Journal of Development and Agricultural Economics*, 2(10), 333-339
- Taticchi, P. and Balachandran, K. R. (2008). Forward Performance Measurement and Management Integrated Frameworks. *International Journal of Accounting and Information Management*. 16(2), 140-154.
- Tchakoute-Tchuigoua, H. (2011). Is there a Difference in Performance by the Legal Status of Microfinance Institutions? *The Quarterly Review of Economics and Finance*. 50, 436-442.

- Thabane, L., Ma, J., Chu, R., Cheng, J., Ismaila, A., Rios, L. P. and Goldsmith, C. H. (2010). A Tutorial on Pilot Studies: The What, Why and How. *BMC Medical Research Methodology*. 10(1), 1.
- UNDP. (2005). *Ghana Human Development Report 2004: Breaking the HIV/AIDS Chain: a Human Development Challenge*: United Nations Development Programme.
- UNDP. (2012). United Nation Development Program. Retrieved March 17, 2013, from <http://www.undp.org>.
- Valnek, T. (1999). The Comparative Performance of Mutual Building Societies and Stock Retail Banks. *Journal of Banking & Finance*. 23(6), 925-938.
- Van Gool, J., Verbeke, W., Sercu, P. and Baesens, B. (2012). Credit Scoring for Microfinance: Is it Worth it? *International Journal of Finance & Economics*. 17(2), 103-123.
- Van Rooyen, C., Stewart, R., and De Wet, T. (2012). The Impact of Microfinance in Sub-Saharan Africa: a Systematic Review of the Evidence. *World Development*, 40(11), 2249-2262.
- Varian, H. (1990). Monitoring Agents with other Agents. *Journal of Institutional and Theoretical Economics*. 146(2), 153-74.
- Wang, Y-S., Wang, Y-M., Lin, H-H. and Tang, T-I. (2003). Determinants of User Acceptance of Internet Banking: An Empirical Study. *International Journal of Service Industry Management*. 14(5), 501-519.
- Waweru, N. and Spraakman, G. (2012). The Use of Performance Measures: Case Studies from the Microfinance Sector in Kenya. *Qualitative Research in Accounting & Management*. 9(1), 44-65.
- Webster, L., Riopelle, R. and Chidzero, A. M. (1996). *World Bank Financing for Small Enterprises, 1989-1993* (Vol. 23): World Bank Publications.
- Wiklund, J. (2001). Growth Motivation and its Influence on Subsequent Growth. *Frontiers of Entrepreneurship Research*. 101-112.
- Woller, G. M., Dunford, C. and Woodworth, W. (1999). Where to Microfinance. *International Journal of Economic Development*. 1(1), 29-64.
- Woolcock. (2001). Microenterprise and Social Capital: A Framework for Theory, Research, and Policy. *Journal of Socio-Economics*. 30(2), 193-198.

- Wulandari, P. and Kassim, S. (2016). Issues and Challenges in Financing the Poor: Case of Baitul Maal Wa Tamwil in Indonesia. *International Journal of Bank Marketing*. 34(2), 216-234.
- Xu, L. C. (2010). The Effects of Business Environments on Development: Surveying New Firm Level Evidence. *World Bank Research Observer*.
- Yaron, J. (1992). Successful Rural Finance Institutions. *World Bank-Discussion Papers*.
- Yaron, J. (1994). What Makes Rural Finance Institutions Successful? *The World Bank Research Observer*. 9(1), 49-70.
- Yayla, A. A. (2008). *Antecedents of IT-Business Strategic Alignment and the Moderating Roles of Goal Commitment and Environmental Uncertainty*. Doctor Philosophy, Florida Atlantic University.
- Yeboah, E. H. (2010). Microfinance in Rural Ghana: A View from Below. Doctor Philosophy, University of Birmingham, UK.
- Yirsaw, A. (2008). *The Performance of Micro Finance Institutions in Ethiopia: A Case of Six Microfinance Institutions*. Doctor Philosophy, Addis Ababa University.
- Zeller, M., and Meyer, R. L. (2002). *The Triangle of Microfinance: Financial Sustainability, Outreach, and Impact*. Johns Hopkins University Press.
- Zhu, W. (2000). Which Should it be Called: Convergent Validity or Discriminant Validity? *Research Quarterly For Exercise And Sport*. 71(2), 190-194.