

***FACTORS AFFECTING THE PERFORMANCE OF
MICROFINANCE INSTITUTIONS: THE CASE STUDY OF JIMMA
TOWN.***

BY:

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Under the Guidance of

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And

Haymanot A



**A Research thesis Submitted to the School of Graduate Studies of Jimma
University in Partial Fulfillment of the Requirements for the Award of
Master's Degree in Accounting and Finance (MSc.)**

**JIMMA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
COLLAGE OF BUSINESS AND ECONOMICS**

**NOVENBER, 2023
JIMMA, ETHIOPIA**

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DECLARATION

I hereby declare that this thesis entitled “Factors Affecting the Performance of Microfinance Institutions: The Case Study of Jimma Town, has been carried out by me under the guidance and supervision of Mahammad Getahun (Ass.professor) and Haymanot A

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institutions.

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CERTIFICATE

This is to certify that the thesis entitles “*Factors Affecting the Performance of Microfinance Institutions :(The Case Study of Jimma Town* submitted to Jimma University for the award of the Degree of Master of Accounting and Finance and meets the accepted standards with respect to originality and quality and this research work carried out by, *Nunu G/Yesus G/Hiwot* under our guidance and supervision.

Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

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ACRONYMS/ABBREVIATIONS

MFI	Microfinance institution
OCSI	Oromia credit and saving institution
CGAP	Consultative Group to Assist the Poor
BSC	Balanced Scorecard
UN	United nation
SAS	Statement of accounting standards,
ICT	Information communication technology
GDP	Gross domestic product
CGAP	Consultative Group to Assist the Poor

Abstract

Currently micro financing has become one of the most powerful development tools for combating poverty primarily by providing loan to the poor section of the society. The study was aimed to assess the factors (institutional, clientele, economic, legislative and regulatory framework) affecting the performance of microfinance institution in Jimma town, Ethiopia. The study was adopted descriptive and inferential research design. The study was targeted 8 employees working with Ishet microfinance institution in Jimma town and 127 sample borrowers were selected from the 190 total borrowers served by these selected microfinance institution and the interviews was included the managers. Samples of respondents were drawn using stratified random sampling. Both quantitative and qualitative approaches were used for data collection and analysis in the study. Data collected through interview questionnaire was analyzed using SPSS. The findings were apparent that most of the employees working with microfinance institution have not adequate skill, trainees on technology, not provide good service and training to clients. The study found that microfinance institution charge higher interest rates than commercial banks and low women participation. The study recommended that microfinance institution should continuously inform their employees on technology; minimize lack of technology and other financial matters. Microfinance institution should ensure that there was no huge disparity between the interest rates they charge and those ones charged by other lending institutions. Microfinance institutions should insure in Implementation of different methods to improve women's participation in micro credit and saving services.

Keywords: Microfinance Institution, Performance, institutional, clientele, economic, legislative and regulatory frame work.

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CHAPTER ONE

1. Introduction

This study includes, the overall background of the study, the statement of the problem, objective of the study, research questions, the hypothesis of study , scope of the study, significance of study ,literature review, methods of the study, result and discussion and lastly, Conclusion and recommendation were included in this study. Finally, the definition of common terms and organization of the paper were included to see entirely to the concept of factors affecting performance of micro finance.

1.1 Back ground of the study

Microfinance institutions are found among the institutions, which provide different financial service for the poor who are out of the conventional banking system particularly in developing countries. Millions of people in developing countries have been given access to formal financial services through microfinance programs. Nevertheless, millions of potential clients remain unserved and the demand for financial services far exceeds the currently available supply (Ayenew Tigabie, 2019).

Microfinance industry is a unique field in different aspects such as its newness, its diverse organizational structure (with profits and non-profits), and its social mission whereby it largely focuses on the women and the poor (Randoy, 2011).

Cull et al (2009) who argued that microfinance institutions (MFIs) target to offer financial services to the poor in the society support this. The fascination with microfinance derives from the fact that the provision of financial services can contribute to poverty reduction and pass the test of sustainability at the same time (Carlton, 2009).

Microfinance development led to a number of strong institutions focusing on poor people's finance and it begun to attract the interest of private investors. However, microfinance has sometimes disappointed its supporters. Only few of the hundreds of microfinance programs inaugurated have been able to achieve sustainability and meet expectations of client impact (Dokulilova, 2009)

Ethiopia is one the developing countries that were announced as the most poorest and low leveled income groups of the world over the last few decades. During these periods, the economy of the country was undermined because of different factors, which can be mentioned as internal as well as external factors. An increasing rate of poverty, in the cause of famine lack of political

stability, low industrial growth and high rate of unemployment were the major factors that have great contribution for the economical undermining at large. Poverty and unemployment was a great problem in Ethiopia that needs the government attention to eradicate through microfinance services delivery to the non-served or underserved poor peoples (Wolday, 2002). Besides, in recovering from this devastation and shocking situation of poverty, the Government of Ethiopia took initiatives to reform the economy by redesigning various strategies. In implementing the recovery steps, initiating the credit scheme through microfinance institutions was one of the strategies that the government of Ethiopia embraced in 1990th. As Birhanu (1999 was cited in Abafita, 2003), the sole recovery in the economy were not found to be the satisfactory point in poverty reduction strategies rather creating a self-employment opportunities through the expansion of private sector activities was the pillar to attain the goal.

Moreover, microfinance service was the basic strategies to way out from the economic backwardness and poverty pressure at large. According to Prof. Mohammed Yunus and Grameen Banks phrases, an improvement in the economy and social welfare could partly be realized through delivering micro-credits to the poor people (Microfinance and Micro-credit, 2016). Accordingly, the establishment of sustainable and profitable microfinance institutions through realization of better repayment performance to serve large number of poor is the prime component of the strategies to be attained by Ethiopian MFIs.

In developing countries, like Ethiopia, Microfinance Institutions (MFIs) have been emerged as a financial institutions with an intention of providing small sized financial service to the poor who were in need of financial services but lack of access to formal commercial banks. The microfinance institutions services consists provision of micro loans, micro savings, micro insurance service, money transfer, leasing and other relevant schemes to the target poor peoples who have been excluded by the conventional commercial banks due to lack of collateral requirements and high transaction costs (Tolosa, 2014).

Microfinance institutions in Ethiopia have been evolved since the late 1990s as an economic development tool intended to benefit low income poor peoples (Bayeh, 2012). As Mengistu, 2007 were cited by Abafita, 2003, the credit program by microfinances have been evolved to empower poor households at urban areas of the country in the form of urban credit financing schemes which had actually commenced its operation since 1994. During its commencement this

credit scheme was undertaken by some NGOs, Government departments and some 4 donors in inconsistent manner. To resolve this problem the government of Ethiopia took initiatives to develop regulatory frameworks that govern the operational activities of similar industries (Abafita, 2003). As a result Proclamation No.40/1996 has been enacted to govern the operational activities of microfinance industries. Moreover, those microfinance institutions have been established since 1994/95 through government licensing under the supervision of National Bank of Ethiopia (NBE) with proclamation #40/1996 (Zerai & Rani, 2012 as cited in Tolosa, 2014).

The microfinance institutions which are operating in Ethiopia are governed and supervised through National Bank of Ethiopia. They were established legally under proclamations and provide their financial services to farmers and entrepreneurs who are supposed to be engage in micro and small-scale businesses at urban and rural areas of the country (Abreham, 2011). As a result, a rapid growth in Microfinance industry plays an indispensable role in addressing the millennium developmental goals of the Government through delivering massive financial service schemes to empower women, youths and other community groups. In achieving such developmental goals of the country, the governments of Ethiopia have designed some strategies on initiating job opportunities creation as core pillar to enhance youth's developmental programmers and other community groups by organizing those individuals in the form of Micro and Small Enterprises at urban and semi-urban areas of the country. It arranges the required initial capitals through micro credit services which undertaken by those microfinance institutions to eradicate the level of unemployment and enhancing economic welfares of those community groups. The Government sector named as woreda level Micro and Small Enterprise Development Agencies had took an initiatives to organize the target MSE members and facilitate financial services particularly through microfinance institutions (FeMSEDA, 2016).

There are several factors that can influence the performance of microfinance institutions. Among these; clientele factors, institutional factors, economic factors and legislative and regulatory framework are some of the factors that affect the performance of microfinance institutions.

1.2. Statement of the Problem

The economic activities of the impoverished in developing nations' cities and rural areas are greatly supported by microfinance organizations. According to studies, African MFIs are significant players in the financial industry and are in a good position to expand and reach the

millions of prospective customers who do not presently have access to traditional financial services (Lafourcade et al., 2005).

In a nation like Ethiopia, where many individuals barely make it over the absolute poverty line, Ebisa et al. (2013) showed that microfinance institutions are effective solutions for the rural and urban poor to escape the cycle of poverty. Ethiopia's microfinance sector is escalating in the face of the growing deep concerns for inflation and low interest rate in the microfinance industry affecting the financial health and viability of MFIs.

Numerous researches on microfinance institutions show that these organizations make a substantial contribution to reducing poverty. However, the institutions encounter several obstacles that prevent them from supporting the nation's progress. By doing research on the chosen MFIs in Addis Abeba, Ethiopia, Hurissa (2012) was able to pinpoint the problems facing microfinance organizations. However, the results of her study were only applicable to a few Addis Abeba MFIs. One MFI may not have the same circumstances as another. It is so challenging to generalize her findings to all microfinance organizations.

Despite the fact that the microfinance sector has more strengths than disadvantages, there are still significant obstacles for the sector's institutions (Ebisa et al., 2013). The study also comes to the unassailable conclusion that MFIs are important. They make significant contributions to helping the underprivileged Ethiopians who do not have access to traditional banking. In this study, national-level difficulties facing the Ethiopian microfinance institution were found. Additionally, the results are more broad and do not specifically address the example of MFIs in Jimma Town.

Amha and Narayana (2000) claim that the regulatory environment in the microfinance industry, the limited support for the development of micro and small businesses, the activities of NGOs in providing credit as a grant, the absence of strong connections between MFIs and commercial banks, the lack of funds for loans and an institution to establish a microfinance fund, and access to soft loans from commercial banks are all issues that Ethiopian MFIs face.

Many studies which are conducted on microfinance institutions also indicate that, the contribution of these institutions for poverty alleviation is significant. But the institutions face many challenges that inhibit their contribution for the development of the country. Hurissa (2012) identified the challenges of microfinance institutions by conducting research on them selected MFIs in Addis Ababa city. But the conclusion of her research is limited to the selected MFIs in Addis Ababa. The situation can vary from one MFI to another. So it is difficult to use her conclusions for all microfinance institutions.

The research's conclusions were more generic in nature and did not particularly address the topic of MFIs in Jimma Town. Additionally, the results were out of date. There might be several legislative changes throughout this twelve-year period, and the environment could alter.

The goal of this study is to evaluate the variables influencing the performance of one selected microfinance organization operating in Jimma Town, the capital of Jimma zone, namely Ishet found in Jimma Town Micro Finance. It was carried out using the following guiding fundamental research questions.

1. 3. Research Question

1. How much favorable Institutional structure and customer service in MFI in the town?
2. To what extent instability macro economy of the country and income level of society affects MFI performance?
3. To what extent provides technical and legal support by government and other external bodies to overcoming on micro finance institutions performance challenges?
4. How does the volume of clients saving and borrowing habit influence the performance of microfinance institutions?

1.4. Objectives of the Study

1.4.1 Main Objective

The main goal of this study was to assess the factors affecting Jimma Town microfinance institutions' performance.

1.4,2 Specific objective

1. To examine the main. Clientele demographic factors that influence customer repay their loans.
2. To examine the extent to economic factors that affect the performance of MFI'S in Jimma Town.
3. To evaluate the primary institutional elements affecting how well borrowers in Jimma Town repay their loans.
4. To analyze the extent to which regulatory and legislatives framework affect performance of MFI'S in Jimma town.

1.5. Research Hypothesis

In light of these study objectives, the researcher is hypothesize the following factors to evaluate their effects on the performance of microfinance institutions

H1. Institutional Factors (Education and Skills of staffs, Organizational structure Technology, network and communication, Customer service) do not significantly influence on performance of MFI.

H2. Clientele factors (Age and gender, saving, Borrowing and repayment habit) do not significantly influence the performance of MFI.

H3. Economic factors (Financial coverage and available, Economic stability of the country, Fund donors, Income level of society, operation cost) do not significantly influence the performance of MFI.

H4. Legislative and regulatory framework (Technical and legal support, Interest rate, Tax and other payments) do not significantly influence the loan recovery rate of MFI.

1.6. Significance of the Study

The microfinance Institutions will continue to be an important player in the economic growth of the country, poverty reduction and income distribution tool to the poor households. The findings of this research are useful to various groups, which are fine

Microfinance Institutions

Sustainability is a major concern for the microfinance institutions with a plan to start operation in the Jimma town. Since the study intended to carry out a survey of the microfinance institutions, data collected to predict various effects of the variables.

Microenterprise

The owners of small-scale enterprises, as well as investors, are able to get valuable information and understand their role towards the success and sustainability of the microfinance institutions, which are important to their operations.

Researcher

The study is added a body of knowledge from which more other researchers is attracted to engage in the same issue or other issues of concern in the sector. It provides theoretical and empirical understanding and knowledge, which helps government authorities, MFIs managers and other stake holders on issues.

1.7. Scope of the study

The research was take place in the Jimma Town, Jima Zone, Oromia Regional Government of Ethiopia's. It focuses on the elements that affect how well Jimma Town branch microfinance institution customers handle loan repayment. The study was targeted on one microfinance institution found in Jimma town *namly Eshet MFI's*.The three languages Afan Oromo, Amharic and English were included on the questionnaire.

1.8. Limitation of the study

In this research, the researcher overcame the limitations of the study; however, this research was challenged by limitations of budget. Women's participation was considered as a limitation, but the researcher was overcome by the flexibility of research methods.

1.9. Organization of the study

The research contained, under Chapter one, introduction, Back ground of the study, Problem of the Statement, Research Question, Objectives of the study, Research Hypothesis and Significance of the Study and under chapter two, review literature which includes Theoretical literature review, empirical literature review, and conceptual framework, and under chapter three there was research methodology that contains research design, sources of data & data collection techniques , target population & sampling methods and under chapter four there was Descriptive Analysis and Interpretation, Institutional factors, Cliental Linearity test factors, Economic factors, Legislative and regulatory frame work, Inferential analysis and Linearity test. Under Chapter five Conclusions and recommendation were included in the research.

CHAPTER TWO

2. REVIEW LITERATURE

2.1. Theoretical literature review

The objective of this section was to present the theoretical part of the literature relating to MFIs development in Ethiopia, the performance of MFIs, microfinance and poverty alleviation, Government Role on MFIs services.

2.1.1 Microfinance Institutions development in Ethiopia

The development of microfinance institutions in Ethiopia is a recent phenomenon. The proclamation, which provides for the establishment of microfinance institutions, was issued in July 1996. Since then, various microfinance institutions have legally been registered and started delivering microfinance services (Wolday, 2000). The number of micro finance institutions as well as the number of clients is increasing from time to time. The existing political and economic condition of the country contributes a lot for the development of the microfinance industry.

The Licensing and Supervision of Microfinance Institution Proclamation of the government encouraged the spread of Microfinance Institutions (MFIs) in both rural and urban areas as it authorized them, among other things, to legally accept deposits from the general public (hence diversify sources of funds), to draw and accept drafts, and to manage funds for the micro financing business(Getaneh ,2005)

2.1.2 Performance of Microfinance Institutions

Performance can be defined from different perspective and based on the major objective of the institutions or the organization its measurement differ from one another. The process of performance measurement involves a careful and deliberate observation of the organization outcome by comparing the achievement of the organization with the indented objectives that was to be achieved (Kipsha 2013b). Performance measurement in MFIs has recently undergone some significant changes from both internal and external point of views. The external factors such as, changes in the business environment, changes in technology, involvement of commercial banks in MFIs and increased competition resulted into a shift in MFIs performance measurement trend with most of stakeholder requiring not only improvement in financial

performance measures but also a balance between financial and non-financial measures (Hermes et al. 2011).

Based on the advice of Consultative Group to Assist the Poor (CGAP) at the time of analyzing performances analytical tools or indicators for financial and portfolio analysis can be divided into four key areas. Each measure is one important aspect of the financial organization. When combined, the key areas give a well-rounded global perspective of the financial situation. The key categories are four and they are: - first profitability and sustainability which shows the financial returns to the use of the capital and assets employed. Second asset/ liability management which shows the ability of the MFIs to manage its financial obligations when they become due, while maximizing the utilization of assets for profitable purposes. Next portfolio quality which shows the health of the loans outstanding in terms of its risk and the last is efficiency and productivity which shows the costs of an MFI in relation to the outputs. Literatures (Panicker & Seshadri 2013; Kipsha 2013b; Al-Haidi 2009) indicate that performance measurement is mostly designed around financial measures and targets in operational and management control systems.

Nevertheless, it is well known that financial measures are mostly effective in the short term only. Thus, where the performance management disregarded nonfinancial measures, the result was that the conclusion did not completely reveal the overall operations of the organizations. Undue 12 dependency on financial performance parameters is a myopia for the fact that overall strategic goal of the organization cannot be linked to performance indicator thus it is not possible to judge whether short term performance are contributing to long term sustainability of the organization. The growing criticism of financial measures used in the performance management system in the past few decades hence made the issue to become a hot topic (Al-Najjar 2012). In a bid to improve traditional performance management system Kaplan and Norton (1992) suggested the Balanced Scorecard (BSC) as a means to connect financial and non-financial performance measures.

where the double bottom line: financial and social performance measures are grouped under the BSC framework which enable to see how far the various non-financial and financial measures influenced to each other and ultimately influence the firms capability of attaining its overall goal of balancing sustainability (financial goal) and outreach (social goal).

2.1.3. Financial services

2.1.3.1. Credit services

The most common credit products in MFIs are microcredit and micro leasing (Torre and Vento, 2006). Micro credits are loans of small size that can help poor to escape their conditions (Torre and Vento, 2006). Micro leasing is a low value contract with which one party/MFI (the lessor), in exchange for the payment of a regular installment, concedes to another party/customer (the lessee) the use of equipment, however the ownership of the asset remains to the lessor/MFI (Torre and Vento, 2006). Low income customers are usually not able to afford the equipment and therefore MFIs allow them to obtain the availability of the asset without having to tie up capital equal to the whole leased asset. Credit facility can be used in different ways such as source of meeting consumption needs, source of short term working capital, and source of long term investment capital (Mukama, 2005).

2.1.3.2 Savings services

Almost all poor need to save in order to protect themselves against periods of low income or specific emergencies and to store the value of excess income for future investments (Mukama, 2005). There are two broad forms for which MFIs collect savings, compulsory savings and voluntary savings (Torre and Vento, 2006). Compulsory saving products consist of mechanisms of forced saving, which imply that a certain percentage of the supplied loan is held back and placed in a fund that acts as a guarantee (Torre and Vento, 2006). The customers can assess the amount at the end of the loan cycle. Nevertheless, the poor normally prefer voluntary saving products. These are volunteer methods of saving collection that allow the saver to deposit and withdraw, with varying frequency and expiry dates, according to the products' liquidity (Torre and Vento, 2006). Hence micro saving deposits provide facilities for safe keeping of savings, consumption smoothing emergencies and accumulation of resources as well as self-financing of investments (Mukama, 2005).

2.1.3.3 Insurance services

Micro insurance products drawn up to reduce uncertainty and its effects represent a fundamental instrument in microfinance, given the vulnerability of the poor to risk (Torre and Vento, 2006). The micro insurance services include specialized insurance services such as life, health, accident

or cattle insurance and non-specialized services that provide social protection through access to a client's savings or credit in cases of emergency for risk management, social security and loan protection (International Fund for Agriculture Development, 2002). This type of financial service is not common in Tanzania (Mukama, 2005).

2.1.3.4 Payment services

This is the service that allows poor to transfer money through secure channels. The MFIs that offer payment services are not, so far, numerous because of the complexity of the infrastructure and the technology that payment systems require (Torre and Vento, 2006). This payment service is mainly used by banks which force MFIs to use affiliated banks to transfer money. In this circumstance, MFIs should develop good relationship and partnership with banks.

2.1.4. Microfinance and Poverty Alleviation

Poverty is lack of access by the poor households to the assets like human capital, natural, physical, social-political, or financial (savings and access to credit) necessary for a higher 14 standard of income or welfare. It means not having enough to feed and clothe a family, not having a school or clinic to go to; not having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living in marginal or fragile environments, without access to clean water or sanitation (UN, 2010).

Urban poverty is a multidimensional phenomenon. The urban poor live with many deprivations. Their daily challenges may include: Limited access to employment opportunities and income, Inadequate and insecure housing and services, violent and unhealthy environments, little or no social protection mechanisms, and Limited access to adequate health and education opportunities.

According to Moser (1998), describes urban poverty based on three specific characteristics of urban life: commoditization, environmental hazard, and social fragmentation. By commoditization she refers to the fact that urban households are for the most part obliged to pay for their food, shelter, transport and education than rural dwellers. Moreover, employment is frequently unavailable, insufficient or insecure while shelter is frequently illegal and insecure. The urban poor are affected by environmental problems including lack of environmental services

(i.e. sanitation, water, drainage, and solid waste management), poor quality housing, overcrowding, and settlement on marginal or degraded land. These factors increase health risk to the poor. In terms of social fragmentation the vulnerability of urban dwellers may also be high because community and inter-household mechanisms for social security are less likely to operate in urban areas.

Micro finance is known as an effective tool for poverty alleviation. In poor countries like Ethiopia greater attention has been paid to poverty alleviation through microfinance, especially in the last decade. The successful use of the micro finance is considered as a victory for the disadvantaged segments. Considering the poverty alleviating impact of micro finance, currently many microfinance institutions are working throughout the developing world (Mulugeta, 2015). Microfinance shows the capacity to help the poor to escape or alleviate poverty by lifting the liquidity constraints and enabling to take up income generating activities, which could encourage the poor people to use the services of the microfinance institutions. The ability of microfinance to empower its beneficiaries by decreasing the income poverty and through possibility to expand ones agency and economic independence could further add to the incentives to join and stay. Yet, the institutional policies and vulnerability of the poor people limit the chances of the poor to participate and maintain the banking relationship and could erode the impact or reduce the benefits that this relationship brings (Mulugeta, 2015).

2.1.5. Government Role on MFIs services

Improvement in living standard of the poor people of the developing countries is achieved by enhancing their income level or purchasing power. Microfinance means program that extend small loans to very poor people for self-employment projects that generate income in allowing them to take care of themselves and their families (Microcredit Summit, 2004). Governmental and other developmental organizations have played a vital role for impressive performance the microfinance sector in the country. Government should have greater powers to allow increased participation of MFIs in fighting against the poverty. Government play a critical role regarding with MFIs, for example setting policy for the microfinance industry, providing lump sum grants to MFIs.

The significance of this can be explained that the involvement in MFIs improves the ability of poor citizens to increase their own wealth. By engaging people in this way, poor citizens are

more likely to cooperate and problem solving capacities at individual and social welfare can be enhanced.

According to Tsegaye (2005) the government of Ethiopia has taken encouraging steps by privatizing the nationalized institutions and facilitating the establishment of new organizations. One of the outcomes is the liberalization of the financial sector and the establishment of legal framework that allows the emergence of microfinance institutions to serve poor households. The government tries to solve the problem of financial access to the poor by promoting the microfinance institutions. The government believes that microfinance institutions are one of the instruments in poverty reduction.

2.2. Empirical Reviews

This section re-examines literature related to the subject of the study which was based on global view narrowing to the local view. The review entails studies that have been conducted in relation to organizational structure on the performance of MFI, effect of educated and skilled staff on the performance of MFI, effect of age and gender on the performance of MFI , saving ,borrowing repayment habit on the performance of MFI, effect of financial coverage and available to the performance of MFI, effect of macroeconomics stability of the country and donors on the performance of MFI effects of Government legislative and regulatory on the performance of MFI.

2.2.1. Institutional factors

As per literature reviews, most of the empirical studies have been conducted through the objective of measuring financial performance MFI by using internal and external factors that affect the profitability of the institution Abebaw (2014) Aziza(2013) studied the contribution of Microfinance based on income, living condition, asset accumulation, saving, decision making power, self-esteem, self-confidence, business management skills along with the strength and weakness of the institution among others.

2.2.1.1. Requirements of Skills and experience to staff

As Feleke (2011) indicates microfinance creates a much better positive effect on beneficiaries equipped with a better education and skill training on business administration, income generating and loan repaying, than on beneficiaries have no education and training skills.

Kinde (2012) found that microfinance breadth of outreach, depth of outreach; dependency ratio and cost per borrower affect the financial sustainability of MFIs in Ethiopia. However, the capital structure, and staff productivity have insignificant impact on financial sustainability of MFIs in Ethiopia during the study period.

A microfinance board must have solid business sense, with some financial expertise in two areas. The first area is financial analysis, which allows the board to understand and measure the performance of the institution in the key areas of capital adequacy, asset quality, profitability, 17 and liquidity management. The second area is financial auditing, which provides the board with the capacity to adequately assess the strength of the institution's internal control mechanisms though newness of MFIs .There are not many experts in this field. However, individuals with some experience in this area can be very valuable to the governance MFIs. Must be concerned with the image they project to the client and to the public at large and must be able to conduct outreach campaigns with increasing competition customers (OECD 2012).

2.2.1.2 Financial service and control system

Mbithi (2012) argues that the dependence on donor funds by the local MFIs affected their capacity to advance loans to potential customers. On the other hand, Ratemo (2011) suggests that there is need for a general consensus that if they were to grow enough to reach a long-term basis, the millions of low income people without access to financial services needed more sustainable sources of financing to support their development. He also recommends that there was still a role for donors in the further development of the microfinance industry in Kenya to address a number of constraints including lack of capital for on-lending and institutional capacity of the MFIs.

According to Walker (1999) control activities occur at all levels and functions of the entity. They include a wide range of diverse activities such as approvals, authorizations, verifications, reconciliations, performance reviews, maintenance of security, and the creation and maintenance of related records which provide evidence of execution of these activities as well as appropriate documentation. According to statement of accounting standards, (SAS, No 55) internal control is the combined plan, method and procedures which can safeguard the firm's assets, promote operational efficiency and encourage adherence to prescribed policies."

The United Kingdom Auditing practices committee (1979) defined internal control as "the whole system of control established by management in order to carry on the business of any enterprise in an orderly and effective manner to ensure adherence to managerial policies and directives,

safeguard the assets, ensure the completeness and accuracy of the records, the prevention and detection of errors and fraud, and the timely preparation of financial information”

Karagiogos, Drogalas, Dimou (2008) have studied the Effectiveness of Internal Control System in the Greek Bank Sector. The objective of the study is to highlight the interaction between components of internal control and effectiveness of internal auditing. They have considered control environment, risk assessment, information and communication system, control activities and monitoring as internal control components and independent variables. The effectiveness of internal auditing used as the dependent variable. The results indicated that all components of internal control is vital in the effectiveness of internal audit and consequently in the business survival and success.

2.2.1. 3.Information Communication Technology

Sravani (2013) argues that being key drivers of economic growth today, technology, innovation and knowledge have become fundamental in the growth of MFIs -as technology brings in the ability to speed up the flow of information and capital, automate transactions, improve customer experience, control and analyze data, reduce transaction costs, and increase efficiency and customer outreach.

Investment in ICT allows offering services more efficiently and at lower cost. In addition, the growing attention on the importance of microfinance institutions in economic development is attracting participation of formal and other commercial financial institutions. This is increasing competition in the microfinance sector. Increased competition has impact on mission drift. In order to increase the customer base, microfinance institutions are increasingly investing in ICT. Investment in ICT is regarded as the most important innovation in providing quick and efficient services. Evangelista (2000) points out that the information-based characteristics of services offered by microfinance institutions make ICT very compatible. The generation and use of ICT play a vital role in service innovation activities and therefore boosting performance. Koson (2007) shows that the presence and intensity of ICT may be used to explain the higher growth experienced by the service industries in the last two decades.

In general, while growth can be achieved from capital investment, performance gains stem from the role that ICT plays as input in the production process of the firm. Sircar et al. (1998, 2000) indicated that investment in ICT has a positive effect on revenues and companies that spend more on technology tend to have higher revenues. In their study, Koch, Mayper & Wilner (2009)

19 indicated that that billions invested in ICT have not yielded significant gains in worker productivity. They argue that ICT created the need for human to be smarter and exceedingly well paid to make the new and complex ICT to run correctly. Therefore, capital investment in ICT did not lead to lower labor costs and improved productivity.

2.2.2. Impact of Business Training on Microfinance Clients and Institutions

Recently, a few studies in the field of microfinance have approved the importance of nonfinancial services on the clients' households and their micro and small enterprises' performance. Karlan and Valdivia. (2006) assured to the importance of entrepreneurial training that provided by Peruvian village banking program me on the clients „savings, loan repayment and retentions rates and businesses' knowledge. Hamdan et al. (2012) recommended that the clients of the Malaysian microfinance institutions should be engaged in entrepreneurial and business skills trainings before start operationalizing their microenterprises. Mensah and Benedict (2010) argue that the entrepreneurship training has a potential to enhance the capacity of micro and small enterprises for jobs creation and growth in the South of Africa. They also assert that the entrepreneurial trainings will be more effective when combined with microcredit service. Parvin, Rahman, and Jia (2012) postulate that easily access to credit, skill training availability, and access to information membership with development organizations are important to successfully driving women to micro entrepreneurship in Bangladesh. Micro and small business is an important source for developing Malaysian economy; it accounts 78.7% of business establishment and 80% of small and medium enterprises (SMEs) (Statistics, 2005).

Ashraf, Gine, and Karlan (2009) evaluate Drumnet, an organization in Kenya that provided smallholder farmers with information about how to switch to export crops, gave in-kind loans for the purchase of the agricultural inputs, and provided marketing services by facilitating the transaction with exporters. These joint services led to an increase in production of export oriented crops and lower marketing costs, which ultimately translated into household income gains for new adopters. Unfortunately, farmers defaulted on their loans a year after the experiment, as the exporter refused to continue buying from them. Entrepreneurship training programs are designed to promote self-employment through business creation. However, the impact of these programs on start-up activity is modest. Evidence from 20 such programs in Chile and Sri Lanka found that self-employment declined in the long-term, that is about two years after the intervention (De Mel et al., 2014; Martinez et al., 2016).

The impact of entrepreneurship training programs on other aspects of business performance such as income, sales, profits and inventory is modest. A meta-analysis of 37 programs found that there was no effect on income (Cho & Honorati, 2014). However, other impact assessments noted small improvements in sales, income, capital stock and loan activity (De Mel et al., 2014; Field, Jayachandran, & Pande, 2010; Karlan & Valdivia, 2011; Martinez et al., 2016). A study in Chile finds that programmes which incorporate a second capital grant are more effective in terms of promoting self-employment in the long-term (Martinez et al., 2016). There is no consensus on the ideal length of training programs, but training tends to be more effective if it is provided by the private sector (Cho & Honorati, 2014).

2.2.2.1. Effect of age and gender on the performance of MFIs.

Gender Countries in which women are oppressed or treated as second class citizens are always the ones who suffer the highest rate of poverty, as women make up the majority of poor people (Cheston and Kuhn 2002). A recent World Bank report confirms that “societies that discriminate on the basis of gender pay the cost of greater poverty, slower economic growth, weaker governance, and a lower living standard of their people” Chest on and Kuhn 2002). Providing women with access to credit can turn around an entire economy and is proven to be more beneficial than providing credit to men for two reasons. First, there is significant evidence that when a woman’s business succeeds and she makes a profit, it goes to her family, while men typically give only 50-70% of their income to their families (Grasmuck and Espinal 2000:240). Men are more likely to use funds on leisure. They are also more mobile, and therefore more likely to default on loans (Javier 2004:11).

Studies show that children are better educated and cared for when women contribute income to the family (Grasmuck and Espinal 2000:240). The Women’s Entrepreneurship Development Trust Fund reports that “women’s increased income benefits their children, particularly in education, diet, healthcare, and clothing” (Cheston and Kuhn 2002). Second, women are less risky (Morduch 1999:1579). They tend to take out smaller loans than men, and invest the money in safe business ventures, usually close to home (Cheston and Kuhn 2002). Women’s businesses are typically smaller than men’s, have fewer, if any, employees, and are more likely to rely on family members for support (Grasmuck and Espinal 2000:223). Unfortunately, women’s businesses are also more likely to fail (Grasmuck and Espinal 2000:235).

Women are more likely to engage in the production of beverages and foods, beauty salons, and tailoring of clothing which have lower returns than activities undertaken by men such as retail, automobile repair, and the manufacture and repair of wooden and iron products. Another reason for the low returns is the fact that women operate their microenterprises from their homes, while men normally operate outside the home. Men are therefore in contact with a larger and more dynamic range of customers, whereas women are dependent on the demand from their local areas.

Documented by Kevane and Wydick (2011); women of childbearing age face higher time constraints because of family commitments and are less likely to expand employment in their microenterprise with credit than male micro entrepreneurs or older women are. Another reason is that women are often restricted from access to formal financial services because of intra household restrictions; though this might also imply tailored solutions that protect women against having to share credit or savings proceed freely within the household. A supplier-focused argument is that female borrowers constitute less of a credit risk, as they are less mobile than men and often more conservative in their investment decisions. Repayment rates are typically higher for women than for men.

Age of Borrower: is another factor that may have impact on loan repayment performance. Ledgrewood (1999) questioning the impact of the characteristics of borrowers, showed that traditional prejudices against women, young borrowers or large families should not influence the determination of repayment ability. This means the age way not have impact on loan repayment performance.

Abafita (2003) revealed also that borrowers with relatively younger aged are more likely to commit default than that of the aged borrowers. In another words, borrowers with aged groups are more likely to be creditworthy than youngsters assuming that they are matured enough to sense responsible and settle their obligations on time.

2.2.2.2. Effect of saving borrowing and repayment habit

Microfinance institutions increase opportunities for poor section of every society by helping them to access credit and introducing the habit of saving. The major reasons formal financial institutions financially exclude the poor is associated with high risks and high costs. There is enormous amount of uncertainty with regard to the repayment capacity of the poor. Information regard to credit is inadequate or unavailable, expenditure and income patterns of the poor are

irregular, and the majority of the poor do not have collateral. In addition to these, high probability of exposure to systematic risks including crop failure or commodity price fluctuation is fairly high, thus lending to the poor is a high risk investment with high probabilities of default (Maren, 2010).

Empirical evidences (for example in Ethiopia) show that clients often divert loans for unproductive activities (see Belay, 2002; Getaneh, 2002; Borchgrevink et al., 2005). Nevertheless, there are mixed findings whether loan diversion has unwanted effect on clients' viability. Next, MFIs use stringent measures (such as peer pressure, field workers and eventually legal actions) to secure loan repayment, irrespective of clients' circumstances. Poor clients are, however, vulnerable to risky financial sources in paying MFI debts back. Wiig (1997) stated that clients' exposure to risky financial sources (such as individual moneylenders, sales of valuable assets, etc.) exacerbate downward spiral poverty. To the worst, rural clients may be prone to default/delinquency because of either failure to use funds for productive purposes, failure of the investment or clients' refusal to repay (Sanderatine, 1983).

Lending methods: Group and individual lending methods are the two chiefly employed approaches to lending in MIFs. The literature document that group lending method reduces sustainability due to the high transaction costs nature of the lending method (Okumu, 2007; Mersland and Storm, 2007). But such lending approach is good to reach the poorest clients as the lender doesn't require physical collateral (Navajas et al, 2000; Mersland and Storm, 2007). Besides, this lending approach is good to reach many numbers of clients at once and hence increasing the breadth of outreach (Mersland and Storm, 2007; Seibel and Parhusip, 1999).

Loan size (amount): is another factor that can affect loan repayment performance. Godquine, (2004) showed that loan size has negative sign and is significant in affecting loan repayment. This negative sign is theoretically explained by the fact that the loan size increases the gains associated with extant and exposit moral hazard. The negative sign of loan size of the loan could also be linked to borrowers' inability to repay a large amount over a given period (usually one year). It could be that, for a given duration large loans do not meet the borrowing needs and are not suited to the local economy.

2.2.3. Effect of financial coverage and availability of service.

Microfinance institutions play an indispensable role in the developing countries by providing financial services (credit, saving mobilization and insurance services) to the poor people with very small business projects (Marzys 2006). Size: size is positively related to sustainability and this may be due to financial services delivered to larger groups of clients or larger loan sizes (Bogan, 2008; Mersland & Storm, 2007; Cull et al, 2008). Size is positively related to breadth of outreach as the number of borrowers can itself be another measure of size (Bogan, 2008). The effect of size on depth of outreach is mixed with Hudon and Traca (2006) found a negative relationship implying larger MFIs are pro-poor whereas Cull et al (2007) found a positive relationship.

MFIs often lack qualified personnel that have both social development and financial management backgrounds (Ledgerwood, 1999). Employees' commitment, knowledge of local culture and altruistic behavior are uniquely imperative in microcredit services of MFIs.

2.2.3.1. Effect of macroeconomic stabilities and fund donors

(Imai et al., 2011) in a study of 97 countries found that institutional and macroeconomic factors (such as gross domestic product [GDP] and the proportion of domestic credit to GDP) affect financial performance (measured through profitability and the quality of the portfolio) of microfinance institutions (MFIs). Macroeconomic variables used include (lagged) real GDP per capita, the annual growth in real GDP per capita and its quadratic term. Real per capita GDP growth is commonly used in economics literature as a reliable measure of economic progress. We include its quadratic term in order to examine if there is an inflection point beyond which the effects of real GDP growth on MFI performance change. The inclusion of measures of economic development and real GDP growth would help shed light on the uncertainties surrounding the role of the macro economy in MFI performance. For instance, it could be that high economic performance can increase demand and create new niches which the micro entrepreneurs can fill with the establishment of small businesses. On the other hand, given the informal nature of MFI operations, microfinance may depend on a poor economy to flourish (Ahlin et al., 2011).

Additionally, an explanation offered by Ahlin et al. (2011) suggests that highly sustainable MFIs would prefer to settle in high growth economies and depending on the nature of their clients,

especially if clients are relatively rich, then an increase in economic growth would promote their financial performance. Thus, for MFIs whose focus is not to improve on outreach depth, operating in a high growth economy, gives them the advantage of performing well financially.

A number of local studies exist on donor funding and MFIs. Kiogora (2000) did a study assessing for differences in the financing model at the NSE. The study established out that the businesses registered at the NSE assumed various capital models which were reliant on the industry grouping, scope of the firm and the effectiveness of the firm. Baraza (2014) looked at funding structure vis vis MFIs financial performance. The study revealed that funding structure employed by microfinance institutions affects the financial performance of the firm. Debt to equity ratio has a negative correlation with financial performance meaning the more debt a firm employs in financing its operations the inferior financial performance it registers. Deposits to assets ratio has a positive correlation with financial performance implying that the more deposits a microfinance institution accepts the higher the financial performance. Loan portfolio has a strong positive correlation with financial performance meaning, a small increase in loan portfolio will lead to a higher increase in the financial performance.

Holz (2002) found that funding model related absolutely with the firm performance, the result credits to the inclination of firm executives to fund their projects by borrowing and then use this cash optimally to exploit the performance. Therefore, if the banks want to give money, they will prudently study the practicability of the schemes that they want to finance precisely formerly 25 offer loans until that the organizations can reach prerequisite returns to meet their responsibilities.

2.2.4. Impact of government legislative and regulation on the microfinance performance.

Lewis (2008) points out that there are some institutes in the industry which charge from their customer's extremely high rate of interest. The high rate of interest, which is charged by many MFIs in the world, has drawn a widespread attention of policymakers throughout the world. It is mentioned that currently about 40 developing countries have interest rate ceilings of some kind (Helmès & Reille, 2004).

According to Yunus (2007), the use of consumer protection law and disclosure practices as those generally used by banking sector assists the lender to disclose loan information that permits comparison and the effectiveness of interest rate. This is a manner to aware the clients about the

agreement and avoids exploitation. Moreover, truth-in-lending and disclosure practices in a Abrar, Cogent Business & Management (2019), competitive environment are considered to be more efficient in dropping interest rates than the interest rate ceilings. So before going to regulate interest rates, government should necessarily ensure that it really has the means to guarantee the respect of this disposition to all related parties. An interest rate regulation should be considered the facets guaranteeing the transparency (Ayenew Tigabie, 2019).

Roy and Strom (2010) have the most recent paper on MFI mission drift. They found no substantial signal of mission drift and found that although MFIs attain higher profits with higher loan sizes; this permitted them to continue to target poor customers. Therefore, the cost–benefit comparison allowed MFIs to stay on track, serving typically poor customers rather than targeting wealthier clients. Hudon (2015) observed that the role of donors in microfinance is rapidly growing, particularly since the emergency of social responsible and commercial investors.

During the study, Hudon argued that public policy should be premeditated to facilitate the entry of new private actors without deserting the markets that could not work without public support.

2.3. Conceptual Framework

The performance of Microfinance Institutions can be affected by different internal and external factors. Studies indicated the success or failure of the institutions is directly or indirectly related to different factors. Institutional, clientele, economic, government legislative and regulatory factors have a great impact on the performance of the microfinance institutions. Institutional factors related to experience, Skills of staffs, financial service, control system, and information communication Technology, Clientele factors related to, Age and gender on MFI performance Saving ,Borrowing, Repayment habit of the people and impact of business training. Economic factors related to have a significant effect on the performance of Microfinance Institutions for instance financial coverage and availability of service, macroeconomic stability of the country, donors fund, and Income level of society .Regulatory and legislative framework related to Technical and legal support, Interest rate and Tax payments will consider factors affecting performance on microfinance institutions.

The following diagram shows the relationship between factors affecting performance of MFI.

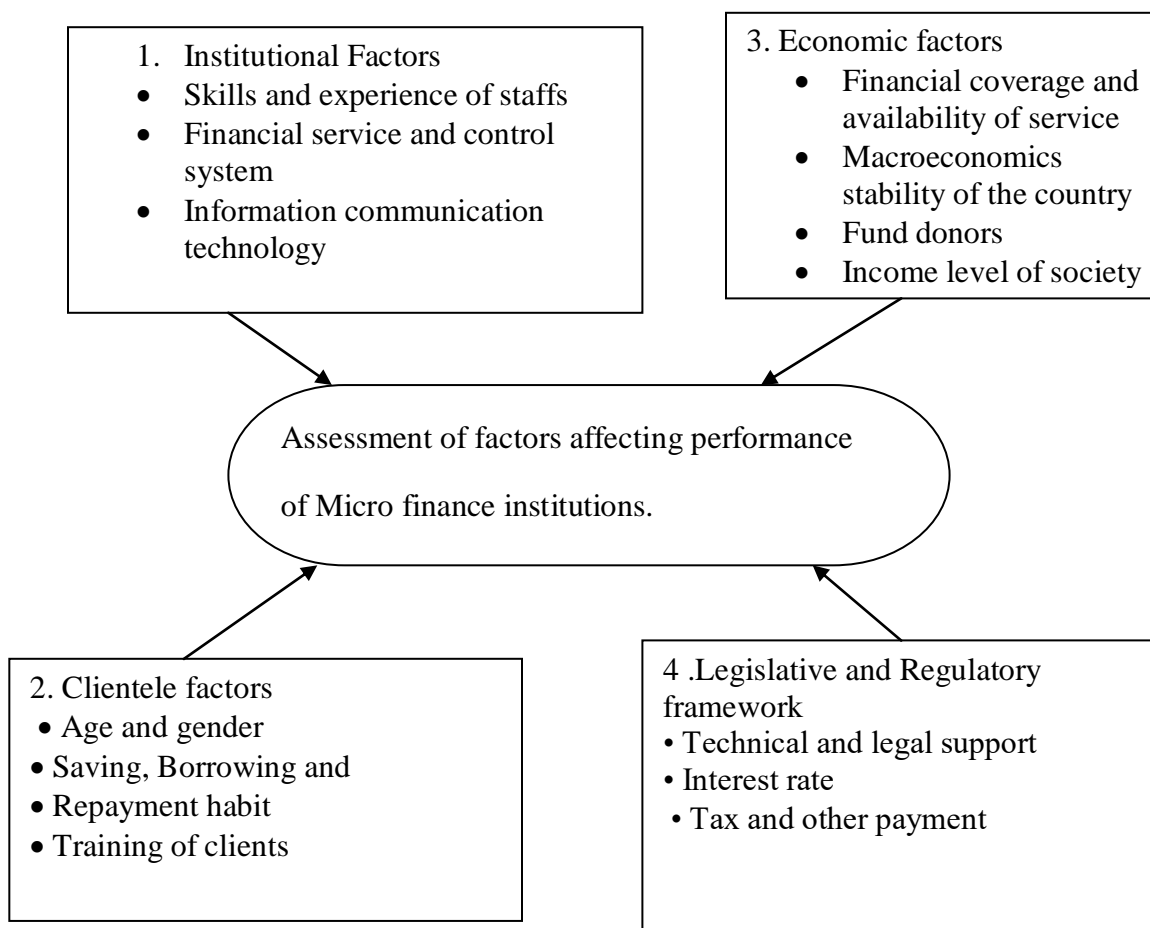


Figure 1 Conceptual relationships among factors affect performances of MFI
Source: researcher (adopted from different research literature), 2023

CHAPTER THREE

3. RESEARCH METHODOLOGY

Introduction

The researcher employed a mixed research methodologies, which enables the research activities to analyze and interpret the findings using different techniques and tools to achieve research objectives. This chapter structured into research design, sources of data, and methods of data collection, sampling procedures, Sample Size and data analysis.

3.1 Research Design

Research design is the blueprint for fulfilling research objectives and answering research questions (John A.H. et al., 2007:20-84). In other words, it is a master plan specifying the methods and procedures for collecting and analyzing the needed information. The research study adopted a descriptive and inferential design. A descriptive survey is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals. According to Gathondu (2013), the descriptive research design is concern with finding out what, where and how of a phenomenon. This design was require in the study because it would minimize bias and maximize the reliability of the data collected. The descriptive analyses approach was employ to explain the overall primary data collected from the respondents using the structure survey questionnaires. The inferential research design adopted to test the hypotheses. The researcher also use a quantitative and qualitative research (mixed) method approaches to analyze the findings based on the statistical data collect from the respective sources through the questionnaires, semi-structure interviews. The qualitative data method was employ to collect the primary data from the sample respondents of employees and clients in relation to the microfinance institutions. Whereas, the quantitative data approaches employ to gather the relevant information from various sources such as the microfinance annual reports, magazines, booklets. Quantitative approach use to indicate the frequency and percentage of the responses and to present different secondary data in organized way.

3.2. Sources of data

The sources of information for this research was employed primary data type and by using questioners to generate information about factors affecting performance of microfinance institution.

3.2.1. Primary Sources

Data that have been observed, experienced or recorded close to the event are the nearest that one can get to the truth and are called primary data (Miles and Huberman 1994: 46–48).The sources of primary data was used in order to realize the target. The primary sources of the study were microfinance employees and clients.

3.3. Methods of Data Collection

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes. The data collection component of research is common to all fields of study including physical and social sciences, humanities, business, etc. While methods vary by discipline, the emphasis on ensuring accurate and honest collection remains the same (John W. Creswell 2003).

Primary data was collected using variety of methods comprising of questionnaire. Questionnaires relating to the research questions were developed by the researcher targeting the manager, employees and client.

3.4. Sampling Frame and Sampling Size

In Jimma town, Ishet microfinance Institution was taken to study as a sample. The sampling frame was the list of all clients and employees from the institution Most researchers find it difficult to determine the size of the sample. Krejcie and Morgan (1970) has given a table in which no calculations are needed to determine the size of the sample. Table was reproduced for reference in the index. Based on the table from 190 total populations the researcher selected 127 samples.

3.4.1. Sampling technique

The study was employing the stratified random sampling technique and convenience techniques. The stratified random sampling is unbiased sampling method of grouping heterogeneous population into homogeneous subsets then making random selection within the individual subset

to ensure representatively (Wambugu and Ngugi, 2012). The stratification was used in this research to identify relevant factors such as economic indicators, client outreach and operational efficiency and to collect data(client data).Systematic random sampling technique was used for define the population, sampling frame, sample size, sampling intervals, random start, data collection and selection process of micro finance institutions.

3.5. Methods of Data Analysis

Analysis of data involves a number of closely related operations. These are performed with the purpose of summarizing the data and organizing them in such a way that they answer the research objectives of the study and estimate the values of the unknown parameters of the population (Sharma 1983: 78; Silverman 1993: 67–68; Tandon 1979: 12).

In this study, the data analysis was based on the data collected, and compiled from primary sources. The analysis of the interview data began during the data collection in order to focus on the questions and on the study as a whole. Guide by the research questions, each interview transcript was checked for consistency. In this way, periodic analysis of the data provide a direction for further data collection, especially regarding what questions was asked and what actions were taken, based on what has been observed, answered and complete. This necessitates the repetition and reinterpretation of data collection from study site of the questionnaire data to show the nature of microfinance institution performance and affecting factors. During the process of data analysis, an effort is make to identify similarities, variations and inconsistencies. Quantitative data statistical techniques are employed Multiple Linear Regression with paired kale Pearson’s correlation coefficient model. Correlation coefficient use to quantify the strength of association between the variables as well as testing the significance of relationships. The Pearson Product-Moment Correlation Coefficient is a statistic indicating the degree to which two variables are related to one another. The sign of a correlation coefficient (+ or -) indicates the direction of the relationship between -1.00 and +1.00. Variables may be positively or negatively correlated. Multiple regression analysis is a major statistical tool for predicting the unknown value of a variable from the known value of two or more variables. And it is about finding a relationship between variables and forming a model. The Model is developed using 4 explanatory variables or predictors, which have influences on a sales performance. Where Y is the response and the independent variables are those which explain the response ranges from X1 to X4.

A multiple regression equation can be expressed as: $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$

Where: Y= Performance of MFI;

X1= Institutional factor,

X2= cliental factor,

X3= economic factor

X4=regulatory and legislative factor; and ϵ the error term.

3.6. Reliability and validity of the instruments

3.6.1. Reliability of the instrument

Reliability refers to whether scores to items on instruments are internally consistent or stable over time (Creswell, 2014). Prior to data collection, the reliability test was done to evaluate the questionnaires ability to measure the study variables consistently. The reliability test was done on the variables measured using a Likert scale. According to (Hinton, Brownlow, McMurray, & Cozens, 2004), if the reliability coefficient Alpha between >0.7 the instrument can be accepted as reliable, and so that the full- scale survey will be carried out.

3.6.2. Validity of the instrument

The validity refers to whether one can draw meaningful and useful inferences from scores on particular instruments (Creswell, 2014). In order to ensure the validity of the instrument, the researcher has tried to depend on relevant kinds of literatures so as to adapt the items of this specific survey. Moreover, to maintain the validity, a comment of the microfinance manager, experts are taken and their opinion which is resulted in modification of the instruments was also conducted. In addition to the clarity of the instrument, the English version is translated to Amharic and checked for alignment.

3.7. Data analysis techniques

In this study, the data analysis techniques were employed based on the nature of the data collected. During data analysis, the researcher has applied both qualitative and quantitative data analysis techniques in order to present and interpret obtained data.

3.8. Ethical consideration

All participants in this study were appropriately informed about the purpose of the research and their willingness and permission were checked before the beginning of distribution of questioner and asking interview. At the time of interview respondents were asked their voluntary before recording was started. Regarding the rights of privacy, the respondents in the study maintain the confidentiality of the identity of each participant.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1. Descriptive Analysis and Interpretation

For descriptive statistics, such as frequencies, percentages, means, and standard deviations, the study used the SPSS program. Multiple regression analysis and Pearson's correlation were examples of inferential statistics. The researcher created the survey tools and questions, while the manager, staff, and clients of the MFI served as the respondents. The study looked at how both workers and clients perceived institutional, clientele, economic, legal, and legislative aspects as they related to MFI performance. On a 5-point Likert scale, 4 (100%) interview participants provided the data.

Table 4.1. Demographic characteristics of sample respondents

Demographic factor	Valid		Frequency	Percent	Valid Percent	Cumulative Percent
Sex		Female	45	35.4	35.4	35.4
		Male	82	64.6	64.6	100.0
		Total	127	100.0	100.0	
Age		18-25 years old	63	49.6	49.6	49.6
		26-35 years old	51	40.2	40.2	89.8
		36 -46 years old	13	10.2	10.2	100.0
		Total	127	100.0	100.0	
level of education		from grade 1-4	32	25.2	25.2	25.2
		from grade 5-8	16	12.6	12.6	37.8
		from 9-12 grade	33	26.0	26.0	63.8
		Techniques	16	12.6	12.6	76.4
		degree and above degree	30	23.6	23.6	100.0
		Total	127	100.0	100.0	
Martial status		Married	41	32.3	32.3	32.3
		Divorced	43	33.9	33.9	66.1
		Single	43	33.9	33.9	100.0
		Total	127	100.0	100.0	
Years of experience		below 3 years	42	33.1	33.1	33.1
		From 4-10 years	43	33.9	33.9	66.9
		above 10 years	42	33.1	33.1	100.0
		Total	127	100.0	100.0	
Institutional legal system		Sole proprietorship	31	24.4	24.4	24.4
		Stock proprietorship	33	26.0	26.0	50.4
		Partnership	31	24.4	24.4	74.8
		Corporation	23	18.1	18.1	92.9
		OTHER	9	7.1	7.1	100.0
		Total	127	100.0	100.0	

Source: SPSS Output, 2023

According to the graph (4.1) up top, 65 (20.8%) of the respondents were between the ages of 30 and 40 when they were between the ages of 19 and 29. A total of 121 (30.8%) respondents were between the ages of 41 and 50, and 79 (25.3%) of them were 51 or older (15.1%). The results showed that most respondents were adults, but that young people's productive ages were quite low. This suggests that the organization and concentration of the institution in this class are lacking. The majority of respondents had only completed secondary school or less in terms of education. According to this table, there are extremely few clients with higher education levels or technical and vocational degrees. This suggests that the organization doesn't work with technical colleges or affluent society.

4.2. Institutional factors

Table 4.2 Institutional factors

Question	Valid		Frequency	Percent	Valid Percent	Cumulative Percent
MFIs created awareness of employees and clients about the varies components of micro finance institutions		Strongly Disagree	35	27.6	27.6	27.6
		Disagree	35	27.6	27.6	55.1
		neutral	10	7.9	7.9	63.0
		Agree	20	15.7	15.7	78.7
		Strongly Agree	27	21.3	21.3	100.0
		Total	127	100.0	100.0	
MFIs developed effective and efficient financial service and control system		Strongly Disagree	29	22.8	22.8	22.8
		Disagree	50	39.4	39.4	62.2
		neutral	27	21.3	21.3	83.5
		Agree	15	11.8	11.8	95.3
		Strongly Agree	6	4.7	4.7	100.0
		Total	127	100.0	100.0	
Information communication technology adopted in the institution		Strongly Disagree	45	35.4	35.4	35.4
		Disagree	30	23.6	23.6	59.1
		neutral	27	21.3	21.3	80.3
		Agree	15	11.8	11.8	92.1

		Strongly Agree	10	7.9	7.9	100.0
		Total	127	100.0	100.0	
Employees have adequate skills and Experience to perform their job. staffs		Strongly Disagree	29	22.8	22.8	22.8
		Disagree	36	28.3	28.3	51.2
		neutral	20	15.7	15.7	66.9
		Agree	18	14.2	14.2	81.1
		Strongly Agree	24	18.9	18.9	100.0
		Total	127	100.0	100.0	
MFIs provide sufficient training for developed skills and experiences of		Strongly Disagree	42	33.1	33.1	33.1
		Disagree	36	28.3	28.3	61.4
		neutral	31	24.4	24.4	85.8
		Agree	18	14.2	14.2	100.0
		Total	127	100.0	100.0	

Source: SPSS Output, 2023

As the out of the table above since respondent responses with the questions MFIs created awareness of employees and clients about the varies components of micro finance institutions, MFIs developed effective and efficient financial service and control system, Information communication technology adopted in the institution , Employees have adequate skills and Experience to perform their job and staffs MFIs provide sufficient training for developed skills and experiences respectively by Strongly Disagree 35 (27.6%) Disagree 50 (39.4%) Strongly Disagree45(35.4%) Disagree 36(28.3) and Strongly Disagree 33.1 (42%). Implies Employee awareness is less, there is no efficient financial service, there is no information technology adoption and employee skill are very less.

4.3. Cliental factors

Table 4.3. Cliental factors

Questions	Valid		Frequenc y	Percent	Valid Percent	Cumulative Percent
MFIs gives adequate training on entrepreneurship and job training for clients		Strongly Disagree	27	21.3	21.3	21.3
		Disagree	22	17.3	17.3	38.6
		Neutral	38	29.9	29.9	68.5
		Agree	35	27.6	27.6	96.1
		Strongly Agree	5	3.9	3.9	100.0
		Total	127	100.0	100.0	
clients establish their business after training and Counseling delivery by MFIs		Strongly Disagree	26	20.5	20.5	20.5
		Disagree	29	22.8	22.8	43.3
		neutral	39	30.7	30.7	74.0
		Agree	30	23.6	23.6	97.6
		Strongly Agree	3	2.4	2.4	100.0
		Total	127	100.0	100.0	
Aged clients are more effective and responsible than youngest		Strongly Disagree	28	22.0	22.0	22.0
		Disagree	38	29.9	29.9	52.0
		neutral	27	21.3	21.3	73.2
		Agree	33	26.0	26.0	99.2
		Strongly Agree	1	.8	.8	100.0
		Total	127	100.0	100.0	
women have higher responsibility and commitment to achieve their business and loan		Strongly Disagree	30	23.6	23.6	23.6
		Disagree	40	31.5	31.5	55.1
		neutral	44	34.6	34.6	89.8
		Agree	13	10.2	10.2	100.0
		Total	127	100.0	100.0	
repayment than men		Strongly Disagree	38	29.9	29.9	29.9
		Disagree	28	22.0	22.0	52.0
		neutral	42	33.1	33.1	85.0

		Agree	19	15.0	15.0	100.0
		Total	127	100.0	100.0	
MFI clients repaid their loans without any challenges		Strongly Disagree	36	28.3	28.3	28.3
		Disagree	43	33.9	33.9	62.2
		neutral	32	25.2	25.2	87.4
		Agree	16	12.6	12.6	100.0
		Total	127	100.0	100.0	
MFI clients developed borrowing and working habit		Strongly Disagree	53	41.7	41.7	41.7
		Disagree	53	41.7	41.7	83.5
		neutral	15	11.8	11.8	95.3
		Agree	6	4.7	4.7	100.0
		Total	127	100.0	100.0	
MFIs Clients show highly growth saving habit compare from early time		Strongly Disagree	53	41.7	41.7	41.7
		Disagree	53	41.7	41.7	83.5
		neutral	15	11.8	11.8	95.3
		Agree	6	4.7	4.7	100.0
		Total	127	100.0	100.0	
MFIs provide for clients to developed risk prevention and resistance Grouping loan and saving of clients in MFIs is very effective		Strongly Disagree	53	41.7	41.7	41.7
		DisAgree	53	41.7	41.7	83.5
		neutral	15	11.8	11.8	95.3
		Agree	6	4.7	4.7	100.0
		Total	127	100.0	100.0	

Source: SPSS Output, 2023

Out of 127 respondent respectively to neutral 38 (29.9%), neutral 39 (30.7%) , Agree 33, neutral 44 (34.6%), neutral 42 (33.1%) , Strongly Disagree 36 (28.3%) Strongly Disagree 53 (41.7%) Strongly Disagree 53 (41.7%) Strongly Disagree 53 (41.7%) to the question gives adequate training on entrepreneurship and job training for clients, clients establish their business after training and Counseling delivery by MFIs, Aged clients are more effective and responsible than youngest, women have higher responsibility and commitment to achieve their business and loan, repayment than men, MFI clients repaid their loans without any challenges, MFI clients developed borrowing and working habit, MFIs Clients show highly growth saving habit compare from early tim, MFIs provide for clients to developed risk prevention and resistance Grouping

loan and saving of clients in MFIs is very effective, This imply that the client of the institutions has no adequate training , more effective , responsibility , repaid their loans, developed borrowing and working habit, Clients show highly growth saving and risk prevention

4.4. Economic factors

Table 4.4 Economic factors

Question			Frequency	Percent	Valid Percent	Cumulative Percent
MFIs operational cost is appropriate compare from its incomes	Valid	Strongly Disagree	53	41.7	41.7	41.7
		Disagree	53	41.7	41.7	83.5
		neutral	15	11.8	11.8	95.3
		Agree	6	4.7	4.7	100.0
		Total	127	100.0	100.0	
MFIs delivered adequate financial loans for all Instability macro-economic creates influence on income of society and MFIs		Strongly Disagree	33	26.0	26.0	26.0
		Disagree	50	39.4	39.4	65.4
		neutral	44	34.6	34.6	100.0
		Total	127	100.0	100.0	
MFIs acquired upright supports by fund donors		Strongly Disagree	71	55.9	55.9	55.9
		Disagree	29	22.8	22.8	78.7
		neutral	27	21.3	21.3	100.0
		Total	127	100.0	100.0	
MFIs based on economic status support the poorest of poor		Strongly Disagree	61	48.0	48.0	48.0
		Disagree	66	52.0	52.0	100.0
		Total	127	100.0	100.0	
Legislative and regulatory frame work users		Strongly Disagree	61	48.0	48.0	48.0
		Disagree	66	52.0	52.0	100.0
		Total	127	100.0	100.0	

Source: SPSS Output, 2023

The table above indicate that respectively to the questions MFIs operational cost is appropriate compare from its incomes, MFIs delivered adequate financial loans for all Instability macro-economic creates influence on income of society and MFIs, MFIs acquired upright supports by

fund donors, MFIs based on economic status support the poorest of poor and Legislative and regulatory frame work respondent responses Disagree 53 (41.7%), Disagree 50 (39.4%), Strongly Disagree 71 (55.9%) Strongly Disagree 61 (48.0%) and Disagree 66 (52.0) Which indicate mis are not cost is appropriate , financial loans for all Instability , upright supports by fund donors and based on economic status

4.5.Legislative and regulatory frame work

Table 4.5 Legislative and regulatory framework

Question	Valid		Frequency	Percent	Valid Percent	Cumulative Percent
Tax and other government payments distresses MFIs performance		Strongly Disagree	61	48.0	48.0	48.0
		Disagree	66	52.0	52.0	100.0
		Total	127	100.0	100.0	
Government institutions and officials delivered adequate technical and legal support to MFIs		Strongly Disagree	42	33.1	33.1	33.1
		Disagree	42	33.1	33.1	66.1
		neutral	38	29.9	29.9	96.1
		Agree	5	3.9	3.9	100.0
		Total	127	100.0	100.0	
Interest rate ceiling determine by the government created influence on MFIs performance		Strongly Disagree	42	33.1	33.1	33.1
		Disagree	42	33.1	33.1	66.1
		neutral	38	29.9	29.9	96.1
		Agree	5	3.9	3.9	100.0
		Total	127	100.0	100.0	

MFIs borrowing Interest rate is very high not encourage customers to borrow and grow enterprise	Strongly Disagree	42	33.1	33.1	33.1
	Disagree	42	33.1	33.1	66.1
	neutral	38	29.9	29.9	96.1
	Agree	5	3.9	3.9	100.0
	Total	127	100.0	100.0	
Government regulatory system influence financial and operating performance on MFIs	Strongly Disagree	42	33.1	33.1	33.1
	Disagree	42	33.1	33.1	66.1
	neutral	38	29.9	29.9	96.1
	Agree	5	3.9	3.9	100.0
	Total	127	100.0	100.0	

Source: SPSS Output, 2023

Respondent respectively responses Strongly Disagree 61 (48.0%), Strongly Disagree 42 (33.1%) Strongly Disagree 42 (33.1%), Disagree 42(33.1%)

And Strongly Disagree 42 to the question 1Tax and other government payments distresses MFIs performance, Government institutions and officials delivered adequate technical and legal support to MFIs , Interest rate ceiling determine by the government created influence on MFIs performance , MFIs borrowing Interest rate is very high not encourage customers to borrow and grow enterprise, Government regulatory system influence financial and operating performance on MFIs. This implies tax and other government payment distress, government body not delivered adequate technical and legal support, interest rate impacted the mfi.

4.6. Inferential analysis
Table 4. 6 Inferential analysis

Coefficients ^a										
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	.002	.000		-9.388	.000	-.002	-.001		
	Institutional factors	.292	.002	.333	156.387	.000	.288	.295	.028	6.092
	Cliental factors	.278	.001	.288	192.744	.000	.275	.280	.056	7.769
	Economic factors	.200	.002	.169	83.852	.000	.195	.205	.031	3.350
	Legislative and regulatory frame work	.227	.001	.224	165.612	.000	.224	.229	.069	4.583

a. Dependent Variable: PMILG

Source: SPSS Output, 2023

The table above shows us VIF is Less than 10 that indicate the data has no multi co-linearity problem and the data is acceptable. As the same way, sig value is less than level of significance 5% which indicate the entire variable significant and lead to reject the null hypothesis and accept the Ha or alternative hypothesis. More over Beta coefficient value are positive value indicate the entire variable has positive relation.

Inferential analysis is a statistical method used to draw conclusions or make inferences about a population based on a sample of data. It involves applying statistical techniques to analyze the

sample data and make generalizations or predictions about the larger population from which the sample was drawn.

4.7. Hypothesis Testing

Testing H1

In table 4.6, the result presents that there is a significant positive relationship between institutional factor and Performance of microfinance institutions with (Beta=.333) and ($p=0.00<.05$) this means that the institutional factor is most significant determinants contributing performance of MFI. The result of the study rejects H1. The institutional factor is influencing the Performance of MFI.

Testing H2

From table 4.6, the result shows that there is a significant positive relationship between Cliental factor and Performance of MFI with (Beta=0..288) and ($p=0.00< 0..05$) these results of the study reject H2. It means that a Clientele factor has significant relationship with the Performance of MFI. The study found that Clientele factor is directly influence the Performance of MFI.

Testing H3

From table 4.6, the result is shown that there is a significant negative relationship between Economical factor and Performance of MFI with (Beta= 0.169) and ($p=0.00 < 0.05$). The result of this study rejects H3. This mean Economical factor contributed to Performance of MFI. The study found that Economical factor is directly influence performance of microfinance institution.

Testing H4

In table 4.6, the result shows that there is an insignificant relationship between the Legislative and regulatory framework and performance of MFI with (Beta=0.224) and ($p=0.00<0.05$).

This means that Legislative and regulatory framework is directly influenced performance of MFI. The results of the study reject H4. The data indicate that Legislative and regulatory framework is an essential and influential key factor for achieving the performance of MFI.

4.8. Linearity test



Figure 2: Linearity test,Histogram

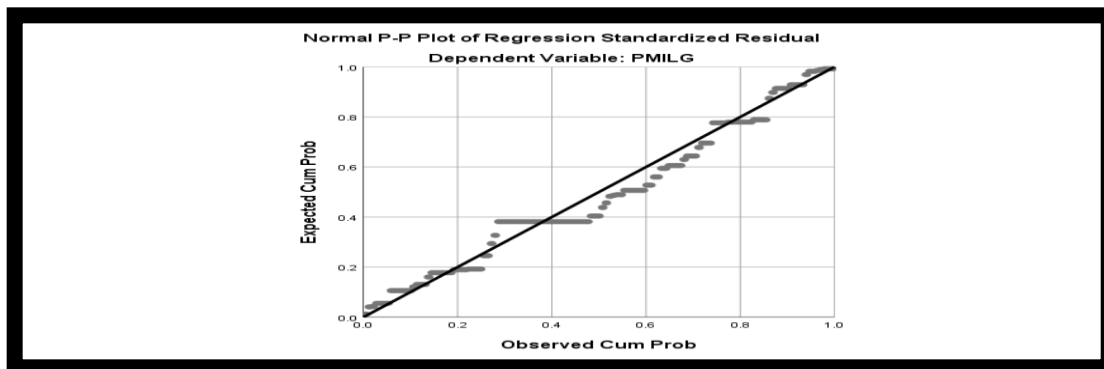


Figure 3: linearity test, Normal

In statistical analysis linearity testing is performed to assess whether there is a linear relationship between the independent variables and the dependent variable in regression model. The linearity assumption is important because regression model assume that the relationship between the variable is linear.

The graphs above indicate that except a few respondent most of the respondent are approach to the line of goodness to fit. So data is normally distributed and linear.

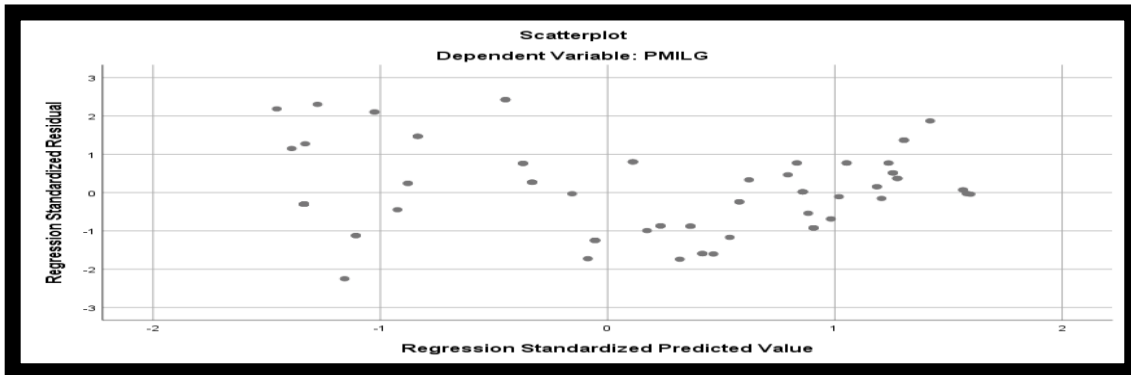


Figure 8: linearity test, Scatter Plot

The graph show that the data has no hetroscadecity problem and it is homoscadecity.

CHAPTER FIVE

5.0. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary of the findings

The main objective of this study was to assess factors affecting the performance of microfinance institutions :(the case study of Jimma Town). to achieve these objectives the researcher was guided by the following four: main basic questions

1. To what extent favorable Institutional structure and customer service in MFI in the town?
2. How does the volume of clients saving and borrowing habit influence the performance of microfinance institution?
3. To what extent instability macro economy of the country and income level of society affects MFI performance?
4. To what extent provides technical and legal support by government and other external bodies to overcoming on micro finance institution performance challenges?

Review of related literature was made based on the research questions raised. The study employed a descriptive survey design to ensure the complete description of the situation while making sure there is minimum bias in the collection of data as well as allowing the collection of huge amount of data from sizeable population in an economic way. More specifically microfinance institution manager and experts were selected based on purposive and simple random sampling technique. The opinion of the respondents was gathered using structured and semi-structured Likert scale questionnaire was conducted for manager, process owners and clients.

Quantitative and Qualitative methods were used in analyzing the data obtained through the data gathering instruments. Descriptive and inferential statistics were used in this study to analyze data in order to investigate the relationship between the dependent variable and the independent variables. The descriptive statistical analysis used in this study included percentage, frequency while the inferential statistical analysis used included Regression test was used to determine the statistical significance of perception between respondents" relation to the assessment of affecting factors on microfinance institution performance.

According to the graph (4.1) up top, 65 (20.8%) of the respondents were between the ages of 30 and 40 when they were between the ages of 19 and 29. A total of 121 (30.8%) respondents were between the ages of 41 and 50, and 79 (25.3%) of them were 51 or older (15.1%). The results showed that most respondents were adults, but that young people's productive ages were quite low. This suggests that the organization and concentration of the institution in this class are lacking. The majority of respondents had only completed secondary school or less in terms of education. According to this table, there are extremely few clients with higher education levels or technical and vocational degrees. This suggests that the organization doesn't work with technical colleges or affluent society.

As the out of the table above since respondent responses with the questions MFIs created awareness of employees and clients about the varies components of micro finance institutions, MFIs developed effective and efficient financial service and control system , Information communication technology adopted in the institution , Employees have adequate skills and Experience to perform their job and staffs MFIs provide sufficient training for developed skills and experiences respectively by Strongly Disagree 35 (27.6%) Disagree 50 (39.4%) Strongly Disagree45(35.4%) Disagree 36(28.3) and Strongly Disagree 33.1 (42%) . Implies Employee awareness is less, there is no efficient financial service, there is no information technology adoption and employee skill are very less.

Summary

- Most respondents were adults, but that young people's productive ages were quite low. This suggests that the organization and concentration of the institution in this class are lacking. The majority of respondents had only completed secondary school or less in terms of education. According to this table, there are extremely few clients with higher education levels or technical and vocational degrees. This suggests that the organization doesn't work with technical colleges or affluent society.
- cost is appropriate , financial loans for all Instability , upright supports by fund donors and based on economic status
- tax and other government payment distress, government body not delivered adequate technical and legal support, interest rate impacted the mfi.
- Implies Employee awareness is less, there is no efficient financial service, there is no information technology adoption and employee skill are very less.
- This imply that the client of the institutions has no adequate training , more effective , responsibility , repaid their loans, developed borrowing and working habit, Clients show highly growth saving and risk prevention
- This implies tax and other government payment distress, government body not delivered adequate technical and legal support, interest rate impacted.

5.1. Conclusion

Based on the findings the following conclusions were drawn: Currently, Ethiopia is following microfinance institutions to use one of the poverty alleviation instruments. The performance of Microfinance institutions in **the case study of oromia regional government, jimma town**) credit and saving institution(ACSI).The finding about institutional factors such as absence of well-organized office ,training and growth of experience of employees, training and consultancy for borrowers, weak monitoring ,controlling and support system, inadequate loan capital ,lack of use of technology .

Clientele factors Microfinance institutions provide a variety of financial services that target low-income clients, particularly women. The study indicated that microfinance institutions gave weight to women borrowers as compared to men clients and the participation of women in microfinance service is relatively low. Women borrowers in a given enterprise were not found to be more defaulters than men and they have relatively higher utilization rate of the loan for the intended purpose as compared to that of men thus, the institutions should more focuses on empowerment of women and men

borrowers to identify the more viable clients. Although the age of the borrowers was significant to influence repayment performance, the study implied that borrowers with higher age (adult group) slightly had better repayment performance than youngsters. So, the institution should exert its effort on identifying the problem of youngsters rather than excluding them from the service.

Borrowers lack of business skills and experience, negative attitude towards credit service (considering as donation or governments bonus) and among the major factors repayment performances like unwillingness behaviors, diverting the loan to non-business activities, lack of borrowing experience of clients, absence of voluntary saving experience. Majority of the clients were not access training, and, business conditions of the borrowers are the major factors which affect the performance of the MFI. Hence the institution needs to work on awareness creation on cash management and enforcing the repayment through close monitoring and supervisions.

Financial services were accessible for the majority of poor communities" .But the institution services not accessible for the poorest of the poor communities in the study area. The institution delivers financial services such as loans and savings but not insurance, money transfer and others
Instability Economic level of the country also had negative effects on the MFI's performance and living standard of the community.

The government environments of the country, such as the existing rule in the country is not comfortable for the institution it affects its performance. The study findings led to the conclusion that MFIs charge higher interest rates than mainstream commercial banks. More so, it was noted that external factors largely determined interest rates charged by MFI. In the same breadth, it was inferred that high interest rates resulted in default in loan repayment on the other hand tax and other payments influenced.

5.2. Recommendation

- This section of the study mainly explains the practical recommendations based on the findings of the study and the interview of the results obtained from quantitative and qualitative data of respondents. Therefore the following possible recommendations are forwarded to different stakeholders based on to improve MFI performance.
- The MFI should create suitable and arrangement office to provide attractive and fast service to customers. The institution should proper integration strategies to overcome the problems with different trainings can strengthen the capacity of employees and clients. In order to create active clients, repay their loan according to the institutions repayment schedule and the institute in

safeguarding the credit from suffering default risks. As the study revealed, conducting regular supportive supervision to the borrowers' business territory at least once in a month is highly requirements. MFI should use technologies which support the institutions to reduce different costs. Different software and databases to handle financial data and to communicate with branches and to register all transactions in a well- organized way.

- Women are the most vulnerable group of the society. They should be the first target of microfinance institution. But participation of women is very limited in MFI performance to achieved expected objectives to create different systems that encourage the involvement of women in borrowing and saving services. Arrangement of different types of loan, for women with lower interest rates, training and other requirements can improve the participation of women in microfinance services. The institution focus provides adequate training, supervision and other supporting to men and youngster defaulters. According to the role of microfinance institutions for poverty alleviation the poorest of the poor should include in clients. The institution, it is better to have delivered insurance, money transfer and others besides loan and saving services.

- The MFI interest rate should minimize by reducing operational cost, increasing number of clients, use the outdated financial system that is cost effective. The government should provide sufficient support to MFI by loan capital, training, rising rules, policies and other issues. Finally the study highly recommends interested researchers to extend further investigation on the affecting factors of micro finance institutions' performance.

5.2.1. Recommendation for future study area

This study was conducted to show the assessment of *factors affecting the performance of microfinance institutions* :(*the case study of oromia regional government, jimma town*) .it is also suggested that it would be essential to conduct a comparative study on the growth of financial institutions that institutional structure, clientele factors economic and government legislation and regulations affects micro finance performance.

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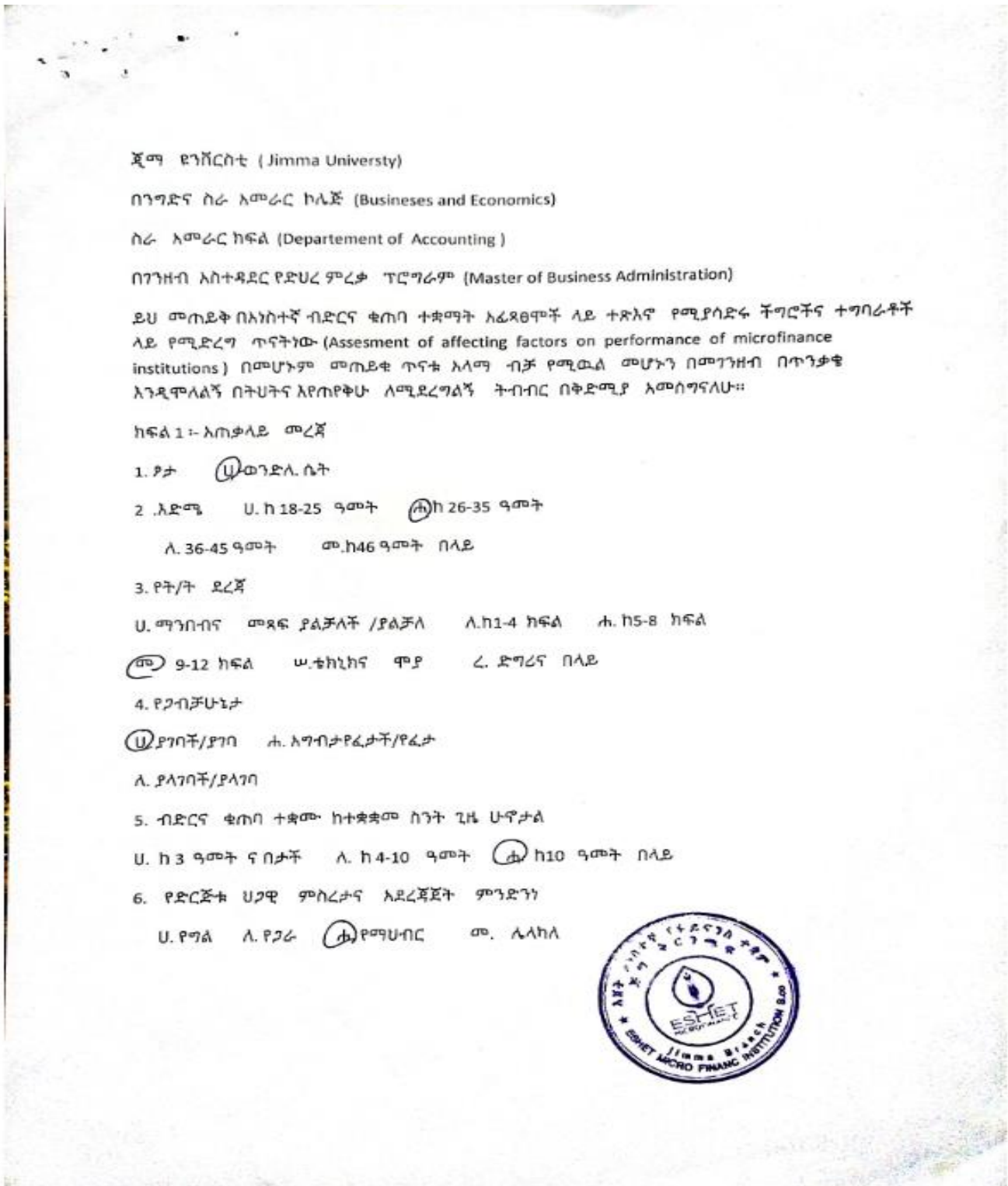
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ANNEX

SAMPLE RESPONCES FOR DISTRIBUTED QUJESTIONAIRS



ክፍል 2 - ሠንጠረዥ 1 ስብደርና ቁጠባ ተቋም የሥራ እፈፃሚዎች አማራጭ ውስጥ የሰዎች ምርመራ እንዲያደርጉ (የሚመረጡት ቁጥር ላይ ይህን ምልክት ይጠቀሙ ህ)

1. ስጦታ አስማማለው 3. መልስ ለመስጠት እቸገራለው
 2. አስማማለው 4. አልሰማማም 5. በጣም አልሰማማም

S.No	ስብደርና ቁጠባ እፈፃሚ አማራጭ መልስ	1	2	3	4	5
	ሀ. ተቋማዊ ሁኔታዎች					
1	ተቋሙ ስለ ድርጅቱ አሰራርና እፈፃሚ የሥራ-ተኞችና ደንቦች ግልፅነት ፈጥሯል	✓				
2	ተቋሙ ገንዘብ ቆጣቢና ውጤታማ የሆነ አገልግሎት አስጠጥሶ የቁጥጥር ስረዓት ያከናውናል		✓			
3	የመረጃ የግንኙነትና የአደጋ ቴክኖሎጂ አሰራሮችና አጠቃቀሞች በተቋሙና በደንበኞች ስራ ላይ ይውላል	✓				✗
4	የተቋሙ ሥራ-ተኞች በቂ ክሎትና የስራ ልምድ አላቸው	✓				
5	ተቋሙ በቂ የክሎት ስልጠና ይሰጣል የልምድ ለውውጥም ያደርጋል	✓				
	ለደንበኞች ሁኔታ					
1	ተቋሙ በበቂ ሁኔታ ሞያዊ ስልጠናና የስራ ላይ ስልጠና ለደንበኞቹ ይሰጣል	✓				
2	ተቋሙ ለደንበኞቹ የገንዘብ ስራ ከመጀመራቸው በፊት ስልጠናና የማማከር ድጋፍ ይሰጣል	✓				
3	ከወጣት ደንበኞች ይልቅ ጎልማሶች ኃላፊነት በመውሰድና ውጤታማ በመሆን የተሻለ ናቸው		✓			
4	ሴቶች ውጤታማ የገንዘብ ስራ በመስራት ኃላፊነት በመውሰድና የተበደሩትን ብድር በመመለስ ከወንዶች የላቁ ናቸው	✓				
5	የተቋሙ ደንበኞች ያለምንም ችግር የተበደሩትን ብድር ይከፍላሉ			✓		
6	ደንበኞች ገንዘብ ተበድሮ የመስራት ልምዳቸውን እያዳበሩ መጥተዋል	✓				
7	የተቋሙ ደንበኞች የመቆጣጠሪያ ልምዳቸውን በከፍተኛ ደረጃ እያሰደጉ መጥተዋል		✓			
8	ተቋሙ ለደንበኞቹ የሚያጋጥሟቸውን ችግር የሚፈቱበትንና የሚቋቋሙበትን አቅም ፈጥሯል		✓			



<u>ሐ.ኢኮኖሚያዊሁኔታ</u>					
9	ደንበኞች በቡድን የሚያደርጉት ብድርና ቁጠባ ተቋሙ በጣም ውጤታማ ነው				
<u>ሐ.ኢኮኖሚያዊ ሁኔታ</u>					
1	የተቋሙ የሰራ ማስኬጃ ወጪ ከገቢው ጋር የተጣጣሙና ትክክለኛ ነው				✓
2	የሀገሪቱ ኢኮኖሚ አለመረጋጋት በተቋሙና በደንበኞች ገቢ ላይ ተጽዕኖ ፈጥሯል	✓			
3	ተቋሙ ወሰጥ የሆነ የገንዘብ ድጋፍ ከተለያዩ ደረጃዎች ያገኛል				✓
4	ተቋሙ ደንበኞች የሚፈልጉትን የገንዘብ መጠን በበቂ ሁኔታ ያቀርባል				✓
5	ተቋሙ ለደሃ ደሃ የሀብት ለተሰጠ ክፍሎች ልዩ ድጋፍና ትኩረት ይሰጣል	✓			
<u>መ.የህግና የቁጥጥር ሁኔታ</u>					
1	የመንግሥት ግብርና ልዩ ልዩ ክፍያዎች በተቋሙ አረፈው ላይ ተጽዕኖ ፈጥሯል				✓
2	ለተቋሙ መንግሥትና የመንግሥት ጋላፊዎች በቁጥጥር ህጋዊ ድጋፍ ይሰጣሉ	✓			
3	የብድር ወለድ ለመንግሥት መውሰድ በተቋሙ ላይ ተጽዕኖ ፈጥሯል				✓
4	የተቋሙ የብድር ወለድ በጣም ከፍተኛ በመሆኑ ደንበኞች ተበድረው እንዲሰፍና ድርጅታቸውን እንዲያሳድጉ አያበረታታቸውም				✓
5	የመንግሥት የቁጥጥር ስርዓት በብድርና ቁጠባ አስራርና ገቢ ላይ ተጽዕኖ ፈጥሯል				✓



8. የሥራውን ደንብ ለማዘጋጀት ለሚያስፈልጉት የሥራውን ደንብ ለማዘጋጀት

የሥራውን ደንብ ለማዘጋጀት ለሚያስፈልጉት የሥራውን ደንብ ለማዘጋጀት

የሥራውን ደንብ

1. የሥራውን ደንብ ለማዘጋጀት ለሚያስፈልጉት የሥራውን ደንብ ለማዘጋጀት

የሥራውን ደንብ ለማዘጋጀት ለሚያስፈልጉት የሥራውን ደንብ ለማዘጋጀት

2. የሥራውን ደንብ ለማዘጋጀት ለሚያስፈልጉት የሥራውን ደንብ ለማዘጋጀት

3. የሥራውን ደንብ ለማዘጋጀት ለሚያስፈልጉት የሥራውን ደንብ ለማዘጋጀት

4. የሥራውን ደንብ ለማዘጋጀት ለሚያስፈልጉት የሥራውን ደንብ ለማዘጋጀት

የሥራውን ደንብ

1. የሥራውን ደንብ ለማዘጋጀት ለሚያስፈልጉት የሥራውን ደንብ ለማዘጋጀት

የሥራውን ደንብ ለማዘጋጀት ለሚያስፈልጉት የሥራውን ደንብ ለማዘጋጀት

2. የሥራውን ደንብ ለማዘጋጀት ለሚያስፈልጉት የሥራውን ደንብ ለማዘጋጀት

3. የሥራውን ደንብ ለማዘጋጀት ለሚያስፈልጉት የሥራውን ደንብ ለማዘጋጀት



DABALATAA

GAAFFIILEE INISTITIYUSHINII FAAYINAANSII MAAYKROO, HOJJETTOOTA FI MAAMILOOTAAF.

Gaaffiin armaan gadii qaama qorannoo gar tokkoon guutummaa mastersiitiin gaggeeffamaa jiruuti Digirii Herregaa fi Faayinaansii Yuunivarsiitii Jimmaa irratti mata duree " factors affecting the performance of Micro Finance Institution." Meeshaan kun kaayyoo barnootaa qofaaf kan ooludha. Sana booda iccitiin deebii kenn itoota kamiyyuu wabii olaanaa qaba. Kanaaf akka dhiheessitan kabajaan isin gaafanna gaaffilee mirkaneessuuf deebii sirrii ta'e kennuudhaan. Tumsi fi deggersi keessan ni kabajama. Galatoomaa!!

Kutaa 1ffaa:- Odeeffannoo waliigalaa qorannoo Dhaabbata Faayinaansii Maayikiroo (MFIs) irratti Mee Marsaa itti godhaa

1. Saala A. Dhiira B. Dubartii
2. Umuri A. waggaa 18 -25 irraa B. waggaa 26 -35 irraa
3. waggaa 36-45 irraa eegalee D. 46 fi isaa ol waggaa
4. Sadarkaa barnootaa kee isa olaanaa. A. Barnoota idilee hin qabu B. Barnoota sadarkaa tokkoffaa (1-4) C. (5-8) D. Mana barumsaa sadarkaa lammaffaa (9-12) E. Teeknikaa (Sadarkaa,) F. Digirii fi isaa ol
5. Haala Gaa'elaa: A. Fuudhaa fi heerumaa B. Tokkicha C. Hiikkaan
6. MFI'n yeroo hangamii hojiirra turan? A. Waggaa 3 gadi B. Waggaa 4 hanga 10 gidduutti C. waggaa 10 oliif
7. Haalli abbummaa seeraa dhaabbatichaa maali? A. Abbummaa kophaa B. Istookii C. dhaabbata dhuunfaa daangeffame D. Waldaa Hojii Gamtaa E. Kan biroo (ibsi) .



Kutaa 2- Gabatee 1 :-Waa'ee raawwii dhaabbilee faayinaansii maayikiroo ulaagaalee armaangadii irraati hundaa'uundeebi kennamemaalattoon (x) fayadamaa

1. Cimsee walii hin galle
2. Waliigaluu dhabuu 3. Giddu galeessa 4. Waliigaluu 5. Cimsee waliigaluu

Lak	Waa'ee raawwii hoji dhaabbilee faayinaansii maayikiroo deebii kennamuu	1	2	3	4	5
A. Qabxiilee dhaabbilee						
1	MFI'n hubannoo hojjetootaa fi maamiloota waa'ee dhaabbilee faayinaansii maayikiroo kennesaa					✓
2	MFI'n tajaajila faayinaansii fi sirna ta'annoo ho'a qabeessaa fi gahumsa qabu qopheessanii kennaniru				✓	✓
3	Teeknooloojii qunnamtii odeeffannoo dhaabbaticha keessatti hojirraa ooleeraa, mamilli itti fayyadameera				✓	
4	Hojjettoonni hojii isaanii raawwachuuf dandeettii fi Muuxannoo gahaa qabu.					✓
5	MFI'n dandeettii lenjii, dandeet cimsee fi muuxannoo hojjetootaa guddutii gudisuu fi lenjii gahaa ni kennu			✓		
B. Qabxiilee maamilaa						
1	MFI'n maamilootaaf lenjii gahaa hojii abbootii qabeenyaafi hojii irratti in kennaa			✓		
2	maamiloona lenjii fi Gorsa MFI'n erga kennee hoda daidala isaanii hundeessu				✓	
3	Maamiloona umurii isaanii guddaa ta'e dargaggoota caalaa bu'aqabeessaa fi itti gaafatamummaa bahatuu		✓			
4	Dubartoonni daidala isaanii galmaan gahuuf itti gaafatamummaa fi kutannoo olaanaa kan qabaniifidhirota caalaa liqii deebisuu				✓	
5	Maamiloona MFI liqii isaanii qormaata tokko malee deebisan				✓	
6	Maamiloona MFI amala liqii fudhatan hojjetan debsuu horatanru					✓



7	MFIs Maamiltoonni amala guddina qusannaa olaanaa agarsiisu yeroo jalqabaa irraa kaasee wal bira qabamee yoo ilaalamu amalaa qusanno guddi seeraa					X	
8	MFIN maamiltootaa fi akka jari rakko ofiraa ittisanu fi rakko kesaa bahuu danda'anu tasisseera						X
9	Liqii garee fi qusannaan maamiltoota MFI keessatti baay'ee bu'a qabeessa						X
C. Qabxiilee dinagdee							
1	Baasii hojii MFIs galii isaa irraa wal bira qabamee yoo ilaalamu kan walsimudha					X	
2	Tasgabbi dhabuun dinagdee maakroo galii hawaasaa fi MFI irratti dhiibbaa uum	1		X			
3	MFIN deeggarsa qajeelaa arjoomtoota fandii irraa argataniiru			X			
4	MFIN fayyadamtoota hundaaf liqii faayinaansii gahaa ta'e kennaniiru					X	
5	MFIN haala dinagdee irratti hundaa'uun hiyyeeyyii hiyyeeyyii ni deeggaru			X			
D. Hojii bu'uura seera baasuu fi danbiiwwanii							
1	Gibiraa fi kaffaltiin mootummaa biroo raawwii hojii MFI dhiphisa		X				
2	Dhaabbileen mootummaa fi qondaaltonni deeggarsa teeknikaa fi seeraa gahaa taasisaniiru gara MFItti					X	
3	Interest rate ceiling murteessu mootummaan dhiibbaa uume MFIs irratti ga'umsa			X			
4	MFIs borrowing Dhala baayyee ol'aanaadha maamiltoonni akka liqeessan hin jajjabeessinee fi dhaabbata guddisuu	X					
5	Sirni danbii mootummaa raawwii faayinaansii fi hojii irratti dhiibbaa qaba FIs	X					



Kutaa 3-Oorannooaf gaaffii Gaaffii deebii kenniteotaaf.

A. Maqaa Dhaabbata keessanii... *Dhaabbata maalloofaa ESHet.*

B. Bakka-bayii... *Majaalaa Jimma...*

C. Saala... *Dh. 1997...*

D. KKKK' sadarkaa... *D. 1997... Jalqabaa...*

E. Dhaabbanni keessan yeroo hangamii hojjechaature?

Waxaa 235.

Dhimma dhaabbilee

1. Sirna tajaajila fayyinaansiifi to'annoo bu'a qabeessaafi gahumsa qabu tasisufi wan hojjetamee?

Hajjettee'ooft Leenjii Kennomaa Jira.

2. Caasaa MFIS miijaawaafi baala gaariin gurmaa'e hangam qopheessaa galmaan ga'uuf nihojjeta?

Siiistara laa'an hojjechuud fofhii

3. MFI fi maamiltoota keessatti teknooloojii hangam fudhatame?

Baay'ee miti.

4. Dhaabbanni keessan raawwii giddu galeessaa irratti hangam bu'a qabeessa?

Parcentii 50

5. Hojjettoonni hojjiisaanii raawwachuuf dandeettiifi Muuxannoo gahaa hangam qabu?

Dandeettii Sirriitti faku.

6. Hamma dandeetti fi muuxannoo hojjetootaa guddateef leenjii gahaa keenuu errat mallituu jiraa?

Dubbatti kaafinsi Jira.



Qabxiilee dinagdee

1. Qaafilaamin fi seer motummaa bahuu hangami dhabbata liqii fi Qusaanno knaratti dhibba godhaa?

No garbaara mataa dhiibba hin jabu.

2. MFI ntumsa Dhaabbilee mootummaafi kan mootummaa hin taane waliin jiruu? Faayidaa gosa akkamii?

Jaluu jiru kanaa seeraa garbaaraa kenna jachuu.

3. Tasgabbi dhabuun dinagdee maakroofi sadarkaan galii hawaasaa raawwii hojii MFI irratti dhiibbaa hangamii qaba

Dhiibbaa jiddaa qaba.

Hojii bu'ura seera baasuu fi danbiiwwanii

1. Seera fi dambii mootummaa hangam dhiibbaa MFI irratti gesisaa?

Dhiibbaa geessisu hin jabu.

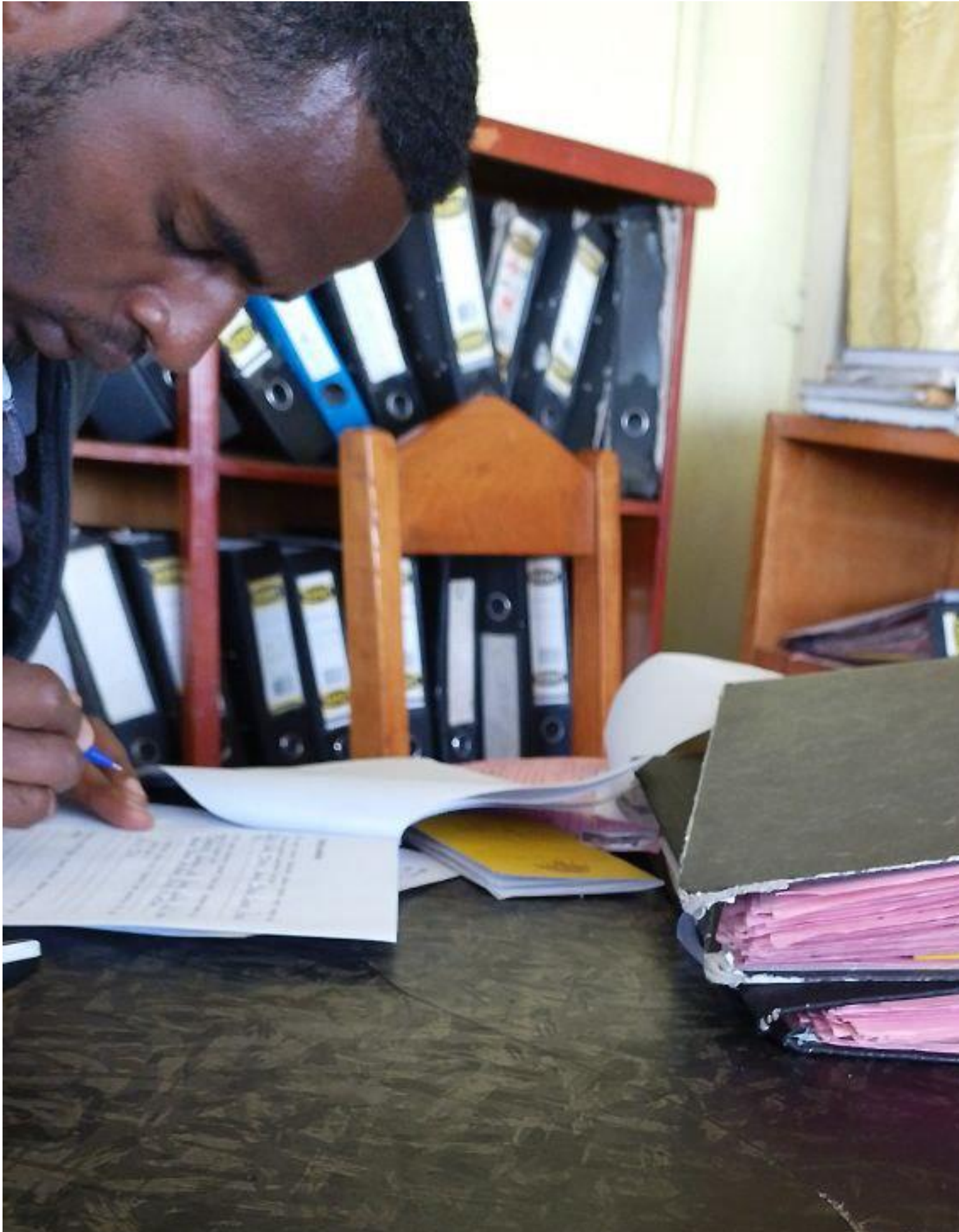
2. Dhibbeentaan meeqatu dhalaliqii maamiltootaaf kenna? Hammam haqqabnessa?

Dhibbeentaan hin beeku.

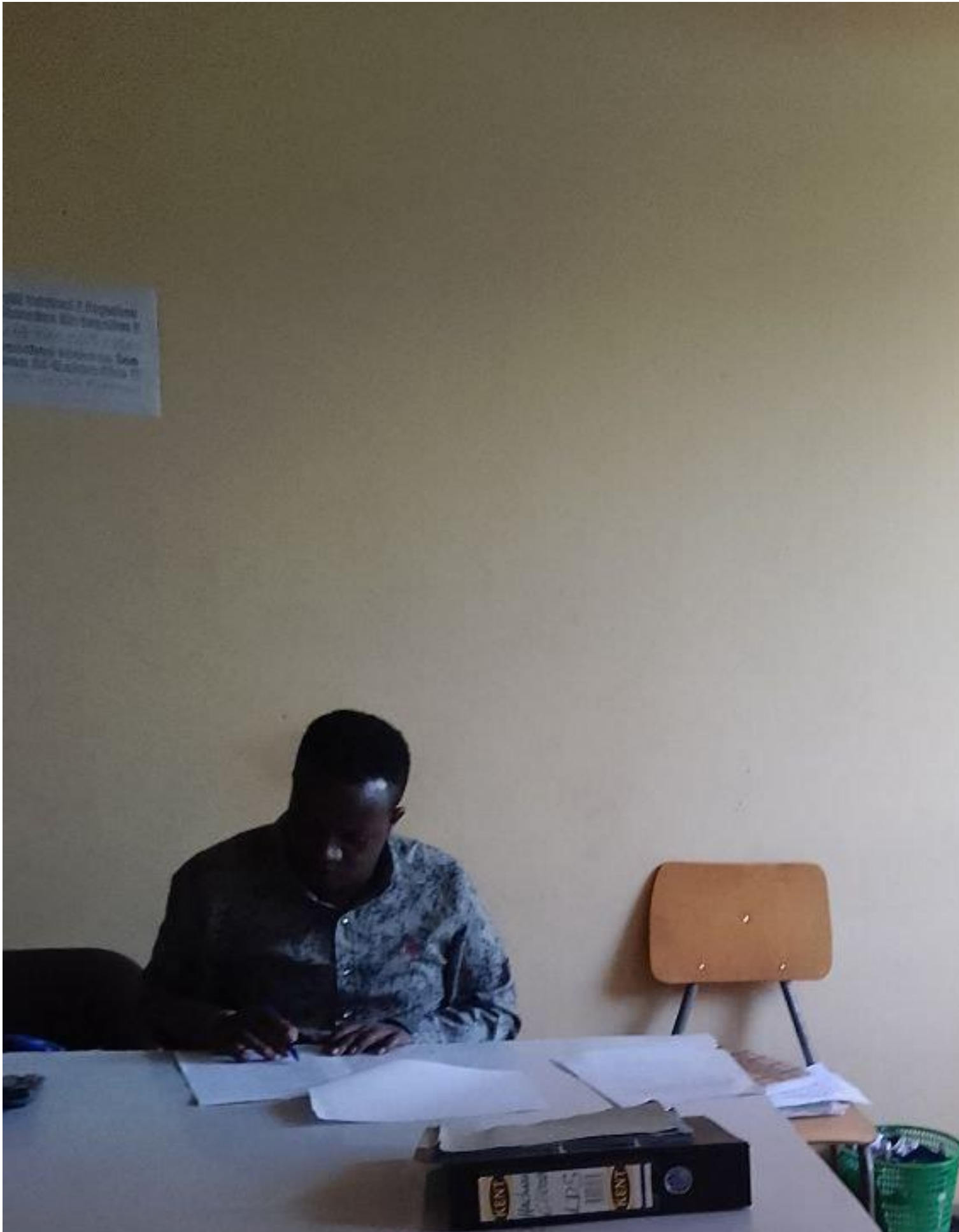
3. Gibiraafi kaffaltiin birooraawwii hojii MFIS irratti dhiibbaa hangamii qaba?

Dhiibbaa hin jabu.













QUESTIONNAIRS FOR MICROFINANCE INSTITUTION MANAGER, EMPLOYEES AND CLIENTS.

The following questionnaire is part of a study being conducted in partial fulfillment of master Accounting and Finance degree in Jimma University on the topic “ factors affecting the performance of microfinance institutions.” This material is only for academic purpose . Then any respondents“ privacy is highly guaranteed. So you are kindly requested to provide accurate answers to the asked questions. Your co-operation and support will be respected.

Thank You!!

Part 1:- General information on Microfinance Institution (MFIs) study Please Circle it

1. Gender

- A. Male B. Female

2. Age

- A. from 18 -25 years B. from 26 -35 years C. from 36-45 years
D. 46 and above years

3. Your highest level of education.

- A. No formal education B. Primary education (1-4) C. (5-8)
D. High school (9-12) E. Technic (Level,) F. Degree and above

4. Marital Status:

- A. Married B. Single C. Divorced

5. For how long has MFIs been in operation?

- A. Less than 3 years B. Between 4 and 10 years C. over 10 years

6. What is the legal ownership status of the firm?

- A. Sole ownership B. Stock c. private limited company
D. Cooperative E. Other (specify)

Part 2- Table 1 Answered about microfinance institution performances based on below criteria's (please use √)

1. Strongly disagree 3. Neutral
 2. Dis Agree 4. Agree 5. Strongly agree

S. No	Answered about microfinance institution performances	1	2	3	4	5
	A. Institutional factors					
1	MFIs created awareness of employees and clients about the varies components of micro finance institutions					
2	MFIs developed effective and efficient financial service and control system					
3	Information communication technology adopted in the institution					
4	Employees have adequate skills and Experience to perform their job.					
5	MFIs provide sufficient training for developed skills and experiences of staffs					
	B. Cliental factors					
1	MFIs gives adequate training on entrepreneurship and job training for clients					
2	clients establish their business after training and Counseling delivery by MFIs					
3	Aged clients are more effective and responsible than youngest					
4	women have higher responsibility and commitment to achieve their business and loan repayment than men					
5	MFI clients repaid their loans without any challenges					
6	MFI clients developed borrowing and working habit					

7	MFIs Clients show highly growth saving habit compare from early time					
8	MFIs provide for clients to developed risk prevention and resistance					
9	Grouping loan and saving of clients in MFIs is very effective					
	C. Economic factors					
1	MFIs operational cost is appropriate compare from its incomes					
2	Instability macro-economic creates influence on income of society and MFIs					
3	MFIs acquired upright supports by fund donors					
4	MFIs delivered adequate financial loans for all users					
5	MFIs based on economic status support the poorest of poor					
	D. Legislative and regulatory frame work					
1	Tax and other government payments distresses MFIs performance					
2	Government institutions and officials delivered adequate technical and legal support to MFIs					
3	Interest rate ceiling determine by the government created influence on MFIs performance					
4	MFIs borrowing Interest rate is very high not encourage customers to borrow and grow enterprise					
5	Government regulatory system influence financial and operating performance on MFIs					

Part .3-The interview research Questions to respondents.

- A. Name of your Institution:.....
- B. Place of work.....
- C. Gender
- D. Position/rank.....
- E. How long has your institution been operating?

Institutional case

- 1. How much developed effective and efficient financial service and control system?
- 2. How much developed suitable and well organized MFIS structure to accomplish its works?
- 3. How much adopted technology in MFIs and clients?
- 4. How much effective your institution in average performance?
- 5. How much extents Employees have adequate skills and Experience to perform their job?
- 6. How much provide sufficient training to developed skills and experiences of staffs

Cliental factor

- 1. To what extent MFIs taking Entrepreneurial training and technical assistance addresses the major challenges of MFIs customers?
- 2. How much extent doing by MFIs to growth women empowerment? And who are effective and committed from men?
- 3. What are they the main challenges to MIFs on saving, borrowing, loan repayment of clients?
- 4. How long loan repayment period? Is it too short, too long, or sufficient?
- 5. How much extent to be effective grouping loan and saving of clients in MFIs

Economic factors

- 1. How much deliver enough financial loans and other services for all users?
- 2. How much support MFIs by Donors and governments?
- 3. Are there any collaboration MFIs with governmental and none governmental Organizations? What type of benefit gain?
- 4. How much extent instability macroeconomics and income level of society influence on MFIs performance?

Legislative and regulatory frame work

- 1. How much extent government legislative and regulation create influence on MFIs performance?
- 2. How many percent provide loan interest rate to clients? How much fair?
- 3. How much extent influence tax and other payment on MFIS performance?

Appendix 2, Questionnaire Amharic version

ጂማ ዩንቨርሲቲ (Jimma Universty)

በንግድና ስራ አመራር ኮሌጅ (Business and Economics)

ስራ አመራር ክፍል (Departement of Accounting)

በገንዘብ አስተዳደር የድህረ ምረቃ ፕሮግራም (Master of Accounting and Finance)

ይህ መጠይቅ በአነስተኛ ብድርና ቁጠባ ተቋማት አግጣሚዎች ላይ ተጽእኖ የሚያሳድሩ ችግሮችና ተግባራዎች ላይ የሚደረግ

ጥናት ነው (Assesment of affecting factors on performance of microfinance institutions) በመሆኑም

መጠይቁ ለጥናቱ አላማ ብቻ የሚዉል መሆኑን በመገንዘብ በጥንቃቄ እንዲሞላልኝ በትህትና እየጠየቅሁ ለሚደረግልኝ ትብብር በቅድሚያ አመሰግናለሁ።

ክፍል 1 :- አጠቃላይ መረጃ

1. ፆታ ሀ. ወንድ ለ. ሴት

2. እድሜ ሀ. ከ 18-25 ዓመት ሐ. ከ 26-35 ዓመት
 ለ. 36-45 ዓመት መ. ከ46 ዓመት በላይ

3. የት/ት ደረጃ
 ሀ. ማንበብና መጻፍ ያልቻለች/ያልቻለ ለ. ከ1-4 ክፍል ሐ. ከ5-8 ክፍል
 መ. 9-12 ክፍል ሠ. ቴክኒክ ና ሞያ ረ. ድግሪና በላይ

4. የጋብቻ ሁኔታ
 ሀ. ያገባች/ያገባ ሐ. አግብታ የፈታች/የፈታ
 ለ. ያላገባች/ያላገባ

5. ብድርና ቁጠባ ተቋሙ ከተቋቋመ ስንት ጊዜ ሁኖታል
 ሀ. ከ3 ዓመትና በታች ለ ከ 4-10 ዓመት ሐ. ከ10 ዓመት በላይ

6. የድርጅቱ ህጋዊ ምስረታና አደረጃጀት ምንድን ነው
 ሀ. የግል ለ. የጋራ ሐ. የማህበር መ. ሌላ ካለ

ክፍል 2-

ሠንጠረዥ 1 ስለ ብድርና ቁጠባ ተቋም የስራ አፈፃፀም አማራጮች ውስጥ የችሎታን ምርጫ አንዱን ይመረጡ (የሚመችሉት ቁጥር ላይ ይህን ምልክት ይጠቀሙ ✓)

1. በጣም እስማማለው 3. መልስ ለመስጠት እችላለሁ
 2. እስማማለሁ 4. አልስማማም 5. በጣም አልስማማም

S. No	ስለብድርና ቁጠባ አፈፃፀም አማራጭ መልሶች	1	2	3	4	5
	ሀ.ተቋማዊ ሁኔታዎች					
1	ተቋሙ ስለ ድርጅቱ አሰራርና አፈፃፀም የሰራተኞችና ደንበኞች ግልፅነት ፈጥሯል					
2	ተቋሙ ገንዘብ ቆጣቢና ውጤታማ የሆነ አገልግሎት አሰጣጥና የቁጥጥር ስረዓት ያከናውናል					
3	የመረጃ የግንኙነትና የአደዲስ ቴክኖሎጂ አሰራሮችና አጠቃቀሞች በተቋሙና በደንበኞች ስራ ላይ ውለዋል					
4	የተቋሙ ሰራተኞች በቂ ክሎትና የስራ ልምድ አላቸው					
5	ተቋሙ በቂ የክሎት ስልጠና ይሰጣል የልምድ ለውውጥም ያደርጋል					
	ለ የደንበኞች ሁኔታ					
1	ተቋሙ በበቂ ሁኔታ ሞያዊ ስልጠናና የስራ ላይ ስልጠና ለደንበኞች ይሰጣል					
2	ተቋሙ ለደንበኞች የንግድ ስራ ከመጀመራቸው በፊት ስልጠናና የማማክር ድጋፍ ይሰጣል					
3	ከወጣት ደንበኞች ይልቅ ጎልማሶች ኃላፊነት በመውሰድና ውጤታማ በመሆን የተሻለ ናቸው					
4	ሴቶች ውጤታማ የንግድ ስራ በመስራት ኃላፊነት በመውሰድና የተበደሩትን ብድር በመመለስ ከወንዶች የላቁ ናቸው					
5	የተቋሙ ደንበኞች ያለምንም ችግር የተበደሩትን ብድር ይከፍላሉ					
6	ደንበኞች ገንዘብ ተበድሮ የመስራት ልምዳቸውን እያዳበሩ መጥተዋል					
7	የተቋሙ ደንበኞች የመቆጠብ ልምዳቸውን በከፍተኛ ደረጃ እያሳደጉመጥተዋል					
8	ተቋሙ ለደንበኞች የሚያጋጥማቸውን ችግር የሚፈቱበትንና የሚቋቋሙበትን አቅም ፈጥሯል					
9	ደንበኞች በቡድን የሚያደርጉት ብድርና ቁጠባ በተቋሙ በጣም ውጤታማ ነው					

	ሐ.ኢኮኖሚያዊ ሁኔታ					
1	የተቋሙ የስራ ማስኬጃ ወጭ ከገቢው ጋር የተጣጣመና ትክክለኛ ነው					
2	የሀገሪቱ ኢኮኖሚ አለመረጋጋት በተቋሙና በደንበኞቹ ገቢ ላይ ተጽኖ ፊጥሯል					
3	ተቋሙ ወሰጥ የሆነ የገንዘብ ድጋፍ ከተለያዩ ድረጃዎች ያገኛል					
4	ተቋሙ ደንበኞች የሚፈልጉትን የገንዘብ መጠን በበቂ ሁኔታ ያቀርባል					
5	ተቋሙ ለድሃ ድሃ የሀብረተሰብ ክፍሎች ልዩ ድጋፍና ትኩረት ይሰጣል					
	መ.የህግና የቁጥጥር ሁኔታ					
1	የመንግስት ግብርና ልዩ ልዩ ክፍያዎች በተቋሙ አፈፃፀም ላይ ተፅኖ አድረጎአል					
2	ለተቋሙ መንግስትና የመንግስት ኃላፊዎች በቂ ሞያዊና ህጋዊ ድጋፍ ይሰጣል					
3	የብድር ወለድ ጣራ በመንግስት መወሰኑ በተቋሙ ላይ ተፅኖ ፊጥሯል					
4	የተቋሙ የብድር ወለድ በጣም ከፍተኛ በመሆኑ ደንበኞች ተበድረው እንዲሰሩና ድርጅታቸውን እንዲያሳድጉ አያበረታታም					
5	የመንግስት የቁጥጥር ስርዓቱ በብድርና ቁጠባ አሰራርና ገቢ ላይ ተጽኖ ፊጥሯል					

ክፍል 3 ፤ የቃለምልልስ ጥያቄዎች፡-

- 1. የተቋሙ ስም
- 2. የሚሰሩበት ቦታ
- 3. ፆታ

4. ያለዎት ኃላፊነት-----

ተቋማዊ ሁኔታ

- 1. የተቋሙ ውጤታማ እና ቀልጣፋ የፋይናንስ አገልግሎት እና የቁጥጥር ስርዓት ምን ያክል አድጎአል?
- 2. ተቋሙ የተመቻች እና በሚገባ በተደራጀ ሁኔታ መዋቅሩ ስራዎቹን ለማከናወን ምን ያህል ነው?
- 3. በተቋሙና በደንበኞች ውስጥ የተሻሻለ ቴክኖሎጂዎችን በመጠቀም ምን ያህል ነው?
- 4. ተቋምዎ በአማካይ አፈፃፀም ምን ያህል ውጤታማ ነው?
- 5. ምን ያህል ሠራተኞች ስራቸውን ለማከናወን በቂ ብቃትና ልምድ አላቸው?
- 6. የሰራተኞችን ክህሎቶች እና ተሞክሮዎች ለማዳበር የሚያስችል በቂ ሥልጠና ትሰጣላቸው

የደንበኞች ሁኔታ

- 1. የብድርና ቁጠባ ተቋሙ ምን ያክል የስራ ፈጠራ የሞያና የችግር አፈታት ስልጠና ይሰጣል?
- 2. ተቋሙ ለሴቶች ምን አይነት ልዩ ድጋፍ ይሰጣል? ከሴቶችና ከዎንዶች የተሻለ ውጤታማ ማን ነው በምን ይገለጻል?
- 3. በደንበኞች ብድር ወስዶ በመስራት፣ ብድር በመመለስ በመቆጠብ የሚታዩ ዋና ዋና ችግሮች ምንድን ናቸው?
- 4. በተቋሙ የሚሰጠው የብድር ጊዜ ምን ያክል ነው? በቂ ነው ወይ

የህግና የቁጥጥር ማዕቀፍ ሁኔታ

- 1. መንግስት የሚያወጣቸው ህጎችና የቁጥጥር መመሪያዎች ምን ያክል የብድርና ቁጠባ ተቋማት ላይ ተጽኖ ያደርጋሉ?
- 2. ተቋሙ በስንት ፐርሰንት ወለድ ነው የሚያበድረው? በደንበኞች ላይ ተጽኖ አልፈጠረም ወይ?
- 3. የመንግስት የታክስና ልዩ ልዩ ክፍያዎች በተቋሙ ላይ ምን ያክል ተጽኖ ፈጥሯል

ሀ.ተቋማዊ ሁኔታዎች

- 1 ተቋሙ ስለ ድርጅቱ አሰራርና አፈፃፀም ለሰራተኞችና ደንበኞች ግልፅነት

ፈጥሯል

2 ተቋሙ ገንዘብ ቆጣቢና ውጤታማ የሆነ አገልግሎት አሰጣጥና የቁጥጥር ስረዓት ያከናውናል

3 የመረጃ የግንኙነትና የአደዲስ ቴክኖሎጂ አሰራሮችና አጠቃቀሞች በተቋሙና በደንበኞች ስራ ላይ ውለዋል

4 የተቋሙ ሰራተኞች በቂ ክሎትና የስራ ልምድ አላቸው

5 ተቋሙ በቂ የክሎት ስልጠና ይሰጣል የልምድ ለውውጥም ያደርጋል

ለ. የደንበኞች ሁኔታ

1 ተቋሙ በበቂ ሁኔታ ሞያዊ ስልጠናና የስራ ላይ ስልጠና ህደንበኞቹ ይሰጣል

2 ተቋሙ ህደንበኞቹ የንግድ ስራ ከመጀመራቸው በፊት ስልጠናና የማማክር ድጋፍ ይሰጣል

3 ከወጣት ደንበኞች ይልቅ ጎልማሶች ኃላፊነት በመውሰድና ውጤታማ በመሆን የተሻለ ናቸው

4 ሴቶች ውጤታማ የንግድ ስራ በመስራት ኃላፊነት በመውሰድና የተበደሩትን ብደር በመመለስ ከወንዶች የላቁ ናቸው

5 የተቋሙ ደንበኞች ያለምንም ችግር የተበደሩትን ብደር ይከፍላሉ

6 ደንበኞች ገንዘብ ተበድሮ የመስራት ልምዳቸውን እያዳበሩ መጥተዋል

7 የተቋሙ ደንበኞች የመቆጣብ ልምዳቸውን በከፍተኛ ደረጃ እያሳደጉ መጥተዋል

8 ተቋሙ ለደንበኞቹ የሚያጋጥማቸውን ችግር የሚፈቱበትንና የሚቋቋሙበትን አቅም ፈጥሯል

9 ደንበኞች በቡድን ተቧድነው የሚያደርጉት ብድርና ቁጠባ በተቋሙ በጣም ውጤታማ ነው

ሐ.ኢኮኖሚያዊ ሁኔታ

- 1 የተቋሙ የስራ ማስኬጃ ወጭ ከገቢው ጋር የተጣጣመና ትክክለኛ ነው
- 2 የሀገሪቱ ኢኮኖሚ አለመረጋጋት በተቋሙና በደንበኞቹ ገቢ ላይ ተጽኖ ፈጥሯል
- 3 ተቋሙ ወጥ የሆነ የገንዘብ ድጋፍ ከተለያዩ ረጅ ድረጅቶች ያገኛል
- 4 ተቋሙ ደንበኞች የሚፈልጉትን የገንዘብ መጠን በበቂ ሁኔታ ያቀርባል
- 5 ተቋሙ ለድሃ ድሃ የህብረተሰብ ክፍሎች ልዩ ድጋፍና ትኩረት ይሰጣል

መ.የህግና የቁጥጥር ሁኔታ

- 1 የመንግስት ግብርና ልዩ ልዩ ክፍያዎች በተቋሙ አፈፃፀም ላይ ተፅኖ አድረጎአል
- 2 ለተቋሙ መንግስትና የመንግስት ኃላፊዎች በቂ ሞያዊና ህጋዊ ድጋፍ ይሰጣሉ
- 3 የብድር ወለድ ጣራ በመንግስት መወሰኑ በተቋሙ ላይ ተፅኖ ፈጥሯል
- 4 የተቋሙ የብድር ወለድ በጣም ከፍተኛ በመሆኑ ደንበኞች ተበድረው እንዲሰሩና ድርጅታቸውን እንዲያሳድጉ አያበረታታም
- 5 የመንግስት የቁጥጥር ስርዓቱ በብድርና ቁጠባ አሰራር ና ገቢ ላይ ተጽኖ ፈጥሯል

