Contemporary Challenges and Sustainability of Microfinance Institutions in Ghana

Mensah Marfo[1] & James Atta Peprah[2] Ph.D

Abstract

The paper examined the impact of contemporary challenges on the sustainability of microfinance institutions in Ghana. Employing a cross-sectional survey design, data were collected using self-administered questionnaires. Thirty (36) microfinance institutions across Ghana and sample size of three hundred and thirty-one staff (331) of these institutions were interviewed. Exploratory factor analysis and t-test comparisons were used to analyze the data. Using exploratory factor analysis, the findings revealed that institutional framework, capacity building and funding, regulation and supervision, and coordination challenges were contemporary challenges faced by MFIs in Ghana. With t-test comparison analysis, the findings revealed that four extracted factor dimensions (institutional framework, capacity building and funding, regulation and supervision, and coordination challenges) have a statistically significant negative influence on the sustainability of microfinance. Of the four, supervision and regulations recorded the highest challenge whilst institutional framework recorded the least challenge. It was concluded that the four main contemporary challenges mentioned were the major threats and contributed adversely to the sustainability of microfinance operations in Ghana.The recommendation centered on policy makers' strengthening corporate governance to enhance the sustainability and long-term survival of MFIs in Ghana.

Keywords: Microfinance institutions, institutional framework, capacity building and funding, coordination, supervisions and regulationschallenges and Sustainability of MFIs in Ghana.

1. Introduction

Credit facilities play a significant role in the development of the informal sector and consequently translate into national development. Knowing this, most developing countries including Ghana have opened up structures for the influx of microfinance businesses. According to Awojobi (2011), the promises of microfinance in economic growth and poverty reduction have placed both the number of microfinance institutions (MFIs) and the subject of microfinance at the apex of the agenda in most evolving countries.

Notwithstanding the benefits accrue from microfinance business in other part of the world; most MFIs have failed in delivering their promises in Ghana. Literature shows that most Ghanaian MFIs are increasingly collapsing in recent times (ghanabusinessnews.com, 2013). It was reported that in the first quarter of the 2013 fiscal year, the number of microfinance institutions in Ghana that collapsed as a result of their inability to sustain their operationsexceeds 30(ghanabusinessnews.com, 2013). Consequently, hundreds of account holders in parts of the country have lost their savings to such institutions within the past couple of years (Domfeh, 2013).

[1]Ph.D Candidate, Accra Institute of Technology (AIT) P.O. Box 4758 Accra-North-Ghana.
E-mail: mensahmarfo2000@yahoo.com, Mobile NO: 0245506914
[2]Department of Economics, University of Cape Coast, Cape Coast, Ghana. Email: peprahjames@rocketmail.com
Mobile No: 0244718204

The trend increased in 2015 with the Central Bank published over 50 more MFIs that have collapsed (Addo, 2015). This has affected the populace who have responded to the calls by these MFIs. Microfinance institutions face many challenges that threaten their financial viability and long-term sustainability (Owusu, 2011). The growing fears among the Ghanaian public are becoming alarming following the microfinance scandal in Brong- Ahafo Region where some microfinance companies such as DKM and GOD is Love could not withstand the panic withdrawals and ability to meet their obligations towards customers in terms of deposits. This has led to widespread public apathy in depositing funds with microfinance institutions. Thus, Ghana's drive to mobilize deposits from the unbanked population and encourage savings habits and credits available to the poor has faced serious challenges from the sustained financial health of some of these microfinance institutions (Domfeh, 2013).

This term sustainability refers to the ability of a microfinance institution (MFI) to cover all of its costs through interest and other income paid by its clients. Financially, sustainable MFIs can become a permanent part of the financial system: they can continue to operate even after grants or soft loans are no longer available. MFIs face an apparent tension between achieving sustainability and contributing to poverty reduction. In furtherance of the above, the underlying factors that influence the sustainability are therefore essential not only for the managers of the MFIs but for various stakeholders such as the Bank of Ghana, Governments, Apex, MASLOC, GHMFIN and other financial authorities etc. The impacts of the exact contemporary challenges on the sustainability of MFIs have not yet been demonstrated statistically in the Ghanaian literature.

The objective of the paper is to assess the key level of contemporary challenges and continuously investigate how the challenges impact the level of sustainability of MFIs. Since the introduction of microfinance institutions in Ghana, the sectors continue to collapse because some of the institutions' inabilities to sustain their operations. The worse of it all has been the withdrawal of provisional licenses (approval-in-principle) of more than seventy MFIs by the Bank of Ghana in January 2016. In March 2018, about 30 Microfinance Companies were summoned by the Bank of Ghana to the Economic and Organized Crime Office (EOCO) to investigate their affairs because the companies were unable to pay depositors funds.

The problem is that a significant number of those engage in microfinance services continue to struggle with sustainability. Most empirical studies on this subject matter have rather focused mainly on the role of microfinance sector and challenges facing MFIs without considering its impact on sustainability in the Ghanaian context. (Afrane, 2002; Gallardo, 2002; Adjei, Arun, &Hossain, 2009; Awojobi, 2011; Bateman, 2012; Akinlawon, Otchere, Pomerantz, & Smith, 2013). Meanwhile, there have been a number of empirical studies that focused on the challenges facing the microfinance sector in some countries; however, such studies in the Ghanaian context are limited. Muhammad (2010) study focused on the opportunities and challenges of the Pakistan microfinance sector. Nasir (2013) also studied the contemporary issues and challenges facing the microfinance sector in India. One of the more related studies in the Ghanaian setting was conducted by Boateng and Agyei (2013) on the success factors, development and challenges of the microfinance companies in Ghana. The findings obtained by Boateng and Agyei (2013) indicated that there were a number of challenges facing the MFIs in Madina, however, no quantitative analysis was performed to ascertain how these challenges influence the success of the MFIs. Although, Muhammad, (2010); Nasir, (2013); Boateng and Agyei, (2013)and Boateng, (2015) study came out with some useful discoveries as regards the contemporary challenges; however, their study fell short in determining the statistically significant impact of these challenges on the sustainability of microfinance institutions. The researcher is therefore motivated to conduct this present study since much has not been said in the Ghanaian context regarding quantitative empirical evidence let alone high order statistical inferential. The present study, therefore, seeks to extend the work of Muhammad, (2010); Nasir, (2013); and Boateng, (2015) by establishing the quantitative statistical significant impact of these challenges on the sustainability of MFIs in Ghana.

The rest of the paper is structured as follows: Section 2 provides a review of the literature. Section 3 presents the methodology and the data. Section 4 provides the empirical results of data analysis. Section 5 provides a discussion of the study results. Section 6 concludes the paper.

2. Literature Review

The theoretical foundations underlying this study are the action regulatory theory and contingency theory. The action theory assumes that entrepreneurial actions are essential to entrepreneurial outcomes (Frese, 2009). There is a contention that the actions of entrepreneurs are crucial and must be a basis for theorizing in entrepreneurship (McCullen&Shephard, 2006; Frese, 2007).

The theory posits that whether an organization occupies a successful position or not is not an entirely accidental process but the outcome of actions (Frese, 2007). A critical evaluation of the prepositions suggests that actions and inactions of the entrepreneurs determine the extent of the consequence of challenges on the survivorship of an enterprise. Relatedly, the action-regulation theory provides theoretical evidence to support the relationships between contemporary challenges and sustainability of MFIs in Ghana in two ways: first, contemporary challenges originate from entrepreneurial action. Secondly, the entrepreneurial action may minimize or deepen challenges which may influence the sustainability of MFIs. The entrepreneurial action may be directed to develop and strengthen institutional structures and frameworks, capacity enhancement and funding and credit delivery management, coordination, data information and dissemination and supervision and regulations. The effectiveness of these entrepreneurial actions would determine the entrepreneurial outcome including sustaining financial health. Following the theory, poor management of these key challenges can threaten any positive entrepreneurial outcome (Gutiérrez-Nieto, Serrano-Cinca&Molinero 2009).

The contingency theory posits that there are several ways in which a firm could be best organized or led. According to the theory, the best approach needed to organize a firm must fit the internal and external circumstances of the business (Richard, 2003). This means that the best way in which a firm can be organized is determined by the environment in which the firm is run (Betts, 2011). In a similar vein, Donaldson (2006) earlier opined the contingency theory suggests that the best organizational structure must fit the contingencies pertinent in the environment wherein an organization functions. The implication is that successful organizations must have flexible organizational structures which are continually altered whenever requires so as fitting available contingencies at any given period.

Assumptions of the contingency theory are that there is not just a single best approach to organize a firm, and also the preferred system or approach is determined by circumstances such as the best activities within reach, the environment and the risk profile (Galbraith, 1973). The postulations and the assumptions of the contingency theory thus imply that for organizations to perform well so as to achieve success and sustainability, the context and the structure of the firm must suit each other (Drazin& Van de Ven, 1985).

The theory helps ease the notion that there exists only one best way to organize a company (Eriksson-Zetterquist, Müllern&Styhre, 2011). It argues further that firms are no closed systems and that they cannot be structured without taking into consideration the characteristics of the environment in which they operate and the effect of these characteristics on the organization (Eriksson-Zetterquist et al., 2011). The authors opined that this theory explains why rigidity of institutional structures is detrimental to the survivor of organizations. Thus, the institutional framework is a key challenge for the sustainability of enterprises including MFIs. In other words, the survival of an institution requires the design of an organizational structure capable of efficiently and effectively handling uncertainties within the environment.

According to Maina (2013), various sub-units inside an organization might confront separate external demands, and so in order to survive these different environments, organizations must create specific sub-units with varying structural features and carefully be co-ordinated. The author explained weakness in the co-ordination within the organizational process may affect the success of the organization or the going concern. Maina (2013) asserts that these could be varying formalization levels, centralized against decentralized and varying planning time horizons, stressing further that the more diverse the types of an organization's environments, the more diverse its structure and the more co-coordinating activities should be in order to be sustainable. This theoretical position is in line with the findings of Bank of Ghana (2007) which concluded that coordination is a challenge to the success of MFIs in Ghana.

The contingency theory thus suggests that the organizational structure of MFIs must not be fixed, but must be reviewed when the structure adversely affects the performance (i.e. when it becomes a misfit). The theory suggests that the organizational adaptation of MFIs to the present technological environment results in organizational success and essentially sustainability (Lawrence &Lorsch, 1967). Likewise, Pinzang&Helmig, (2014) claimed based on the contingency theory that the success of MFIs depends on effectively adapting to the particular organizational environment.

Drawing from the above, the challenges that are influencing the sustainability of many microfinance institutions in Ghana could be arising from the external environment and operational environments such as institutional structures or framework, capacity enhancement and funding, credit delivery and management, data/information and dissemination, regulations and supervision, and coordination. The MFIs may be trying to fit the contingencies existing in the external environment. However, this may be a big challenge because the contingencies within the environment are not fixed, they keep changing with time.

This suggests that institutional framework; regulations and supervision, co-ordination, data information and dissemination, capacity building and funding and credit delivery management which are critical for the success of microfinance operations can also become barriers to achieving success if they are relaxed. The implication is that achieving explicit sustainability requires that an MFI should develop and strengthen these factors.

Although there are theoretical reasons to investigate the relationship between contemporary challenges and sustainability, empirical attentions are relatively not much. Among the few studies including the study conducted by Muhammad (2010). Muhammad (2010) conducted a study that sought to explore the challenges and opportunities within the microfinance sector of the Pakistan economy. The author discovered that there were a lot of challenges facing the sector. Among the challenges were: increasing competition, diversified and innovative products, stability, profitability, limited management capacity of MFIs, low knowledge level, insufficient investment into agriculture development, and a high cost of the transaction. Although Muhammad's (2010) study came out with some useful discoveries as regards the contemporary challenges, the study fell short in determining how these challenges affect the sustainability of the MFIs. The present study thus extends the Muhammad's (2010) work by using these explored challenges and other challenges indicators and statistically investigates how the contemporary challenges affect sustainability.

A study was conducted by Nasir (2013) on contemporary issues and challenges facing the India microfinance sector and to discover the solution to these problems facing the India MFIs. The study discovered that existing gap in the functioning of the India MFIs included lack of product diversification, practices in delivery of credit, customer duplications and overlapping, less thrust on enterprise loans, consumption and individual loan demand with absence of mitigation measures, collection of loans /savings and highest rate of interest prevailing in the microfinance subdivision. Nasir (2013) did not also determine the impact or influence of the challenges on the sustainability of microfinance institutions. Nasir identified numerous challenges, however, as a qualitative study, the significance of these challenges to the success and sustainability of the MFIs could not be established. This study, therefore, refines Nasir study by quantitatively establishing the significant influence of the challenges on the sustainability of the MFIs in Ghana.

One of the more related studies in the Ghanaian setting was conducted by Boateng and Agyei (2013) on the success factors, development and challenges of the microfinance institutions in Ghana. The focus of the study was to examine the development of microfinance in the Madina area of the Greater Accra region of Ghana. The authors used a qualitative research approach and the study employed a primary study design. The study findings obtained by Boateng and Agyei (2013) indicated that there were a number of success factors and challenges facing the MFIs in Madina, however, no quantitative analysis was performed to ascertain how the success factors had contributed to the growth and sustainability of the MFIs. This present study seeks to determine the effect of the challenges on the sustainability of MFIs.

Recently, Boateng (2015) examined the prospects and the challenges facing microfinance institutions in Ghana. The study discovered that the main challenges facing Ghanaian MFIs include regular changes in government policies, poor regulatory environment, lack of capital, insufficient professionalism and skills, infrastructural problems, poor corporate governance, socio-cultural misconceptions, and forgeries frauds and corruption. However, the study was a qualitative study, the effects of the challenges and opportunities on the sustainability of MFIs were not determined.

Muhammad (2010), Nasir (2013), and Boateng (2015) failed to determine the statistically significant impact of these challenges on the sustainability of microfinance institutions. This present study will make use of recent primary data and also determine how contemporary challenges influence the sustainability of microfinance institutions in Ghana.

3.0 Methodology

3.1 Research Design

The study adopted the cross-sectional survey design to solicit information from Managers, an Administrative and Operational staff of 36 Tier 2 microfinance companies. The study operationalizes microfinance institutions as those "Tier Two" MFIs with the word 'microfinance' as part of their names. The 36 companies were randomly selected from the list of Microfinance Companies from Western, Central, Ashanti, Greater Accra, Brong Ahafo and Eastern. The choice of the microfinance companies over the other informal financial institutions is that they form a major part of the total informal financial companies in the country and also they are pivotal as far as credit for development is concerned (Chronicles Business News of Ghana, 2014). In addition, studying these institutions is important because in recent times alleged cases have been reported about their operations. The cross-sectional survey design was employed to support the quantitative analytical procedure. This is appropriate as the study structure requires selection of microfinance institutions and administer data collection instrument. The survey is applied through the use of standardized questionnaires to collect the required data of interest (Anlo, 2012, p.79).

3.2 Data

The study uses the structured self-administered questionnaire for collecting responses from the managers, administrators and operational staff. The questionnaire sought to collect information on some aspects of challenges dimensions of the microfinance sectors and how the components affect the sustainability of microfinance institutions. The questionnaires were hand delivered and collected in the same manner. To analyze the data, the study employs statistical tools such as exploratory factor analysis and t-test comparisons techniques. Exploratory factor analysis using the principal components analysis method with Varimax rotation were applied in order to remove redundant variables from the data (highly correlated) so as to be left with uncorrelated variables in order to retain acceptable factor structures where low factor loadings, cross-loadings and low communalities (0.5) were eliminated whilst the t-test was to find out if there is a significant difference between contemporary challenges indicators of MFIs .The t-test of significance was used to test the mean difference of selected indicators for challenges of MFIs.

3.3 Study areas

The study was conducted in six regions of Ghana including Ashanti, Greater Accra, Brong Ahafo, Western, Central and Eastern Region. The region with the highest number of Tier two MFIs is Greater Accra followed by Ashanti and the region with the least is Brong Ahafo. The motives are that Greater Accra and Ashanti seem to be the most developed regions in terms of economic activities whereas the Brong Ahafo region is dominated by farming activities and can brag of a few MFIs. The institutions are regulated by the Bank of Ghana and provide financial assistance to the masses especially the low-income brackets. The samples of MFIs were taken from the regional capitals (Kumasi, Accra, Sunyani, Takoradi, Cape Coast and Koforidua) of each region. The aim is that MFIs are focused in the cities where business activities are booming.

3.4 Sampling approach

The study uses a multi-stage sampling technique. This sampling technique is applied in this study by first selecting the microfinance companies and finally the staff to respond to the questionnaires. The sample size is 331. This comprises of all the level managers, administrative and operational staffs. A total of 360 questionnaires were handed out. Out of this number, a total of 331 were returned representing 92% response rate and these valid responses were used for analysis. This sample size was deemed to be fairly representative to help arrive at a conclusion that could be acceptable. The results show that the sample is adequate for factor analysis and that variables correlate well. The study also follows Tabachnick and Fidell's (2007) formula for calculating minimum sample size. The formula is given as N > 50 + 8m (where 'N' = sample size and' = the number of dimensions) and m=4 that are the four extracted factors. Therefore per the formula, the minimum requirement is 82. However, the study used a sample size of 331 which is far greater than the minimum requirement.

3.5 Characteristics of selected MFIs

All the 36 randomly selected MFIs are members of tier two Microfinance Companies in Ghana. .Out of these 36 institutions selected for the study, ten (10) staff were selected from every institution with a total of Three Hundred and Thirty-One (331) respondents responded population of this study consists of 344 licensed microfinance institutions operating across Ghana. The sampling frame comprises of all the top-level managers, administrative and operational staffs. The regional distribution of the 36 MFIs randomly selected for the study was located in 6 regions namely; Greater Accra (17 MFIs), Ashanti (4 MFIs), BrongAhafo (3 MFIs), Eastern (3 MFIs), Western (7 MFIs), and Central (2 MFIs). The participants were : (149 in Greater Accra, (45%,) (68 in Western,(21%), (30 in Eastern,(9%), (14 in Central, (4%), (40 in Ashanti (12%), and (30 in Brong Ahafo (BA)(9%)

These MFIs should be satisfied before obtaining an operating license from the Bank of Ghana. Another common characteristic about the institutions is that they all operate a deposit in small sums from the informal sector on daily basis. In addition to deposit mobilization, the institutions mobilize funds from short-term savings, pay interest on deposits, and engage in on lending of loans. The structures they adopt are normally individual and group lending. The sources of capital for these institutions are internal and external.

4. Results
1. Level of Contemporary Challenges of Microfinance Institutions in Ghana
        In order to identify the key challenges of MFIs in Ghana, exploratory factor analysis was performed on the study data. All the thirty-six (36) variables measuring contemporary challenges of MFIs on the questionnaire were subjected to principal component analysis followed by a Varimax rotation. Initial results showed that some variable/items had low extraction communalities (communalities below 0.5) whilst others had significant cross-loadings. Therefore in line with recommendations by Hair et al (2016), the offending items were eliminated sequentially and exploratory factor analysis re-run until the final results obtained acceptable factor structure. The final results of the principal component analysis containing twenty-four variable/items are presented in table 1. A Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy value of 0.707, as well as a Bartlett's Test of Sphericity of (approx. Chi-square=9309.77, df=276, p=0.000), were obtained. These results show that the sample is adequate for factor analysis and that variables correlate well.

Table .1: Contemporary Challenges of MFIs-Principal Component Analysis					
Variable	Communality	Factor	Eigenvalue	% of Variance	Cumulative %
The institution has no clear mandate and visión	0.805	1	6.032	25.132	25.132
There is no consensus between the institutional mandate and operating values	0.691	2	4.755	19.814	44.946
There is lack of good fit between the institution's mandates and its activities	0.833	3	4.246	17.691	62.636
There is lack of strong leadership	0.820	4	2.395	9.981	72.617
The institution has no business or strategic plan to cover its expansion and sustainability of microfinance institution	0.828	5	1.182	4.925	77.542
The role and responsibility of stakeholders currently overlap in some cases	0.794	6	1.136	4.733	82.275
Organizational and institutional hierarchy and reporting relationships among all the stakeholder are not clearly defined	0.786				
The staff are not qualified for the delivery of the current financial services	0.943				
There is a lack of institutional investment in training and support for staff	0.887				
The current microfinance Apex body lacks adequate cadre of in-house trainers	0.918				
Lack of adequate sources of funds	0.810				
Current strategies for credit delivery are not adequately diversified or efficient	0.864				
There is no framework for categorizing and upgrading emerging microfinance institutions in accordance with their operational capacities and capabilities and this affects our operation	0.587				
The unwillingness of clients to provide personal information	0.813				
Approaches to and methodology for data and information gathering at the national level are not uniform, making it difficult to centrally monitor the progress of the microfinance for investors' attention and client confidence	0.817				
There is lack of well-defined reporting system by both the government and development partners with regards to their intervention	0.897				
Lack of adequate client information	0.682				
There is a lack of well specified guidelines for operations	0.894				
there is a lack of sound governing structure for appointing board members	0.818				
The board members often do not have the required knowledge and experience to supervise management activities	0.860				
There is no effective board oversight	0.875				
Sharing private data is not permitted	0.840				
There is fragmentation, duplication and inadequate collaboration between and among service providers, practitioners and end users	0.840				
KMO=0.707; Barletts Test Chi-square=9309.77, df=276, p=0.000; Total variance explained=82.2%					

Source: Field data, (2016)

Table 2: Contemporary Challenges of MFIs-Varimax Rotated Component Matrix						
Variables	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6
The current micro finance Apex body lack adequate cadre of in-house trainers	0.892					
There is no effective board oversight	0.882					
There is a lack of well specified guidelines for operations	0.869					
There is lack of institutional investment in training and support for staff	0.841					
The board members often do not have the required knowledge and experience to supervise management activities	0.686					
Lack of adequate sources of funds	0.559					
There is a lack of sound governing structure for appointing board members	0.552					
The staff are not qualified for the delivery of the current financial services		0.953				
Lack of adequate client information		0.789				
Current strategies for credit delivery are not adequately diversified or efficient		0.756				
There is no consensus between the institutional mandate and operating values		0.701				
There is fragmentation, duplication and inadequate collaboration between and among service providers, practitioners and end users		0.684				
There is lack of strong leadership			0.892			
There is lack of well-defined reporting system by both the government and development partners with regards to their intervention			0.881			
The institution have no business or strategic plan to cover its expansion and sustainability			0.793			
Approaches to and methodology for data and information gathering at the national level are not uniform, making it difficult to centrally monitor progress of the microfinance for investors' attention and client confidence			0.629			
There is no framework for categorizing and upgrading emerging microfinance institutions in accordance with their operational capacities and capabilities and this affect our operation			0.605			
Organizational and institutional hierarchy and reporting relationships among all the stake holder are not clearly defined			0.573			
The institution have no clear mandate and vision				0.854		
There is lack of good fit between the institutions mandates and its activities				0.853		
Access to information make coordination costly				0.699		
Sharing private data is not permitted					0.832	
The role and responsibility of stakeholders currently overlap in some cases					0.774	
Unwillingness of clients to provide personal information						0.812

Source: Field data, (2016)

The analysis produced six (6) factors shown in table 2 above. For the purpose of this study, only factors with loadings higher than 0.5 were considered. The six extracted factors account for 82.2% of the total variance explained. As can be seen in the table, the six components have cumulative percentage variance of 82.2% which is adequately indicating that the other 17.8% is accounted for by other extraneous variables do not form part of the study. Internal reliabilities of the extracted factors was performed in the form of Cronbach's coefficient alpha (α) and shown in table 3. The Cronbach Test of reliability is the statistical test that is used in the measurement of scales used in a survey. Cronbach (1951) suggests that different test should be performed when multiple sub-scales exist .For the purpose of this study, the cut off value adopted was 0.6 (Hair et al., 2016) and the acceptable benchmark value of item-to-total correlation was set above 0.3 (Narteh et. al. 2014; Hair et al., 2016).

Table 3: Contemporary Challenges of MFIs-Internal consistency and related decision of first structure			
Factors and Items	Item-total correlation	α value	Decision
Factor 1			
The current micro finance Apex body lack adequate cadre of in-house trainers	0.854	0.897	Retained
There is no effective board oversight	0.699		
There is a lack of well specified guidelines for operations	0.811		
There is lack of institutional investment in training and support for staff	0.862		
The board members often do not have the required knowledge and experience to supervise management activities	0.673		
Lack of adequate sources of funds	0.541		
There is a lack of sound governing structure for appointing board members	0.462		
Factor 2			
The staff are not qualified for the delivery of the current financial services	0.891	0.869	Retained
Lack of adequate client information	0.659		
Current strategies for credit delivery are not adequately diversified or efficient	0.684		
There is no consensus between the institutional mandate and operating values	0.643		
There is fragmentation, duplication and inadequate collaboration between and among service providers, practitioners and end users	0.621		
Factor 3			
There is lack of strong leadership	0.808	0.851	Retained
There is lack of well-defined reporting system by both the government and development partners with regards to their intervention	0.797		
The institution have no business or strategic plan to cover its expansion and sustainability	0.751		
Approaches to and methodology for data and information gathering at the national level are not uniform, making it difficult to centrally monitor progress of the microfinance for investors' attention and client confidence	0.496		
There is no framework for categorizing and upgrading emerging microfinance institutions in accordance with their operational capacities and capabilities and this affect our operations	0.405		
Organizational and institutional hierarchy and reporting relationships among all the stake holder are not clearly defined	0.484		
Factor 4			
The institution have no clear mandate and vision	0.740	0.831	Retained
There is lack of good fit between the institutions mandates and its activities	0.746		
Access to information make coordination costly	0.591		
Factor 5			
Sharing private data is not permitted	0.487	0.655	Merge with factor 4
The role and responsibility of stakeholders currently overlap in some cases	0.487		
Factor 6			
Unwillingness of clients to provide personal information	_	1.000	Merge with factor 4

Source: Field data, (2016)

The internal consistency and weighted means of the four remaining factors were computed and shown in table 4. Factor 1 contains seven items and relates to issues concerning "Supervision and Regulation of MFIs". Factor

2 is made up of five items and relates to issues concerning "Capacity enhancements andfunding". Factor 3 contains six items and relates to issues concerning "Institutional Framework". Factor 4 contains six items and relates to issues concerning "Coordination".

Table 4 : Contemporary Challenges of MFIs-Factor Loadings, Weighted Means and Cronbach's Alpha				
Factors and Items	Number of items	Loadings	Weighted Mean	α value
Factor 1 (Supervision and Regulation)				
The current micro finance Apex body lack adequate cadre of in-house trainers	7	0.892	4.179	0.897
There is no effective board oversight		0.882		
There is a lack of well specified guidelines for operations		0.869		
There is lack of institutional investment in training and support for staff		0.841		
The board members often do not have the required knowledge and experience to supervise management activities		0.686		
Lack of adequate sources of funds		0.559		
There is a lack of sound governing structure for appointing board members		0.552		
Factor 2 (Capacity)				
The staff are not qualified for the delivery of the current financial services	5	0.953	3.582	0.869
Lack of adequate client information		0.789		
Current strategies for credit delivery are not adequately diversified or efficient		0.756		
There is no consensus between the institutional mandate and operating values		0.701		
There is fragmentation, duplication and inadequate collaboration between and among service providers, practitioners and end users		0.684		
Factor 3 (Institutional Framework)				
There is lack of strong leadership	6	0.892	3.205	0.851
There is lack of well-defined reporting system by both the government and development partners with regards to their intervention		0.881		
The institution have no business or strategic plan to cover its expansion and sustainability		0.793		
Approaches to and methodology for data and information gathering at the national level are not uniform, making it difficult to centrally monitor progress of the microfinance for investors' attention and client confidence		0.629		
There is no framework for categorizing and upgrading emerging microfinance institutions in accordance with their operational capacities and capabilities and this affect our operation		0.605		
Organizational and institutional hierarchy and reporting relationships among all the stake holder are not clearly defined		0.573		
Factor 4 (Coordination)				
The institution have no clear mandate and vision	6	0.854	3.583	0.712
There is lack of good fit between the institutions mandates and its activities		0.853		
Access to information make coordination costly		0.699		
Sharing private data is not permitted		0.832		
The role and responsibility of stakeholders currently overlap in some cases		0.774		
Unwillingness of clients to provide personal information				

Source: Field data, (2016)

In order to examine extent of criticality of the four factors on sustainability, in line with Hogg *et al.* (1996), *t*-tests for paired samples was performed and shown in table 5. The results show that four of the six criteria examined are statistically significant.

Based on these results one can derive the following in descending order of importance regarding the criticality of the extent of challenges influencing on overall sustainability of MFIs. After doing all the six pairings we deduce the following order of importance and its effects on overall sustainability of MFIs:Rank 1. Regulation Rank 2 Coordination Rank 3. Capacity Rank 4. Institutional Framework

Table 5: Comparisons of criteria

Pairs	Means	Std. Deviations	Correlation	T	P-Value
Regulation/Supervision – Capacity	4.179-3.582	0.543-0.658	0.231	14.465	0.00*
Regulation/Supervision -InstitutionFramework	4.179-3.205	0.543-0.494	0.220	27.235	0.00*
Regulation/Supervision – Coordination	4.179-3.583	0.543-0.357	-0.133	15.741	0.00*
Capacity – InstitutionFramework	3.582-3.205	0.658-0.494	-0.092	7.946	0.00*
Capacity – Coordination	3.582-3.583	0.658-0.357	-0.184	-0.014	0.989
InstitutionFramework – Coordination	3.205-3.583	0.494-0.357	-0.309	-9.907	0.00*

Note: ** sig. at p < 0.01;

5. Discussion

1 Contemporary Challenges of Microfinance Institution in Ghana

Microfinance institutions like any other entities face a number of challenges which are threats to their sustainability and survivor. Although it is a common knowledge among researchers and experts that the contemporary challenges are threats to the MFIs, what constitute the primary contemporary challenges is inconclusive (see for instanceLafourcade, Isern, Mwangi, & Brown, 2005; Das, Srinivasan and Kodamarty, 2010; andTapanakornvut, 2012).

To achieve this specific objective, detailed empirical reviews were conducted to identify the primary Ghanaian based contemporary challenges to the operations of microfinance institutions in Ghana. Through the review, it was revealed that the contemporary challenges produced six (6) factors; namely, institutional framework, capacity enhancement and funding, credit delivery and management, data/information and dissemination, regulation and supervision, and coordination (BoG, 2007).

The purpose of this objective was to determine whether all six factors produced as contemporary challenges indeed are key challenges facing microfinance institutions in Ghana. To achieve this result, exploratory factor analysis was used to extract the major contemporary challenges dimensions as initial results presented in Table 1. The exploratory factor analysis produces six factors but only the remaining major four factors identified wereSupervision and Regulation, Capacity, Institutional Framework, and Coordination. Due to conceptual fitness purposes, the researcher decided to merge the fifth and six factors with factor four. These factors are Sharing Private Data is not permitted,(0.487), The role and responsibility of stakeholders currently overlap in some cases(0.487), and Unwillingness of clients to provide personal information.T he purpose for the use of the Exploratory Factor Analysis was to remove redundant variables from the data (highly correlated) so as to be left with smaller uncorrelated variables.

Comparatively, the challenges with the highest weighted mean value were Supervision and Regulation with a weighted mean value of 4.179. This is followed by the Coordination with a weighted mean value of 3.583. The challenges with the lowest weighted mean value were institutional Framework with a weighted mean value of 3.205. The study found that four of the remaining factors: Supervision and Regulation, Capacity, Institutional Framework, and Coordination were the main significant contemporary challenges faced by MFIs in Ghana and contributed adversely to microfinance operations. The results imply that the four key contemporary challenges are faced by MFIs.

The weighted factor means also revealed that the most significant contemporary challenge faced by MFIs in Ghana is supervision and regulation. This is followed by coordination, capacity and institutional framework respectively. These findings contribute to the action regulation and contingency theory. Apart from the regulatory and supervision, all the other three components can be considered as internal challenges which according to the Action Theory are determined by the entrepreneurial actions and decisions (Frese, 2007). The theory assumes that the appropriateness of entrepreneurial actions determines the extent of the consequence of challenges on the survivorship of an enterprise. Therefore, the failure to institute structures, build capacity and coordination appropriate would breed operational challenges. These internal factors emanating from internal decisions and policies are crucial and must be a basis for theorizing in entrepreneurship (McCullen&Shephard, 2006). McCullen and Shephard argued that the contemporary challenges originate from entrepreneurial actions as evidenced in the findings in this study.

Besides the action theory, the findings also support the contingency theory. The theory assumes that firms' successes and challenges are situational which can be internal or external (Eriksson-Zetterquist, Müllern&Styhre, 2011). Therefore the participants in this study generally responding that external factors such as external regulations and supervisions among various MFIs are also part of the contemporary challenges of MFIs demonstrate empirical support for the contingency theory.

Despite the theoretical consistencies, Adaju (2006); Gyamfi (2012) and Boateng and Boateng (2014) identified limited support for institutional structure and human capacity as some of the contemporary challenges. However, the findings are similar to the factors identified by Muhammad (2010) as the challenges of microfinance operation. For instance, Muhammad discovered that regulations, limited management capacity of MFIs, low knowledge level, and insufficient investment into agriculture development (arising from challenges from funding) are some of the challenges. These factors are similar to the factors identified in this study. In addition, the findings in the present study affirm the conclusions drawn by Aveh, Dadzie and Krah (2013) indicating a reporting framework as one of the key challenges of MFIs. This is part of the institutional framework challenges in this study.

In addition, another empirical relevance of the high level of contemporary challenges found in this study can be traced to the conclusions drawn by Asiama and Osei (2007). Asiama and Osei showed that there is high regulatory and supervisory rigidity in respect of systems used by regulators to manage microfinance institutions and this is a severe challenge as the rigidity inhibits microfinance institutions' product innovativeness, outreach and have an adverse effect on the performance of the institutions. The present study indeed affirms the findings of Asiama&Osei as the present study revealed regulatory and supervisory challenges as the highest contemporary challenge microfinance institutions are facing. Besides the regulatory and supervisory challenges, Asiama&Osei found co-ordination as also one of the primary challenges of microfinance institutions in Ghana. Recently, Boateng (2015) also found institutional framework indicators such as poor corporate governance and socio-cultural misconceptions are some of the challenges of MFIs in Ghana.

The findings suggest that the contemporary challenges of microfinance institutions are both internal and external factors. The results also show that the four key classes of challenges identified as crippling the microfinance sectors are conclusive per the present empirical evidence. The participants of this study empirically believe that these factors contribute adversely to the operations of microfinance institutions in Ghana. The relatively high level of these challenges shows how sensitive these challenges are to the survivor of microfinance institutions. However, to support the claims that these factors affect the sustainability of these microfinance institutions, a causal relationship is expected to be investigated.

2. The extent of the four extracted factors affecting the sustainability of microfinance institutions

This section discusses the findings of the results of the second objective of the study. The objective sought to investigate how the contemporary challenges discussed under the objective one affect the level of sustainability of microfinance institutions in Ghana.

2.1 Effect of Institutional Framework on Sustainability of Microfinance Institutions in Ghana

The institutional framework encompasses clear vision, mandate, and consistency between values, mandate and visions, strong leadership, clearly defined operations, an absence of role and responsibilities overlap, clear hierarchical directions and clear reporting lines. These indicators are cardinal to the success of microfinance institutions. However, as revealed in this study and supported by the working paper of Bank of Ghana (2007), this rather important structure or framework is lacking imposing severe challenges to the microfinance operation.

By intuition, this would negatively affect the sustainability of microfinance institutions. This intuition may or may not reflect reality. Therefore it was essential to statistically investigate to confirm such a relationship.

The study finding indicated that institutional framework challenge ranks the least significant negative influence on the level of sustainability and it's statistically significant at the 1% level of significance ($p < 0.01$.) This implies that an increase in the level of institutional framework challenges would deplete the sustainability potentials of microfinance institutions in Ghana. The results are consistent with the intuitive analysis above and hence meet the study expectations. The results suggest that owners and managers of microfinance institutions do not institute the required structures which drive their sustainability. This provides empirical support to understanding the action regulation theory. The theory posits that the success of entrepreneurship depends strongly on the entrepreneurial action (Frese, 2007). Therefore, weak and ineffective entrepreneurial action would yield adverse results (McCullen&Shephard, 2006) as found in this study. This means this assumption of the theory is applicable to the microfinance operation in Ghana.

Furthermore, the action regulation theory assumes there is a relationship between goal and results (Frese&Sabini, 1985). The theory assumes that where there are no clear and realistic goals, core competencies would be immaterial. Therefore, despite the high level of core competency exhibited, a poor institutional framework which embodied visions, mandate and goals would generate negative results. This means that theoretically, there is enough reason to find the negative relationship between institutional framework challenges and sustainability.

Empirically, the findings affirm the review study of Bank of Ghana (2007). In their working paper, Bank of Ghana identified institutional framework challenge that affects the sustainability of MFIs in Ghana. As a review paper, Bank of Ghana could not statistically test the extent of such relationship. The results from this statistical investigation are consistent with the conclusions drawn by the Bank of Ghana.

2.2 Influence of Capacity Building and Funding Challenges on Sustainability of Microfinance Institutions in Ghana

The capacity building and funding were measured by evaluating on the scale of the staffing competencies, knowledge level of staff, institutional investment in the training and support for staff, capacity of the apex body and associations of microfinance institutions, availability of funds, reliable sources of funds, and funding terms or conditions. The participants evaluated the challenges arising from the above indicators. The study expected that where the level of this challenge is high, then the sustainability level would also fall.

The study found a significant negative relationship between capacity building and funding challenge and level of sustainability. The study finding indicated that this challenge rank the third significant negative influence on the level of sustainability and statistically significant at the 1% level of significance ($p < 0.01$.). The results suggested that when the level of capacity enhancement and funding challenge of the microfinance institutions increases, all other things being equal, the level of sustainability would fall and vice-versa. The finding was consistent with the study expectation. The results are also logical and realistic as microfinance operation cannot be sustained when there is no reliable cash flow or funding and competent staff to man the institutions.

The findings, however, contradict the results of Kinde (2012). Kinde found that the microfinance capital structure and staff productivity have an insignificant impact on sustainability (financial) of MFIs in Ethiopia. The differences in the results and the conclusions can be explained from a theoretical perspective. For instance, from the contingency theory, it can be argued that differences in situational factors and environment might have accounted for the differences (Richard, 2003).

In Ghana, where hundreds of account holders operating with microfinance institutions lost their savings to such institutions within the past couple of years (Domfeh, 2013), high staff capacity and funding are expected to instil customers' confidence to boost the sustainability prospects. Therefore challenges in developing such capacity can erode the sustainability as indicated in this finding. Thus, capacity enhancement and funding are considered as contingencies. The 'DKM and God is love' scandals are evidential that currently capacity enhancement and funding would play a significant role in explaining the level of sustainability if not before. Poor capacity enhancement and funding would then have a significant adverse effect on sustainability.

Besides the contribution to the contingency theory, the findings affirm earlier conclusions by Boateng and Agyei (2013). In the study of Boateng and Agyei (2013), the authors showed that the sampled microfinance institutions have funding challenges making it difficult to achieve continuous successes. The authors revealed that MFIs were even finding it difficult meeting internal cost such as the cost of technology and transport to support their continuity. These findings are similar to the findings in this study. Although Boateng and Agyei (2013) dwelled on suppositions to draw inferences about the effect of the challenges on the continuity of the MFIs, the results from the statistical analysis of the causal relationship affirm such suppositions

2.3 Influence of Co-ordination Challenge on Sustainability of Microfinance Institutions in Ghana

Another component of the contemporary challenge used in this study was the coordination challenge. The relationship between the coordination challenge and sustainability contribute to achieving the second objective of the study which focused on how contemporary challenges influence the sustainability of the microfinance institutions in Ghana. The study assessed the level of this coordination challenge under objective one using some of the indicators included the absence of effective central bodies to coordinate all the activities of the microfinance institutions, restrictions and difficulty in sharing private data, fragmentation, duplication and inadequate collaboration between and among service providers, practitioners and end users. The t-test comparison analysis was conducted between co-ordination challenge and sustainability. The finding revealed that the level of co-ordination challenge had the second significant negative influence on the sustainability of microfinance institutions in Ghana ($p<0.01$). This indicated that it was the most important variable in explaining movement in the level of sustainability of the microfinance institutions in Ghana. The results meet the expectations of the study and some empirical evidence. For instance, according to Littlefield (2006), the absence of reliable and adequate coordination of information about microfinance operations including the breadth and depth of clients threaten the sustainability of the institutions. Thus, with the assertion of Littlefield, co-ordination challenge has a negative effect on sustainability.

In addition, the findings affirm the results from the study conducted by Nasir (2013). In the Nasir's study, it was revealed that co-ordination challenges such as duplication, overlapping and fragmentation of data cripple the microfinance sector. Although the study failed to statistically test the relationship between coordination challenge indicators and sustainability of the MFIs, the author extrapolates a negative effect from these challenges. This extrapolation is inconsistent with the findings in the present study. According to Boateng (2015), lack of central administrative body to consistently coordinate the activities of microfinance institutions, supervise and provide uniform data about the progress of the institutions affect all facets of growth and success of MFIs in Ghana. This can be explained from the perspective of contingency theory. The theory posits that organizations can minimize suppose threats from its environment by turning threats into opportunities. This can be achieved organizing the activities and structures of the organisation based on the environment in which the organisation is running (Betts, 2011). Following this and the results from the present study, it suggests that microfinance institutions use poor coordination as a means to protect themselves against competition with their proprietary information. Effective co-ordination would have exposed them to the risk of releasing competitive information which may be detrimental.

2.4 Influence of Regulatory and Supervisory Challenges on Sustainability of Microfinance Institutions in Ghana

According to Dzandu and Krah (2013) in Ghana, the financial liberalisation programme presented a relaxed regulatory environment for microfinance and this resulted in marvellous growth and spread of microfinance institutions. The rapid growth and spread of the microfinance institutions have resulted in streamlining the regulatory and supervisory framework of these institutions. This framework has its own challenges. The results discussed under the first specific objective of the study showed that the regulatory and supervisory framework is one of the most significant contemporary challenges to microfinance operation in Ghana. How does this challenge statistically influence the sustainability of these microfinance institutions? This was one of the focuses of this research study.

The study used dimensions such as assessment of the level of rigidity of the regulatory framework, the lack of operational guidelines from the regulators, absence of formal structure to appoint board members, lack of oversight responsibility, the inadequacy of relevant knowledge and competency of supervisory body. The expectation was that poor regulatory and supervisory framework would adversely affect the level of sustainability of microfinance institutions in Ghana.

The study found that the level of regulatory and supervisory challenge had the most significant negative influence on the level of sustainability of microfinance institutions. This finding was also statistically significant within the 1% level of significance ($p<0.01$). This implies that when the level of regulatory and supervisory challenge increases, it would lead to decreasing the rate of sustainability of microfinance institutions, holding other factors constant. On the other hand, all other factors being equal, a decrease in the level of regulatory and supervisory challenge would increase the rate of sustainability of microfinance institutions in Ghana. The significant negative relationship found in this study meets the expectation of this study.

The findings explain some of the assumptions of the consequence of thwarting the goal-action sequence of action regulatory theory. The theory assumes that continuity, growth and success are achieved when entrepreneurial actions are directed sequentially to entrepreneurial goals (Gutiérrez-Nieto, Serrano-Cinca&Molinero 2009). Firms would face the threat of survival when goals generated from environmental opportunities are undermined (Frese, 2007). The regulatory and supervisory challenge can be seen as barriers to achieving goal-action sequence. For instance, there is a restrictive clause in the Bank of Ghana regulation that requires microfinance institutions to provide further capital for approval prior to opening additional branches even if those branches would be viable to enhance performance, growth and survivor. Therefore, regulatory challenges can be seen as a threat to sustainability, hence the empirical results in this study are supported theoretically.

The results are also consistent with the findings of Asiama and Osei (2007). Asiama and Osei revealed that the internal supervisory challenges such as board oversight and structure, rigid regulatory and supervisory systems inhibit the performance of microfinance institutions. The authors even recommended that though regulations are needed to protect depositors' funds, a regulatory and supervisory framework should be balanced so as not to cripple the microfinance institutions. Thus, poor regulatory and supervisory framework would negatively affect sustainability.

6. Conclusions and Recommendations

In conclusion, it emerged that the four remaining key contemporary challenges facing microfinance institutions are an institutional framework, capacity building and funding, regulation and supervision, and coordination. Through an exploratory factor analysis, it was found that the weighted factor means revealed that the most significant contemporary challenge faced by MFIs in Ghana is supervision and regulation. This is followed by coordination, capacity and institutional framework respectively. The participants believed these factors are primary operational challenges of their respective institutions. The second objective covered the influence of contemporary challenges dimensions on the sustainability of MFIs.It revealed that the Institutional framework, capacity enhancement and funding, regulatory and supervisory and co-ordination challenges had a statistically significant negative influence on the level of sustainability and therefore threaten the sustainability of microfinance operations.

1. It is recommended that owners and management of microfinance institutions should develop their institutional corporate governance structures effectively as it is currently one of the major challenges crippling the operations. Besides, capacity building in the form of a skilled and professional development and decent remuneration was found to be essential to building a sustainable and efficient microfinance institution. With regards to the funding, the findings implied that management should seek external funding to support operations and capacity in order to develop comprehensive and coherent training for employees taking into account their respective roles and responsibilities as well as their needs.

2. Management of the microfinance institutions should critically formulate operational policies and strategies to manage the risk associated with all the four contemporary challenges as their current levels do erode the sustainability of the institutions and hence critical attentions are necessary.

3. It is also recommended that Bank of Ghana should review their policies governing the outreach of microfinance institutions in Ghana to ensure that the sector is directed towards sustainability. To help minimise the level of the explored contemporary challenges and strengthen critical success factors, Bank of Ghana should not limit the opening of branches to capital requirement but also should include factors demonstrations of an institutional framework, capacity building, etc. This risk is eminent given the high level of supervision and regulation challenges.

7. References

Adaju, S (2006). Opportunity and Challenges Arising from the Microfinance Seminar and

Adjei, J. K. (2010). Microfinance and Poverty Reduction: The Ghanaian Experience. Bold Communication Ltd, Accra.

Adjei, J. K. Arun, T., &Hossain, F (2009).The Role of Microfinance in Asset-Building and Poverty Reduction: The Case of Sinapi Aba Trust of Ghana.The University of Manchester.

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. Africaine de la Santé Reproductive 10 (1): 81-90

Akinlawon, I., Otchere, A., Pomerantz, J. R., & Smith, L. (2013).The Future of Microfinance in Ghana: A Case Study. Cornell Institute for Food, Agriculture and Development.

Akinlawon, I., Otchere, A., Pomerantz, J. R., & Smith, L. (2013). The Future of Microfinance in Ghana: A Case Study. Cornell Institute for Food, Agriculture and Development.Retrieved, 15.

Andersson, L.M.& Bateman, T. S. (1997). Cynicism in the workplace: Some causes and

effects. Journal of Organizational Behavior, 18 (5), 449-469.

Anlo, B. (2012). Social Science Research: Principles, Methods, and Practices. Open Access Textbooks. Book 3. Retrieved from: http://scholarcommons.usf.edu/oa_textbooks/3

Arun, T., Imai, K., &Sinha, F. (2006).Does microfinance reduce poverty in India?

Asiama J. P. &Osei, V. (2007). Microfinance in Ghana: An Overview. Assess on 12th

Awojobi, O. (2011). Microfinancing for Poverty Reduction and Economic Development: A Case for Nigeria. International Research Journal of Finance and Economics, (72), 159-168. Balkenhol, Microfinance and Public Policy: Outreach, Performance,

Bateman, M. (2012). The role of microfinance in contemporary rural development finance policy and practice: imposing neoliberalism as 'best practice'. Journal of Agrarian Change, 12(4), 587-600.

Battaglia, M. P. (2008). Multi-stage sample: Sage Publication.

Betts, S. C. (2011). Contingency Theory: Science Or Technology? Journal of Business & Economics Research (JBER), 1(8).

Boateng, A. A. (2015). An Examination of Challenges and Prospects of Microfinance Institutions in Ghana.Journal of Economics and Sustainable Development 6(4), 52- 60.

Boateng, A. A., &Boateng, G. O. (2014).Assessment of the Effectiveness of Ghanaian Microfinance Institutions in Promoting Entrepreneurs in Accra Metropolis. Research Journal of Finance and Accounting, 5(6), 15-22.

Boateng, I.A. &Agyei, A. (2013).Microfinance in Ghana: Development, Success Factors and Challenges. International Journal of Academic Research in Accounting, Finance and Management Sciences 3(4), 153-160.

BOG (2011). Notice To Banks, Non-Bank Financial Institutions and The General Public

Borman, W. C., &Motowidlo, S. J. (1993).Expanding the criterion domain to include elements of contextual performance. In N. Schmitt & W. C. Borman (Eds.), Personnel selection in organizations (pp. 71–98). San Francisco: Jossey-Bass. Boston: Pearson Education, Inc.

Creswell, J. W. (2009). 'Research Design: Qualitative, Quantitative and Mixed Method approach'. 3rd ed, Thousand Oaks, California, SAGE Publication Inc.

Das, S. G., Srinivasan, R. K., &Kodamarty, M. (2010). Strategies to Counter Microfinance Delivery Challenges.Available at SSRN 2116876.Data Analysis Techniques for Quantitative Research. New York: Grin Publishers DC, World Bank Publications

.Diefendorff, J. M., & Lord, R. G. (2004). The volitional and strategic effects of planning on task performance and goal commitment. Human Performance, 16, 365–387.

Donaldson, L. (2001). The contingency theory of organizations.Sage.

Donaldson, L. (2006). The contingency theory of organizational design: challenges and opportunities. In Organization Design (pp. 19–40).Springer.

Drazin, R., & Van de Ven, A. H. (1985). Alternative forms of fit in contingency theory. Administrative Science Quarterly, 514–539. Education in Enugu, Nigeria." African Journal of Reproductive Health/La Revue Efficiency (pp. 27-46). New York: International Labor Organization and Palgrave

Erez, M. (1977). Feedback: A necessary condition for the goal setting–performance relationship. American Psychologist, 62, 624–627.

Eriksson-Zetterquist, U., Müllern, T., &Styhre, A. (2011).Organization Theory: a practice-based approach. Oxford University Press.Evidence from Northern Bangladesh".Journal of Development Economics, 70

Fernando, N. A. (2004). Microfinance Outreach to the Poorest: A Realistic Objective? ADB Finance for the Poor, 5(1).Finance and beyond", Presentation for APECWorkshop, Jakarta for Poverty Reduction?

Frese, M. (2007). The psychological actions and entrepreneurial success: An action theory approach. The psychology of entrepreneurship, 151.

Frese, M. (2009).Toward a psychology of entrepreneurship: An action theory perspective. Now Publishers Inc.

Frese, M., & Zapf, D. (1994). Action as the core of work psychology: A German approach. In H. C. Triandis, M. D. Dunnette, & J. M. Hough (Eds), Handbook of industrial and organizational psychology (Vol. 4, 2nd ed., pp. 271–340). Palo Alto, CA: Consulting Psychology Press. Gentner, D. R., & Stevens, A. L. (Eds.). (1983). Mental models. Hillsdale, NJ: Lawrence Erlbaum Associates.

Galbraith, J. R. (1973). Designing complex organizations. Addison-Wesley Longman Publishing Co., Inc.

Gallardo, J. (2002). A framework for regulating microfinance institutions: The experience in Ghana and the Philippines. World Bank Policy Research Working Paper, (2755).

Ghauri, P. and Gronhaug, K. (2010).Research Methods in Business Studies, Fourth ed, PearsonEducation Limited, UK. Given, L. M. (Ed.). (2008). TheSageEncyclopediaofQualitativeResearchMethods. Praxis(pp1-1043).Sage publications, Inc.

Gill, J., & Johnson, P. (2006).Research methods for managers. Saga publications limited

Given, L. M. (Ed.). (2008). TheSageEncyclopediaofQualitativeResearchMethods. Praxis(pp1-1043).Sage publications, Inc.

Gutiérrez-Nieto, B., Serrano-Cinca, C., &Molinero, C. M. (2009).Social efficiency in microfinance institutions.Journal of the operational research society, 60(1), 104-119.

Hair, J. F.J., Anderson, R.E., Tatham, R.L. and Black, W.C. (1998), Multivariate Data Analysis, Prentice-Hall, Upper Saddle River, NJ.

Harman, H.H. (1967), Modern Factor Analysis, 2nd ed. University of Chicago Press, Chicago, IL.

Kinde, B. A. (2012). Financial sustainability of microfinance institutions (MFIs) in Ethiopia.European Journal of Business and Management, 4(15), 1-10.

Littlefield, E. (2006). The future of microfinance—and the World Bank's role in it.Accessed on April, 15, 2015.athttp://www.Microfinancegateway.org/p/site/m/template

Locke, E. A., and Latham, G. P. (1990).A theory of goal setting and task performance. Englewood Cliffs, NJ: Prentice Hall. LondonMacmillian.

Maina, A. W. (2013). Micro financing as a strategic approach to new venture support and growth in micro finance institutions in Nairobi county (Doctoral dissertation, University of Nairobi).

McMullen, J. S., &Shephard, D. A. (2006).Entrepreneurial action and the role of uncertainty in the theory of the entrepreneur.Academy of Management Review, 31,132–152.

Morduch, J., Hashemi, S. & Littlefield, E. (2003). "Is microfinance an Effective strategy to reach the Millennium Development Goal?" CGAP working paper: Focus Note 24.

Muhammad, S. D. (2010). Microfinance challenges and opportunities in Pakistan.European Journal of Social Sciences, 14(1), 88.

Muhammad, S. D. (2010). Microfinance challenges and opportunities in Pakistan.European Journal of Social Sciences, 14(1), 88-97.

Narteh, B., Agbemabiese, G.C., Kodua, P. and Braimah, M. (2013), "Relationship Marketing and Customer Loyalty: Evidence from the Ghanaian Luxury Hotel Industry", Journal of Hospitality Marketing & Management, 22:407–436

Nasir, S. (2013). Microfinance in India: Contemporary issues and challenges. Middle-east journal of scientific research, 15(2), 191-199.

Owusu, B. (2011), Effects of Microfinance on Micro and Small Scale Enterprises.

Richard, S. W. (2003). Organizations: Rational, natural, and open systems.

Rousseau, D. M., Manning, J., &Denyer, D. (2008). 11 Evidence in Management and Organizational Science: Assembling the Field's Full Weight of Scientific Knowledge Through Syntheses. The Academy of management annals, 2(1), 475-515.

Tapanakornvut, A. (2012). The Future of Microfinance Institutions: Fostering Financial Inclusion for the World's Poor (Doctoral dissertation, Wesleyan University).

Van Gelderen, M., Frese, M., &Thurik, R. (2000).Strategies, uncertainty and performance of small business startups.Small Business Economics, 15, 165–181.