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Improving Access of Small Business Owners to Microloan from Microfinance Institutions in Nigeria

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Abstract

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MSc. Lagos State University, Nigeria, 2004

MBF. Delta State University, Nigeria, 1999

HND, Kaduna Polytechnic, Nigeria, 1989

Dissertation Submitted in Partial Fulfilment

of the Requirements for the Degree of

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Applied Management and Decision Science

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Abstract

Most microloan applicants in Nigeria are denied access to financial services by the commercial banks because of the high risk involved in granting loans to an individual without tangible assets to offer as collateral. The purpose of this qualitative multiple case study was to explore small business owners' understanding of suitable funding options from microfinance banks in Nigeria to sustain their businesses beyond the first 5 years. An investigation was conducted on how small business owners could obtain information on funding options most suitable to sustain their business. Guided by the ethical banking operations framework theory, the strategies business owners had used was explored to understand available funding options. A homogenous sampling strategy was used to purposefully identify and select the microfinance applicants who had similar experiences using different funding options. Fifteen customers of microfinance institutions (MFIs) participated in semistructured interviews. Additional data on MFIs was obtained from established secondary sources. Yin's 5-step process was used to analyse the data, with member checking and triangulation used for validation. Key findings emerged on lack of appropriate entrepreneur training, inadequate financial management, skills gap, and inability to interpret the bank's information on loan procedures. This revealed the need to develop ways for small business owners to more easily access information on loan options. MFIs may use the findings of the study to enhance access to their financial services and promote the growth of MFIs to increase sustainable economic growth for both owners and the local communities they serve. Positive social change may be promoted through financial empowerment and job creation.

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Dedication

To the cherished memories of my late son, Kelikume Kabura Ochonogor, your memory will live on, to my late mum, Mwapu Mshelia, I miss you so dearly, and to my siblings whose departure have left a vacuum in our lives; Row, Julius, Charity and Hyelni, to my husband Chuks Ochonogor for his support and encouragement, our lovely children, Olisemeke, Odishika and Ogugua, and my dad, Bittinger Mshelia.

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I sincerely thank you all. Finally, to my husband Chuks and lovely children Olise, Odishika and Ogugua.

Table of Contents

List of Tables

Chapter 1: Introduction to the Study

Introduction

The exclusion of underprivileged, microloan applicants from the traditional financial services led the Nigeria government to initiate a variety of informal, alternative financial services that satisfy the financial needs of low-income earners (Rai, 2016). Microfinance banking was designed to provide micro credit to the poor to alleviate poverty by the provision of microloans to low-income earners (Reeves & Sabharwal, 2013). The poor are defined as the people whose basic earnings are below the minimum wages in Nigeria and whose sources of income are inadequate to finance their essential needs of food, shelter, and clothing (Reeves & Sabharwal, 2013). Microfinance activity is an alternative financial service that can provide the poor with the basic needs of life (Reeves & Sabharwal, 2013). In Chapter 1, I present the problem statement, the background of the study, the purpose of the study, research question, conceptual framework, and the limitation of the study.

Background of the Study

The traditional savings and credit institutions for the active poor came into existence centuries ago (Ben Soltane, 2012), providing customers with microloans through the way of cooperatives and development finance institutions (Ben Soltane, 2012). The goal of these microcredit institutions for rural finance intervention was to provide innovation in the agricultural sector. The objectives are to grow the business of the rural sector through deploying idle savings, growing investment through credit, and cutting repressive outdated connections compelled by debts (Aghion, Armendáriz, & Morduch, 2010).

The 1980s was a critical moment in the history of microfinance, such that microfinance institutions (MFI), like the Grameen Bank, began to provide microloans and savings successfully on an extensive level. The MFIs were private enterprises and were sustained with no funded subsidies or an extensive clients outreach (Regassa & Negash, 2014). The distinction between the funded rural loans of the 1950s and 1960s and microfinance loans was that microloan lenders required repayment with interest rate charged on loans to cover the total cost of delivering credit and tailoring to consumers who were reliant on the informal industry for credit (Regassa & Negash, 2014). The Nigerian market has different microloans challenges like many other emerging markets (Anku-Tsede, 2014). Conventional banks are not providing and designing financial services to meet the needs of the small- and medium-scale entrepreneurs to empower the underprivileged in Nigeria (Hashim & Dodo, 2015). The conventional banks are extending their services to the affluent; thus, not much value is placed on the poor's' choice factors while designing products and services of banks (Oyeniyi, 2014).

Banking institutions for the underprivileged have been in existence for centuries, providing customers who do not have access to the conventional bank's financial services through the way of cooperatives and development finance institutions (Acha, 2012). The Irish Loan Fund was one of the first microcredit institutions offering loans to the underprivileged with no security back-up; this was established in the 17th century by Swift; by 1840, it had spread all over Ireland (Chew, Tan, & Hamid, 2016). The main aim of the Irish Loan Fund was to make small loans at short periods with interest. By the 18th century, different types of bigger and traditional savings and credit institutions had emerged in Europe, coordinated mainly among the active poor; these were the people's banks, credit unions, and savings and credit co-operatives (Omorede, 2014). Raiffeisen and others sustained the idea of the credit union, which was driven by a concern to help the poor be free from the burdens of moneylenders.

According to Reeves and Sabharwal (2013), the advantage of microfinance is the creation of equal social opportunities in the business world, as it functions effectively in poverty alleviation. Microfinance has been recognized as a financial and non-financial services institution, with the abilities to improve growth on small businesses operated by poor people, thereby alleviating poverty (Reeves & Sabharwal, 2013). Singh and Bhar (2016) stated that microfinance is rooted with diversion practices, as the indigent often use the accessed finance for personal needs instead of business activities. Toindepi (2016) argued that loans could be diverted to household expenses, to pay off other debts, acquire liabilities like gadgets, and fund ceremonies. Diversion of microloans could lead to more indebtedness and make the poor more impoverished without available productive resources, instead of uplifting their financial sustainability (Toindepi, 2016).

Ayuub (2013) explained that microfinance contributes to the wellbeing of the poor in many emerging countries; the activities of microfinance banks has a positive impact on income level and delivering financial services to the poor. Anku-Tsede (2014) viewed microfinance banks' activities as a tool for promoting sustainable development; the concept of accessing microloans at acceptable terms to alleviate the economically active poor has been accepted (Kimando, Kihoro, & Njogu, 2012). Ali and Nabi (2015) asserted that microcredit financing has a role in promoting the wellbeing of the poor who can access and use micro credit to boost their business and create resources appropriately. To increase access to micro financing, Ali and Nabi (2015) suggested that interest rates on microcredit would have to be low to be attractive to the borrowers. Ali and Nabi elucidated that the microloans scheme can be a tool for promoting the wellbeing of the poor, as long as it is accessed through established and adequate supervision.

Problem Statement

In Nigeria, the inability of loan applicants to obtain adequate information regarding the suitability of funding options, such as microloan, small- and medium--enterprises (SMEs) loan, and mini loan have led 95% of new businesses to fail within the first 5 years of startup (Abdullah & Ismail, 2014). From the loan application made to microfinance banks in Nigeria, 93% of business owners have inadequate information regarding the loan appropriateness to small businesses (Obiadullah, 2015). The general problem is that owners of small businesses are not adequately informed on the suitability of different funding options, such as microloan, SMEs, and mini loan that are appropriate for their businesses. The specific problem is that small business owners in Abuja lack information regarding funding options suitable to sustain their businesses beyond the first 5 years from microfinance banks. There are limited studies on how small business owners could obtain information on funding options required for business sustainability in Nigeria (Bakker, Schaueling & Nijhof, 2014; Dibia & Chika, 2014; Hashim & Dodo, 2015; Yaday, 2016).

Purpose of the Study

The purpose of this qualitative, multiple case study was to explore small business owners' understanding of funding options suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria. The unit of analysis was 15 business owners who have used different funding options to sustain their businesses beyond the first 5 years of business operation in Nigeria. Data were collected from 15 participants, using semistructured, face-to-face interviews to achieve triangulation of data. I selected participants until a saturation point was reached when additional data gathered began to be redundant as the interview would no longer produce new information, and I had appropriately explored all sources of alteration. Triangulation is the way in which researchers explore different levels of perspectives of the same phenomenon; data saturation occurs when no new information, no new coding, and no new themes emerge from the data collection process (Thomas and Myers (2015). The inclusion criteria were (a) microfinance bank customers who had successfully used different funding options from microfinance banks in Abuja and whose businesses have survived beyond 5 years and (b) microfinance bank customers who had not considered accessing funding options from microfinance banks

Research Question

The research questions (RQ) are constructed to give the researcher the adaptability and leeway to investigate the phenomenon in-depth (Glaser, 1978; Strauss & Corbin, 2014). The RQ for this study is listed below:

RQ. How can small business owners obtain information regarding funding options most suitable for sustaining their business beyond the first 5 years in Nigeria?

Conceptual Framework

The conceptual framework for the study was grounded on the ethical banking operations framework (EBOF). Chew et al. (2016) stated that an external customer increases the possibility of accessing the products of an organization. The factors below are considered: (a) having information about the ethical processes of the organization. (b) being knowledgeable of the regulatory framework of the organization, (c) having knowledge of the competitors, (d) having the capacity to access such information from the organization, (e) having the adequate referral to the organization, and (f) accessing the organization with a plan on why a relationship should be established. In this study, I employed theories that have previously been used in understanding the strategies that business owners can adopt to access suitable microloan option from financial services offered by MFIs to the active poor and low-income earners. Oghoator (2015) highlighted the reasons why the conventional deposit money banks failed to offer financial services to the informal sector adequately: the high cost of funding, the high risk of default on loans, low return when transacting with the informal sector, and problems experienced by the banks when dealing directly with the microfinance sector.

Goyal (2013) noted that the operating performance and variables of the MFIs make their costs high, which eventually endangers their long-run ability to provide small and unsecured credit to the poor. Assefa et al. (2013) postulated that the decline in efficiency and the deteriorating performance of the MFIs could be associated with stiff competition because of the knowledge gap in micro financing. There are limited studies on the factors that restrain the small business owners from accessing their financial needs; thus, not so much information is available about the strategies that can enhance access to financial services to the economically active poor. The purpose of this study was to provide insight into the strategies and knowledge that are required for applicants of microloan to adopt, to guarantee access or approval of microloan from MFIs to ensure that they succeed in business. Most of the studies conducted were on the existing and new financial services that meet the needs of the upper- and middle-income class of the market (Abratt & Russell, 1999; Blieden, Nevatia, & O'Riordan, 2003; Escape-Dubreuil & Torreguitart-Miranda, 2013; Oldenboom & Abratt, 2000).

Nature of the Study

In this study, I adopted the qualitative, multiple case study design and explored the strategies and knowledge required by microfinance loan applicants to guarantee them access to microloan from microfinance banks in Nigeria. The aim of a multiple case study is to examine social complexity in various units within an identifiable environment where the multiple sources exist (Yin, 2014). A multiple case study design was suitable for this study as the study involved three different microfinance banks in Nigeria. The basis for selecting the research design is to explore the case (Yin, 2014). Yin (2014) identified other qualitative design, such as phenomenological, narrative, grounded theory, and ethnography. A phenomenological design was not adequate for the study as the phenomenological design is used when lived experience of participants is the focus of the study (Moustakas, 1994). Ethnography design research is used when the study relates to the cultural inquiries of participants (White, Drew, & Hay, 2009). A grounded theory design was not adequate for the study as grounded theory design is appropriate when the aim of the study is to develop a theory from the data collected through interview (White et al., 2009). Narrative design was not adequate for the study as a narrative is appropriate where the mode of data collection is through story shared by the participants (White et al., 2009).

The quantitative method was not appropriate for the study. The quantitative method is used to analyze mathematical relationship, statistical elements, and variables (Borrego, Douglas, & Amelink, 2009). The mixed-method approach was also not suitable for the study because the mixed method is blend of quantitative and qualitative research in a single study (Borrego et al., 2009; Fielding, 2012). The qualitative method was suitable for the study as qualitative researchers explore the concept of human understanding through an open-ended interview question (Marshall & Roseman, 2011). The purpose of this qualitative multiple case study was to explore small business owners' understanding regarding funding options suitable to sustain their businesses beyond the first 5 years, in order to determine the strategies and knowledge required by small business owners to guarantee access to loan that should grow their business in microfinance banks in Nigeria.

Definition of Terms

Conventional/traditional banking: A process where loans are extended to people at a fixed interest rates and tenor of time to repay in the banking system (Sharma, 2016)

Economically active poor: The segments among the poor that are employed or actively searching vocation and do not critically lack food and impoverished (Robinson, 2001). Those who are poor are able and of employment age; however, they do not have productive assets. There are the transitory poor; those who are likely to become poor because of cyclical shocks; yet, they are also able to improve above the poverty level.

Emerging market: A country that has its social or business pursuits in the process of economy growth and industrialization (Mody, 2004). An emerging market is an economy that is advancing on the way to being developed, as illustrated through liquidity in local debt and equity markets, and in some market trade and regulatory framework.

Financial inclusion: Sometimes referred to as inclusive financing, financial inclusion is offering financial services to the segment of the society that is at a reasonable price (Efina, 2014). Financial inclusion is the ability of everyone to have access to appropriate financial services that are tailored to their level of income and social status. There must be some level of attaining some financial competence and knowledge for financial inclusion to be achieved.

Financial institutions: Institutions that offer financial services to its consumers, playing the function of financial intermediaries (Harvey, 2012). Financial institutions are enterprise that operate as a bank, and their principal business and role are to mobilize funds from the public and invest in financial assets like deposits and loans.

Financial literacy: The process by which consumers and investors improve their understanding of financial products, concepts, and risks. Through information, instruction and objective advice, consumers develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, and to know where to go for help and take other effective actions to improve their financial wellbeing (Zahirovic-Herbert, Gibler, & Chatterjee, 2016).

Microcredit: Small loans made available to the economically active poor borrowers with small or no collateral (Karim & Law, 2013).

Microfinance: Various financial services that are provided by different service providers tailored for the poor and low-income earners, such as loans, savings, insurance, and other financial products and services (Singh & Bhar, 2016).

Microfinance institution: An institution that has expertise in banking services that are tailored to the low-income earners. It provides account services to small savings accounts that are usually not recognized by conventional banks (Quayes & Hasan, 2014).

Underprivileged: A person who does not have the benefit of the same wellbeing or rights as most people in the society

Assumptions

In this study, I made the following assumptions:

1. Considering the population size, I assumed that the size would adequately represent the applicants who had gained access to microloan application with microfinance banks.

2. It was assumed that all information received from the 15 participants was true and unbiased, which could be used for future researchers to draw up conclusion. I assumed that the data would provide an adequate ground for generalizability for the microfinance banks in Nigeria.

3. I assumed that the three microfinance banks would agree to identify participants as contained in the inclusion criteria. It was required for participants to answer truthfully the questions in research interview. This would assist in exploring their views and knowledge to obtain an in-depth understanding and detailed insights from participants.

4. I assumed that the collection and analysis of multiple sources of data was the best approach for data collection

Limitations

This study might not be generalized as the study was on small business owners and customers of the microfinance banks and not on SME applicants. The study has the potential of none generalization. Durand-Lasserve and Royston (2012) described limitations as the elements that occur in the research that the researcher has little or no control over. The first limitation was the population size in the multiple case study. The microfinance banks might restrict information of applicants whose loan has been declined on competitive conditions and prevention of regulatory sanction. Lastly, the applicant might be unwilling to disclose why they accessed microloan from microfinance banks as a result of fear of been announced as microloan debtor.

Delimitations

The scope of the study was microloan applicants in three microfinance banks who had successfully gained access to microloans in 5 consecutive years. Banking products and services are designed and tailored for different consumers to choose from. However, I attempted to understand the components that would enhance access to the financial needs perceived as appropriate banking services to the urban poor business owners.

Significance of the Study

The study might be significant to microloan applicants who had been denied access to microloan, and it may MFIs in enhancing access to financial services to the poor business owners. With increased level in accessing microloan, employment might be created, and the standard of living of the microloan applicants might be enhanced. The result may be increased activities of different microfinance services, as applicants become more aware of the processes to access microloan through the findings of this study on a continuous basis for the small-scale business owners. In addition, the results of this study may be used to offer a suitable structure for trailing the activities of growth of partners and other fund providers in the sector. The study might contribute to the promotion of financially inclusive system that involves the generation of sustained financial awareness to the active poor. It would also alter the perception of the customers on the difference between microfinance and microcredit and alter their thought system on the role and relationship that should exist between them, the banks, and other funds providers, thereby improving their banking culture and level of financial literacy.

Implications for Social Change

The study might lead to positive social change, as individuals who previously could not access microfinance might be able to access microloans using the recommendations in the study. By implication, this should boost self-respect to the individual. In the household, the level of income from businesses might increase, thereby assisting in improving livelihood, education, savings, investments, and assets' acquisition. This study might assist new business enterprises and could also lead to business ownership in the community that might create job opportunities for the members of the community.

Additionally, the study might contribute to the economic empowerment of the active poor. Micro financing contributes to alleviating poverty because it has the prospect of creating employment in small businesses. The findings might also promote growth and enhance the savings culture of the active poor to boost the savings level in the economy.

Summary and Transition

In Chapter 1, I presented a summary of microloan applicants in Nigeria. The chapter provided an alignment for the problem statement, the purpose of the study, research question, and the conceptual framework. In Chapter 2, I provide a review and synthesis of previous literature on microloan application and microfinance bank operations and an in-depth examination of microloans application procedures in microfinance banks.

Chapter 2: Literature Review

Introduction

The purpose of this qualitative, multiple case study was to explore small business owners' understanding of funding options suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria. The essence of a country's financial regulations and supervision of its banking system establishes the level and scope of its economic problems (Ukaegbu & Oino, 2014). A country's financial system cyclically performs roles in the attempt to attain socioeconomic growth. Thus, the financial system could be a stimulus for economic development where it is satisfactorily supervised, regulated, and monitored. Hypothetical economics and regulatory review provide a normative benchmark for assessing, evaluating, and exploring financial institutions and banking services. Economic principles offer the basis for financial deregulation; yet, the law provides the mainstay in which these methods are conducted (Ajayi & Sosan, 2013). Accordingly, pursuits of financial regulations and banking supervision functions as a symmetry position, in which economics and law converge to accept a more practical method, mostly on banking services and supervision in Nigeria.

The aim of this literature review is to give a review of the relevant, contemporary, and prior studies on the strategies that could improve the access to suitable microloan options from MFIs by underprivileged microloan applicants in Nigeria. The review of the literature includes a comprehensive study on the conceptual framework and problems that hinder the extension of the provision of financial services and access to microloans that are designed for the underprivileged economically active poor in Nigeria. This review includes a history of the Nigerian banking industry, the background of the evolution of microfinance banking, and the objective for designing and establishing frameworks that define microfinance. I also outline the operating standards for the growth of microfinance institutions in the industry, existing research on extending banking services to the underprivileged active poor, and the low-income earners in the society.

Literature Search Strategy

My initial strategy included searching databases and sources to find relevant material related to the topic for the research. I searched Delta State University, Walden University Library, the Research Departments of the Nigeria Deposit Insurance Corporation (NDIC), the Central Bank of Nigeria (CBN) database, Google Scholar, and other relevant organizations' websites. All materials, books, and articles I sourced were critically analyzed, and the authority and quality were evaluated to separate scholarly from non-scholarly materials (Blankenship, 2010). The keys terms that emerged in this study were *financial institutions, financial literacy, financial inclusion, economically active poor, emerging markets, conventional/traditional banking, micro credit, microfinance, microfinance institutions, small and medium scale enterprises, and underprivileged.*

Reviewing the literature do not only establish a person's knowledge on the research topic to be studied but also gives useful information that could guide the course of the study (Engle, 2012). According to Neubert and Dyck (2016), it is relevant to set realistic goals, so as not to over assume things. The essence of the research is to fulfill an academic requirement, and the process of conducting the research could be as crucial as the result of the research.

Conceptual Framework

Ethical Banking Operational Framework

Bidabad and Sherafati (2016) described ethical banking as an environmental improvement, promotion of wellbeing, creation of opportunities, the establishment of equitable public service, and creation of satisfaction. Islamic banking has been studied to determine the ethical values of the industry (Bidabad & Sherafati, 2016). Banks are determined as ethical when they have (a) ability to support the needy people, (b) the performance required for sustainable development, (c) internalization of trust, (d) respect, (e) transparency, and (f) ethical principles beyond legal duties. Chew et al. (2016) appraised banking activities to be from social setting activities that are grounded on financial services in the interest of stakeholders. The Central Bank of Nations used the monetary policies to guide the amount of money in the banking system and the national economy for transactional, precautionary, and speculative purposes (Ajibo, 2015; Chew et al., 2016).

Microloan Application Procedures

Escape-Dubreuil and Torreguitart-Mirada (2013) argued that MFIs are located in less developed countries as the development tool in poverty alleviation. Escape-Dubreuil and Torreguitart-Mirada (2013) categorized the procedures guiding microloan application in the cluster. These are: (a) regulatory; arising from government legislation and industrial standard practices; (b) normative; typically composed of the values and norms that further establish a laid down procedure that forms organizational practices; and (c) cognitive; representing models of personal, organizational knowledge based on subjectivity and gradual construct on meanings and approaches. Kariv and Coleman (2015) postulated that the rules guiding microloan application procedure should ensure that self-employment is promoted through the provision of credit without collateral, making sure that women are the primary beneficiary, and ensuring that rules allow access to the microloan. Anku-Tsede (2014) stated that the microloan application procedure should guide against market risks.

Anku-Tsede (2014) asserted that microloan applications are derived from external regulations, legal, and financial rules made by the government. The financial system is used to determine the entry and exit rules, interest rates, and prudential regulations that all microfinance complies with (Anku-Tsede, 2014). The legal framework is used to create an entity that empowers the soundness of the financial system (Anku-Tsede, 2014). Pelka, Musshoff, and Weber (2015) posited that the services of microfinance banks as microloan lenders have extended to the farmers. Microloan applications procedures could be developed to deal with farmers' inclusion in the farm-dominated area to enable farmers to have access to microloan (Pelka et al., 2015).

Microloan Regulatory Framework

Zulkhibri (2014) distinguished microloan regulation to belong to a different framework. This are: (a) theory of the market failure that originates on the premise that the operation of the market is imperfect; therefore, microfinance provides financial services that commercial banks cannot provide. (b) theory of confidence, based on the premise that microfinance institutions can be trustworthy for the poor to conduct business transactions; (c) welfare state theory, based on the principle that microloan is accessed to resolve the social and financial problems in traditional societies; (d) sociological theories, based on the premise that in times of needs, access to microloan provides means of obtaining cheap funds; (e) the resource mobilization theory, based on the assumption that microfinance provides means to social movement capable of the accumulation, allocation, and mobilization of resources that guarantees social change; (g) the theory of political opportunity structure;, based on the premise that political activities can influence microloans activities; and (h) the collective identity theory, based on the principle that individual identity can improve access to microfinance application approval or decline.

Qinlan and Izumida (2013) stated that the central tendency of microfinance regulatory activities premises on group lending. Qinlan and Izumida asserted that with a framework of group lending, microloan could be tailored to resolve issues such as adverse selection, moral hazard, monitoring the loan, and enforcement. The factors that determine whether microloan regulatory framework in developing countries are (a) improvement of operating efficiency and (b) interest rate caps liberalization (Qinlan & Izumida, 2013; Surja, Su, & Sharma, 2016).

Microloan Information among Competing Microfinance Banks

Cao, Huo, Li, and Zhao (2015) deduced that MFIs are confronted with competition in both the domestic and international markets. Some of the operational challenges that MFIs face are increasing operational costs; unreliable supply of funds; and uncertain demands of the loan application, which makes MFIs resolve to pursue competitive advantages (Cao et al., 2015). Ikramullah, Prooijen, Iqbal, and UI-Hassan (2016) developed the competing value framework to address the competition that exists in microfinance institutions. Ikramullah et al. identified the four quadrants in explaining competition among MFIs as human relations model, interpersonal relations, planning, and achieving goals. The four quadrants form a framework that guides the implications of competitive values of a microfinance system in coordinating client retention (Ikramullah et al., 2016). I stopped reviewing here due to time constraints.

Applicants Capacity to Access Microloan

Nkundabanyanga, Kasozi, Nalukenge, and Tauringana (2014) postulated the relationship between commercial bank lending terms, financial literacy and the access to credit from microfinance institutions as regard to applicant's capacity. The result indicated that access to microloans varies with the type of business, turnover, and the ability of the applicant to repay the microloan. The two factors that explained the variance in microloan and commercial bank credit are collateral and the loan repayment capacity as regard to duration and interest rate (Oken, May, & Unal. 2016). Osken et al. (2016) examined three ways to appraise the applicants' capacity to access microloan as the use of security lending, repurchase agreement, and sell-buyback agreement. Awunyo-Vito, Al-Hassan, Sarpong, and Egyir (2014) compared the capacity of the applicant with credit rationing. Credit rationing is explained as a situation when a microloan applicant is denied access to credit or the amount the applicant applied for is declined due to inability to evaluate the applicants' ability to repay the microloan.

Applicants Business Feasibility Study

Dechenaux, Lowen, and Samuel (2014) assessed that the ability of a claimant to produce a feasible venture should form the basis of microloan assessment. Applicants often have the good intention at the point of accessing microcredit, at the point of repayment; an inadequate credit appraisal could result in bad debt or a write-off (Dechenaux et al., 2014). Brotman (2016) stated that microfinance officials should appraise a loan application based on verified fact, the business financial statement, the location, competition strategies, the ownership structure, and the integrity of the management team. A business that has an unstable return on investment should be examined in details to identify for further scrutiny before advancing loan to such applicant (Brotman, 2016; Scannella, 2015).

History of Banking in Nigeria

The development of banking in Nigeria began before its independence. It all commenced with the pursuits of Elder Dempster and Company Limited of Liverpool, UK in 1892. Thus, the history of banking in Nigeria as depicted from 1892 at the time the African Banking Corporation was set-up, and in 1894 the Bank of British West Africa, (BBWA), (presently named First Bank of Nigeria) were also set-up in Nigeria. Following other noteworthy firms back then, are the Nigerian Mercantile Bank Limited, Nigerian Farmers and Commercial Bank Limited, British and French Bank that now transformed to United Bank of Africa (UBA). Up until the time the Agbonmagbe Bank in 1945 that subsequently changed to Wema Bank and African Continental Bank (Ajayi & Sosan, 2013). By 1952, three foreign banks were established in Nigeria, the BBWA, Barclays

Bank and the British and French Bank; and two other local banks; the National Bank of Nigeria and the African Continental Bank. The banks had a combined 40 branch networks, and there was no legislation on banking in existence at that time. Hence, before the independence, the majority of the banks that were in operation in Nigeria were fraught with problems of inadequate capital base, inept management, and stiff competition from international participants in addition to the 1930s recession.

The most vital aspect that led to the colossal bank failures attributed to the lack of regulatory framework, as such, the period from 1929 to 1952 was described as the time of “free banking” (Ajayi & Sosan, 2013, Ridwan, 2013). Though 1952 to 1959 was, the period regulation and legislation of banking laws were enacted as well as the Banking Ordinance of 1952, followed by the establishment of the CBN.

The 1952 ordinance established guidelines; reserve funds, instituted on-site bank examinations and offered support to domestic banks. However, decades after 1952, demand deposits’ growth were impeded by the Nigerian tendency to opt for cash and to be wary of checks for debt payments. In 1912, the British colonial officials instituted the West African Currency Board to assist in funding foreign companies' export trade in West Africa and provide a West African currency adaptable to the British pounds sterling (Zheng & Mirshekary, 2015). Thus, the policies of the colonial rule obstructed local investment of reserves, deterred the growth of deposit, impeded preference to monetary management, and further failed to educate Africans in enhancing domestic financial institutions (Ajayi & Sosan, 2013; & Ridwan, 2013). In 1952, some Nigerian federal House of Assembly members appealed for the creation of a central bank to expedite economic growth. Even though the proposal was thrown out, the colonial management assigned an officer of the Bank of England to review the matter; who advocated opposition to a central bank, challenging the efficacy of a central bank in a weak market (Onoja, 1998).

Notwithstanding, in 1957 the colonial administration promoted a further review that climaxed into the creation of the central bank of Nigeria (CBN), and the institution of the Nigerian currency (Ajayi & Sosan, 2013; CBN, 2013). The Nigerian pound then was at par with the British pound sterling, thus, when the British currency devalued in 1967, the Nigerian currency then converted to a decimal currency, the Naira (₦) in 1973. The naira was equal to two of old Nigerian pound, while the Kobo was the smallest unit of the currency, and a 100 kobo equaled 1 naira. In 1973, the naira exchanged for US$1.52, and by 1982 the naira appreciated and exchanged for ₦0.67 to US$1. However, in 1990 the average exchange rate was ₦8.004 to US$1 when the value of the naira began to fall, as it accelerates following the establishment of a second-tier foreign exchange market in the process of World Bank structural adjustment in 1986 (Ukah, 2014; CBN, 2013).

In addition, the existing conditions at different stages over time had required revisions to the act. For example, in 1969 the Banking Act was passed to amend the observed lapses in the system and reinstate public confidence (Ridwan, 2013). The Nigerian Deposit Insurance Corporation (NDIC) was established in 1988 to harmonize with the role the CBN plays in stabilizing the financial industry. Furthermore, the Banking and Other Financial Institutions Act (BOFIA) was announced in 1991 to repeal the CBN Act of 1958 and Banking Act of 1969 to reinforce the powers of the CBN;

which proceeded by yet another amendment in 2007. This amendment set monetary and price stability at the facade blaze of the economic reform of the country (CBN, 2013). The Nigerian banking system, which comprises of the licensed Deposit Money Banks (DMBs), Primary Mortgage Banks (PMBs), Microfinance Banks (MFBs), Discount Houses and Finance Companies have changed through the years to presume the point of erudition. Some are similar to some growing economies in the aspects of new business models about growth and competition, product and services development, technology advantage, supervision and regulatory framework (Ajayi & Sosan, 2013). Nevertheless, financial intermediation is the primary role of a banking system; where surplus resources are pooled and directed to areas that have need to ensure stable and balanced economic development (Ridwan, 2013).

In spite of that, the Nigerian situation in the last five decades, it is somewhat arguable if the banks have carried out this vital role. To the ordinary Nigerian, banks are more concerned in declaring huge bottom-line annually at the detriment of the larger economy (Babalola, 2012). Abdulsalam and Ibrahim (2013) identified the challenges like lack of loan assets in the financial sector. The financial institutions are labeled as leeches and antipathetic to risk by taking advantage of growing businesses only, rather than helping to encourage feasible business concepts and enterprise to succeed. Ukah (2014) posit that it is evident that the populace on numerous occasions had suffered the loss of their life savings to bank failures.

According to Mohammed (2012) the problem of persistent bank failures, mostly are because of “poor corporate governance, insider abuses, and high arbitrary charges of clients which have typified the banking sector in the previous years." Grossly eroded was the credence and secured giving that was the trademark of banks. That led to the intervention of the CBN recently guaranteeing Nigerians on the safety of bank deposits in the Nigerian banking system (CBN, 2013). It is important to highlight that the deposits held, for safekeeping, and therefore it is required that the banks exercise some caution in managing the fund, and grant credit facilities indiscriminately. It is, however, heartening to note that the banking industry has given enormously, and still kept abreast with the rapid growth of the nation's development (Abdulsalam & Ibrahim, 2013).

In addition, the regulatory bodies in recognition of the certainty that real growth in the financial industry is coupled with the growth of the real sector, they are championing the direction to guarantee that the financial sector is instrumental to the promotion of the real sector (Blair et al., 2014). It is gratifying to know that attempts are being strengthened to unbolt the loan demand for the real sector. In ascertaining the approach to go for the industry, the responsibility rests on the CBN and stakeholders to develop a safe and sound banking system considering its crucial role in economic growth (Yao et al., 2014).

The central bank of Nigeria (CBN) bulletin contained operations on the 1st of July 1959 and was enacted by statute to be autonomous from the federal government up to the year 1968 (Ajobi, 2015). Because of years of tussle concerning the connection between government and the CBN, in 1968, a military order accorded power concerning banking and monetary policy to the Federal Executive Council (FEC). The responsibilities of the CBN, was replicated to those of central banks in Western Europe, and North America.

The bank was to institute the Nigerian currency, supervise and regulate the banking system, act the role of banker to banks in Nigeria, boost monetary stability and sound financial system along its role as banker and financial adviser to the Federal Government, and implementing the governments' economic policy in the financial market (CBN, 2013). Also, this incorporates managing the growth of bank loan, loan distribution; cash reserve requirements for banks, discount rates, etc. Furthermore, amendments in CBN's limitations on credit and monetary extension influenced total demand and income; for instance, in 1988, the CBN attempted to control monetary growth when inflation surged (Ikaegbu & Oino, 2014).

In the course of the Nigerian civil war in the early 1960s, the government restricted and subsequently discontinued repatriation of dividends and profits, cut down overseas trips subsidies for Nigerian citizens, restricted some allowances to foreign public offices, and demanded official approvals for all foreign disbursements. In 1968, new currency notes were issued to supersede ones in circulation (Ajayi & Sosan, 2013; & Ridwan, 2013). Despite that, the CBN in 1970 recommended that the restrictions on import and financial dealings should not be removed immediately after the war, thus, the era of the oil boom in Nigeria then promptly allowed the authorities to ease up the constraints.

The three biggest commercial banks held one-third of the total deposits of banks. In 1973, the Federal Government owned 40% equity holding of the three largest foreign banks. While in 1976, the promulgation of the Nigerian Enterprise Promotion Decree required that the 60% holdings go to indigenes; the federal government then had to acquire another 20% equity ownership in the three (3) biggest foreign banks and 60% in the local banks. However, the change in ownership holding did not affect the management, control and leading position in respect to foreign trade, especially of international firms and their foreign bank's subsidiaries in Nigeria (CBN, 2013).

Towards the end of 1988, there were a considerable number of banks, since 1986, the banking industry comprised of forty-two (42) commercial banks, twenty-four (24) merchant banks and the CBN. The merchant banks were authorized to open current accounts for firms only, and minimum allowable deposits was ₦50, 000. There were then 1,500 branches, an increase from 1000 in 1984. The assets base of the commercial banks was ₦52.2billion compared to ₦12.6billion for merchant banks at the beginning of 1988. In 1990 fiscal year, the government of Nigeria allocated ₦503 million for the establishment of community banks to enhance development associations, cooperative societies, farmers, trade unions and others in the community and rural areas (Hassan et al., 2013).

Review of Related Literature

Globally, a substantial segment of the populace lacks access to financial services, especially the poor and underprivileged (Archana, 2013). Thus, in most nations, the poor who do not have access utilize financial services in precarious methods. Even though the development of microfinance is intended to assist in alleviating the poor from poverty, hence, the most unfortunate part of the populous are left out by the traditional microfinance institutions (Nakata & Antalis, 2015). Makorere (2014) in his study also postulated that the main purpose of microfinance crusade is to make available funds to invest in small entrepreneur businesses, thereby alleviating the poor from poverty and boosting economic growth. He reported that empirical studies of developed nation's economies indicate that those assumptions are impractical; the majority of the people are not entrepreneurs, as such, it is not expected that high demand for credit will result in feasible newly established businesses.

Makorere (2014) further argued that in the past, and currently, newly formed businesses in developed economies rely mostly on savings and unofficial sources for a loan. The previous types of microloan had not played a role in micro business growth, and so much of the microcredit is in reality used to resolve personal issues instead of investment. Similarly, Pradhan (2013) showed that people rather borrow from informal sources when the need to meet a personal or consumption need arise, especially when the amount is small. However, there are willing to borrow from the bank for productive uses. Additionally, Masumbuko, Kerongo and Wafula (2014) asserted that there is no gain accepting that the essence and system of development and the bulk amount of credit primarily differs for emerging nations now than was previously. For that reason, microfinance should not be expected to evidently impact on development or thriving business growth (Masumbuko, et al., 2014). Accordingly, Nakata and Antalis (2015) further argued that microfinance could only empower the poor where the low-income earners are appropriately recognized, and the microloans are utilized to create jobs. In that regard, the appropriate implementation of financial systems is crucial to the economic growth of a country. Loan facilities, savings, accessibility to resources of payment and risk safety techniques are evident needs of the populace at large (Gonzalez & Brito, 2014; Nakata & Antalis, 2015; Saeed, 2014).

Since financial services dynamically subscribe to the human and economic growth of a nation, it should result in the social safety net and safeguard people from economic distress, thus, the need to provide access to affordable financial services (Krishnakumar & Vijayakumar, 2013). El-Namrouty and Al-thalathini (2013) showed that microfinance is one of the interventions that should be utilized to reduce poverty. For these programs to succeed there must be an evidence of management skills and sufficient understanding of financial base for the consumers of the microfinance program. In addition, Kanti and Bhowal (2013) pointed out that microfinance institutions are introducing new ideas and products to empower the poor globally to enhance their livelihood. These goods and services they said will result in reducing poverty, unemployment, and inclusive growth; hence, promoting a better standard of living.

According to Armendáriz and Morduch (2010), microfinance is said to bridge the challenges that depend on market failures, which arise from poor information, the high cost of transactions and problems in implementing agreements. It questioned the old-age suppositions on what poor households could and could not achieve, in general, and it exhibits the prospects for innovative agreements and for financial institutions to enhance terms in poor segments of the society. Besides, Panigrahi and Satapathy (2014) explained that microfinance is frequently employed to denote to financial services for the poor and small earners. Microfinance is a campaign that is visualizing the world in which the economically active poor have sustainable accessibility to different appropriate financial services. Furthermore, the authors elucidated that government could promote micro-financing by instituting sound macroeconomic policy, ensuring stable and low inflation rate; while addressing the issues linking to the ambiguous areas in regulation, pricing, skill gap, low level of financial literacy, etc.

Nations have recognized that empowering low-income earners and women entrepreneurs are of the utmost importance to growing a dominant industrial society in this innovative fast-paced technological world (Panigrahi & Satapathy, 2014). Besides, it became expedient and crucial to encourage self-employment to generate direct income, reorganize assets and liabilities of households for prospective opportunities and personal expenses, not for only financing system, but as an instrument for social change. However, Al-Shami; et al. (2013) asserted that the role MFIs play in alleviating the poor from poverty and enhancing the quality of living has gained so much attention of governments in emerging nations worldwide. The underlying reasoning is that the provision of microfinance services will offer the window for the poor to have access and engage in the economic market by establishing their small businesses. As a result, the economically active poor are able to create assets, enhance their livelihood, self-respect, and effectiveness. Accordingly, Al-Shami; et al. (2013) reported that in spite of the acknowledged and obviously favorable outcome of microfinance, no definite proof establishes the favorable effect of the microfinance program. In the last thirty years, empirical evidence on the studies of microfinance has observed a considerable increase among scholars. Thus, most of the studies focused on the assessments of microfinance outputs as opposed to outputs and inputs (Al-Shami; et al., 2013).

Besides, Al-Shami et al. (2013) reiterated that in recent times, some microfinance studies have begun to acknowledge the significance of measuring the input and output of microfinance to assess its effect and enhance its achievement. The output contrasts from one MFI to another depending on the archetype, products, and services offered by the institution. For example, under the social collateral, members of a group have a joint liability; they access loan and are jointly responsible for repaying any loan default, while the individual scheme has individual responsibility. Consequently, the output of microfinance impact assessment is dependent on various yardsticks that could differ from one research study to another (Al-Shami; et al. 2013. Ledgerwood, 2013).

Furthermore, Tetteh and Antwi (2013) established that the absence of financial literacy and academic training was a barrier to acquiring and embracing basic skill knowledge, change, competition, and growth in small-scale businesses. They showed that microcredit has favorably played a part in alleviating the wellbeing of microfinance clients by uplifting their financial livelihood, and human capital assets. However, the subject of the cost of fund and unwarranted established bank charges were recognized as a problem to the microfinance clients since this hinders access to microloans, the expansion of their businesses, and generation of income and poverty reduction amongst the poor. Thus, these high costs have to be reduced on microloans, as well as risk management fees when granting microloans especially for those member groups who are jointly responsible and liable (Tetteh & Antwi, 2013).

There is no gainsaying that generally, MFIs has been accepted as a tool that assist in liberating women through sustaining economic involvement and boosting gender equality. The provision of microfinance is indeed a peculiar global issue, which has developed rapidly within a short time (Nakata & Antalis, 2015). Hence, other aspects of the empirical study propose that microfinance results in accessing valuable asset to the poor. Couple with skilled work that is handled through basic knowledge and social capital accomplished through the group arrangement, and social networks that assist in empowering the poor. Tetteh and Antwi (2013) asserted that the provision of financial services to the poor promotes their awareness of self-esteem, which boost self-esteem and readiness to engage in economic and social pursuits. Verma and Aggarwal (2014) posit that the most important constraint confronting the financial sector is extending financial services to the whole segments of the society, especially the poor. The poor equally requires the variety of financial services, which are suitable, adaptable, and reasonably priced. They could pose the intellect, skill, and savings, but lack the financial instruments to exploit the financial services extending to them (Verma & Aggarwal, 2014). On this point in time, the prolog on inclusive finance hail from the acknowledgment that it could aid both the concerns of the populous and the banking system.

Consequent to this assertion, the authors further reported that microfinance could be used as a powerful instrument to reduce poverty and one of the effective methods of financial inclusion (Verma & Aggarwal, 2014). Given that the poor have the opportunities to guide against risk, invest in their productivity, and eventually elevate their likelihood. Thus, it is no surprising that an inclusive financial system that consents to broad access to financial services could result in accelerated and additional fair growth. This type of system lets the poor safely save and manages their income; reduce their susceptibility to economic distress and authorize them to be instrumental to their growth. Also, Verma and Aggarwal (2014) postulated that the main features which could compel favorable outcome for MFIs are “robust systems, processes and efficiency, productivity levels, sustained asset quality, prevention of credit losses and capital erosion and remaining capitalized to fund growth plans.

Angko’s (2013) study proposed that microfinance could assist women to obtain and generate assets and afterward boost their quality of living by guaranteeing the people access to credit regularly and steadily even though on a small scale. Based on this result, he asserted the need to persuade a lot more women to engage in microfinance to assist them to grow, and be financially self-sufficient and favorably improve their wellbeing, and the community. Based on his findings, Angko (2013) proposed that all stakeholders of microfinance and women empowerment activists should reexamine the major role microfinance plays in reducing poverty and empowering economically active poor women in the community. Badabad and Sherafati (2016) reported that the average women in the rural setting hardly apply for a loan; as such, there is need to come up with some process, which will boost their access. Accordingly, conscious attempts must be made to guarantee that MFIs are competent, funded and organized to preserve the institution.

Paul (2014) scrutinized the favorable outcome of the development of microfinance as a substitute financial institution, which resolves the drawbacks of the absence of incentives that guard against risk and adverse selection of critical challenges of rural financial institutions. The author found that a microfinance strategy is an effective tool for empowering the poor through offering them more opportunities for self-employment and make the poor credit worthy. The poor residing in the rural areas are still ignorance about banking products and services. According to Paul (2014), banks should adopt and institute appropriate system into micro banking system designed for the poor. Similarly, Chinomona and Tam (2014) examined the constitution of the legal framework supervising the institution, growth, management and regulation of microfinance institutions in addition to the purpose of creating policy measures, which could deal with the problems confronted by the microfinance segment in Vietnam. The perception is that a modified legal framework will accelerate a rapid growth of MFIs, thus, uplift the poor (Chinomona & Tam, 2014). The study proposed three reforms; diversifying some guidelines governing the legal framework of MFIs, generalize the processes of creating or launching MFIs, and changing the provisions governing internal operations of the MFIs. The authors observed that executing these proposed reforms could assist in smoothing the progress of rapid growth of the microfinance sector, and consequently, empower the poor by allowing the rural poor have access to financial services needed to shore up their micro businesses (Chinomona & Tam, 2014).

According to Gonzalez and Brito (2014), microfinance has become known as a likely resolution to the inaccessibility to credit for the poor. That has assists the active poor entrepreneurs set off mechanisms for the creation of jobs and income so as to close the vicious circle wherein the poor are unable to generate assets, fail to access credit, have no credit facility, and they do not create assets (Gonzalez & Brito, 2014).

Lawal (2014) scrutinized the responsibility of MFIs in expanding credit market in Nigeria, in addition to ascertaining the effect of MFIs credit earnings. The author also tried to review the connection between the income of a micro business and access to MFIs loans, with the result of training resources provided by microfinance institutions to small business owners. The study found that microfinance is instrumental in the expansion of small firms and its sustenance eventually; and proposed the reinforcement of MFIs, and small business owners should do business with microfinance to grow their micro business (Lawal, 2014).

In addition, Ashraf (2014) attempted to recognize the possible obstacles for the active rural poor in taking part in microfinance schemes in Bangladesh, and engaged three models' dependent variables; these are non-participation, participation, and non-participation and willing to participate in MFIs respectively. To ascertain the possible obstacles, he proposed 'eight explanatory variables' as well as 'seven demographic components;' this analysis showed different determinant that affect the behavior of the poor in participating in the scheme. Thus, to expand participation of the poor to ensure the goal of empowering the poor, Ashraf (2014) placed emphasis on the recognized variables that hinder the rural poor from accessing financial services from the MFIs. On condition that microfinance schemes are assisting the interests of the poor in the community. Hence, some established components have to be modified to minimize the challenges that hinder access to the scheme, such as high cost, repayment system and membership yardstick. Emphasis should be on the policy of optimizing the well-being of the poor (Ashraf, 2014). On the other hand, Zhu (2014) asserted that access to finance had been the primary challenge that has hindered the sustenance and growth of the microbusiness. He suggested that small and medium sized MFIs should take advantage of the favorable moment by adopting innovative ideas and growth designed for micro businesses. And discard the conventional banking methods, operate small businesses and promote access to financing micro businesses in order to grow their businesses eventually; this, he said should also apply to medium size businesses (Zhu, 2014).

Reddy and Krapa (2014) reported that in India, the government adopted some policies and attempted to implement programs that will alleviate the poor; subsequently, in the 1970s the microfinance industry in India gave the public access to microcredit without recourse to the arbitrary high-interest rates usually fixed by informal fund lenders. The government launched a pilot project, an intervention pilot program in microfinance that enhanced access to credit for the poor. This program resulted in establishing working Self-Help Groups (SHGs) and Non-Governmental Organizations (NGOs) by the Reserve Bank of India since the idea is considered a likely intervention mechanism for micro banking (Reddy & Krapa, 2014). Consequently, the SHG idea has evidently become an effective instrument for the alleviation of the poor, especially women. The authors further explained that this concept had been expanded in depth to all areas of the nation to reach a wider range of the poor through empowering them.

Similarly, Taste, Wonodi, and Wariboko (2012) reviewed the impact of microcredit supply to crop farmers in a part of Niger Delta region, in Nigeria and found that microcredit favorably affected by the living conditions of the crop farmers by increasing their scale of farm output and income. In effect, the provision of credit to farmers in rural areas will assist in improving and alleviating their income. On the other hand, Dibia and Chika (2014) examined the effect of MFIs in empowering the poor in Abia State, yet another rural area in Nigeria and found no significant favorable effect in reduction of poverty. The authors deduced that this could be related to the fact that micro financing is at its initial stage of development in the state. However, microfinance has the prospect to efficiently, reduce poverty, specifically, by addressing the basic lack of goods and services. Through generating the funds required by accessing financial services for the poor and low-income households that cannot access financial services provided by the conventional banks (Dibia & Chika, 2014; Efobi, et al. 2014).

In addition, Okpara (2010) attempted to discern the main elements that precipitated poverty in Nigeria, and scrutinize the level that MFIs have supported in reducing poverty; by modifying the data on the causes of poverty and used the approach of factor analysis. The author's analysis showed two stages of the significance of microfinance on the poor people; the launching phase, which views poverty as escalating however at a reducing rate as microcredit expands. While, the second stage shows continuous growth in microcredit remarkably decreases the poverty index in Nigeria, a decade after the establishment of MFIs in Nigeria. Thereby, at present, microfinance reduces poverty. As a result, Okpara (2010) recommended that the monetary authorities should ensure that the financial policies required for establishing MFIs are appropriately redesigned to enhance the institution of more MFIs and to offensively wage poverty.

Accordingly, Agba et al. (2014) in their study analyzed the impact of microcredit program on reducing poverty amongst the economically active poor in Nigeria. They found that microfinance credit program has a favorable impact on low-income poor people. The program increases their access to micro credits and boosts their efficiency in small business ventures besides increasing their potentials to save. Agba, et al. (2014) also shared the same views with Ademu (2012); the author also proposed that government should formulate policy and regulations that will persistently stimulate the microfinance credit program in Nigeria. Furthermore, they suggested that the government could sponsor the private sector, so they can engage more in microcredit program through drives that will enlighten the public. The authors also urged the government to expedite action to ensure understanding amongst the active poor earners regarding the gains of microcredit program designed for the poor (Agba, et al., 2014).

Gonzalez and Brito (2014) asserted that one cause of social exclusion is the absence of informal financial institutions that operate near clients and borrowers' geographical and social location by way of direct reach with loan agents, and the inability to determine the needs of their customers. Since financial inclusion is a crucial feature of the inclusive growth pictured for the total growth of the economy, the overall sector is working in a cycle to pull the potencies and force for inclusive finance (Archana, 2013). Taking into account that inclusive finance is the access to financial services like savings, insurance, and microfinance to the poor; While, offering the unbanked and poor appropriate and sufficient provision to financial services in the rural and urban areas at an affordable cost (Archana, 2013; Krishnakumar & Vijayakumar, 2013).

However, Pradhan (2013) in his study of a self-help group (SHG)-based microfinance in India explained that the move to ensure an inclusive financial system has achieved its aim largely. The author observed that the reasons for that are the locations of bank branches, which are predominantly in urban areas, and have enhanced the lack of awareness of banking services. Pradhan (2013) reported that people do not discretionary get excluded from being inclusive in the financial system. Thus, the majority of the people is optimistic in banking and requires financial services. The poor's financial services requirement differs from cash flow management especially since their earnings are on the asymmetric basis. Their reason for not approaching the financial institutions for financing is major because of the required minimum balance imposed by the institutions (Pradhan, 2013). Although MFIs do not adequately publicize, nevertheless, there is the need to boost the level of financial literacy and awareness regarding financial products and services to the low earners.

In spite of the way financial inclusion operates, the needed impact is yet not attained. Financial institutions have a task to play in ensuring that specific strategies are developed to spread out the outreach of financial services to boost inclusive finance (Pradhan, 2013). Jangra (2014) investigated the present state of financial inclusion, the significance of financial inclusion in an emerging market like India; and reviewed the attainment of the initial stage of the scheme. He found that the level of financial exclusion is way higher when equated to many developed and some major developing economies around the globe, yet the majority of households in India do not have access to banking services (Tripathi, 2014). To that effect, various significant measures were set up by the Indian Reserve Bank to expand banking perception and attain a higher scale of financial inclusion in the country. For instance, locating branches in rural areas, and financial literacy programs can promote financial inclusion (Jangra, 2014, Tripathi, 2014). Jangra (2014) further asserted that accessibility to finance by the low-income poor is a requirement for the empowerment of the poor and economic growth. Despite that; a greater percentage of the world's population is financially exclusive, even though financial inclusion is the availability of financial products and services at a reasonable cost to the poor segments of the society, consequently, inclusive finance launches the transformation of development and wellbeing of the people.

Although it has become widely accepted, that microfinance is a critical component for enhancing the wellbeing of the poor, and the number of MFIs in India. Micro financing is still not adequate in India (Tripathi, 2014). According to Tripathi (2014), the prospects for developing MFIs in India is favorable because microfinance market is anticipated to expand speedily, particularly as it is sustained through the government's schemes to attain inclusive finance and development in the country's non-conventional financial sector. He postulated that microfinance is an effective tool for providing massive useful services to the poor persistently, and is critical for establishing a sustainable economic growth.

Financial inclusion is defined as the access to financial services like bank accounts, savings, credit, and microfinance to the poorer segment; offering them the appropriate and sufficient provision of financial services in the rural and urban areas at an affordable cost (Archana, 2013; Krishnakumar &Vijayakumar, 2013). It has a propensity to promote inequality and weak development (Gonzalez & Brito, 2014). Therefore, there is a need to develop inclusive financial systems, which will have the capacity to enhance access and employ financial services that are adapted to satisfy the requirements of the economically active poor, thereby increasing economic and social development. Additionally, microfinance has become known as a likely resolution to the poor's' inability to access financial services. These financial services assist the poor entrepreneurs set off mechanisms for jobs creation and income to close the vicious circle wherein the poor are unable to generate assets because they fail to access credit, have no credit facility and do not create assets (Gonzalez & Brito, 2014).

Evolution of Microfinance

Introduction

Microfinance means "small scale financial services that involve mainly savings and credit services to the poor (Tripathi, 2014). Microfinance has also been referred to as banking the unbanked, providing loans, savings and some core financial services within the ambit of the majority of citizens who cannot access financial services offered by the traditional banks; sometimes due to failure to provide adequate collateral (Tripathi, 2014., Panigrahi & Satapathy 2014). To that effect, the conception of microfinance usually comprises financial and social intermediations.

The evolution of microfinance could be traced back to when money came to use. People have engaged in lending and saving since the existence of money; communities utilize their particular approaches and methods in the absence of any outside support or assistance. The microfinance strategy has imperatively grown like feedback to the lack of enthusiasm of the traditional institutions and the formal financial industry to attend to the requirements of the low-income earners (Oyeniyi, 2014). According to Lützenkirchen and Weistroffer (2012), microfinance has been regarded as an active component for sustainable growth. The concept of granting loans at favorable conditions to reduce financial limitations of the poor has obtained a worldwide acceptance. The demand for microloans has increased in size over the years, in addition to MFIs granting loans to over 200 million customers by the end of 2010. The supports of different socio-economic connections of the clients and their households, microfinance has affected the livelihood of about 1billion people in developing countries (Lützenkirchen & Weistroffer, 2012). In the last decade, development policy has centered on promoting access to finance for the active poor that do not have access. Even though it appeared like goals of development, business gains could be achieved concurrently and without conflict. Maintaining market growth was not in doubt since microfinance was changed into an active better financial sector (Lützenkirchen & Weistroffer, 2012).

From the 1950s, governments and donor agencies have supported loan for small size farms in evolving nations with the intention to grow agricultural production. Microfinance institutions (MFIs) like the agricultural development banks were set up to underwrite credit to the farmers. Regrettably, the failures of government to achieve credit schemes were more because of the precept than anomaly (Singh, 2014). The provision led the method collapsed in the 1960s and 1970s in spite of the benefits the local and elite's farmers enjoyed from the increasing agricultural productivity through exhaustive utilization of inputs. According to Tripathi (2014) quick payout of loans with high sizeable political prominence, the inability to access credits springing from a lack of adequate established preparations, and customer perceives loans as cash grant were the primary cause of failure of state credit provision. In the 2000s, the sector's goal was to fulfill the essential need on a considerable breadth and to assist in reducing poverty. Statistics have shown that 45% of the world's populations that have access to financial services are in South Asia. In general, the rate of poor that have access to financial services is below 20% of the poor in India (Ashraf & Ibrahim, 2013).

The World Bank has stated that over 87% of the poor in India lack accessibility to financial services offered by the traditional institutions. As a result, they rely on moneylenders to borrow, who provide credit at high rates; varying from 48% to 120% per annum. It is no wonder the World Bank nicked name South Asia the Cradle of Microfinance (Singh, 2014). This reality is very cogent and is a sufficient logic to put one on the inquiry of how microfinance could offer to a sizable number of the people that want to have access when required. There are prospective customers for microfinance, hanging on the size of the request for banking products from those that lack accessibility to finance. Thus, the availability of financial services could have a grave effect on the poor (Singh, 2014, Tripathi, 2014)

History of Microloan Financing

Microcredit and Microfinance are both relatively contemporary phrase in the area of development; its first precedence was in the 1970s (Milana, & Ashta, 2012). Before the advent of this industry, from the1950s to the 1970s, donors and governments provided financial services mostly in the form of support to rural credit schemes (Chew et al., 2016). These on numerous occasion resulted in high default rates, losses and the failure to reach the poor households. Hence, according to Milana & Ashta (2012), the

1980s portrayed a landmark in the history of microfinance. Institutions like Grameen started demonstrating that they are capable of offering microcredits and savings services successfully on an extensive scale (Ghosh, 2015). These schemes did not receive continuous subsidies, were supported commercially and in all respect sustained, and was able to cover a wide range of customers.

Before the emergence of the microfinance industry, globally, people engaged in lending and saving through several sources other than the formal financial sector. The sources of financial services available for small earners that did not have access to finance then were the loan sharks, community and savings groups (Tripathi, 2014). Even as microfinance has come to be a new source of credits and savings for those that have no access to financial services, these old sources are until now in use. According to the World Bank, over 100 million people have seized the benefit of microfinance, considering the estimated $25 billion that could be flowing in the sector. Thus, the scope of the whole microfinance market is open for discussion since abject poverty persists to restrict the majority in emerging markets from accessing essential financial services and fulfilling their prospects (Tripathi, 2014). Today, micro financing has expanded all through developing nations and has extended to various bold small-sized financial services above formal lending. These services have modified to a variety of interests, markets, and abilities of the poor worldwide. Microfinance has shown that it is a successful and formidable component for reducing poverty.

The Irish Loan Fund model was amongst the primary credit lending institutions in the 17th century by nationalist Jonathan Swift. Swift assisted the Irish by providing the loan to the poor amongst them and harmonized the model in 1837 at the time the Loan Fund Board supervised a large number of free loan funds. The regulation that did not allow more than £10 with 20-week tenor, and weekly repayments; the interest rates were as low as 8% per annum, same as the modern microcredit institutions but lower than local micro-lenders (Supere, 2013). In the 18th century, different kinds of sizeable and formal savings and credit financial institutions started emerging in Europe. These institutions are arranged mainly within the rural and urban poor; the institutions are the People's Banks, Credit Unions, and Savings and Credit Co-operatives. Raiffeisen and his followers initiated the credit union concept; the selfless service rendered by them, driven by their passion for helping the poor people get free from reliance on moneylenders and for boosting their wellbeing. The concept was adopted in Europe and North America, preceded by Indonesia and Latin America (Reeves & Sabharwal, 2013). The unions spread quickly across a huge segment of the Rhine Province and to another part of the German states from 1870. The cooperative crusade grew rapidly to more nations in Europe and North America, and ultimately, sustained by the cooperative campaign in developed countries and donors, as well as emerging nations (Aghion et al., 2010)

The savings and credit schemes that existed for decades comprises of the sums of Ghana, chit funds in India, tandas in Mexico, artisan in Indonesia, cheese in Sri Lanka, tontines in West Africa, and pasan Aku in Bolivia. In addition, the various savings schemes and groups globally (Milana & Ashta, 2012). Thus, formal microloans and savings institutions tailored for the little earners have equally existed for many years; delivering financial services to people that lacked accessibility to traditional banks through cooperative and development finance institutions. At the beginning of the 1700s, Irish loan fund scheme a microloan institution that lived so long offered microloans to the rural poor without collateral. By 1840s, the institution expanded widely with almost 300 funds covering Ireland. The scheme's primary aim was to provide microloans with interest for short terms (Lützenkirchen & Weistroffer, 2012).

The People's Credit Banks in Indonesia established in 1895; the bank later emerged as the biggest microfinance institution in Indonesia with about 9,000 branches. At the beginning of 19th century, different modified versions of this model and replicated in part of rural Latin America. Even though the intent of these "rural finance" interceding explained with regards to innovating the agricultural sector; thus, they have two goals; to grow the rural business through deploying "idle savings" and building investment through lending, and decreasing unbearable old-fashioned links that imposed through debt

In practically all situations, government agencies and conventional banks own these MFIs; consequently, these organizations eventually became fraught with insider abuse and inefficiency. In the 1950s through to 1970s, governments and donors paid attention to offering agricultural credit to micro farm owners, in addition to the aim of boosting efficiency and earnings. This attempt increases access to agricultural finance disbursed by government interceding in the shape of designed loan by development finance institutions that are owned by states that obtain discounted loans and advance to clients lower than market interest rates. These sponsored programs seldom thrived, the rural development institutions experienced colossal deterioration of their capital base because of supported lending rates and bad repayment term. Besides, sometimes the funds fail to reach the poor; usually, the greater percentage ends up with the medium scale farmers (Ajobo, 2015).

The idea of microcredits spread rapidly in the 1960s and 1970s, when institutions like ACCION International in Venezuela, and Grameen Bank in Bangladesh were established (Yao et al., 2014). These institutions assisted in raising capital for micro-businesses instead of just lending to the poor for essential needs like food and clothing; these were possible through legalizing and enlarging the basic idea of sharing schemes (Supere, 2013). In 1961, Joseph Blatchford began a community development scheme, ACCION, in Caracas, Venezuela to assist the poor set off their small businesses by raising $90,000 (Bayulgen, 2015). ACCION established and enlarged hundreds of autonomous MFIs in over 20 years across Latin America (Bayualgen, 2015). The scheme opened a vista of the opportunity of choice in addition to the local microlenders whose interest rates were so high, which eventually left them grossly indebted. Blatchford and his supporters; like Yunus, fathom that people will grow their business only if they are capable of repaying the takeoff loan (Sama & Casselman, 2013).

Yunus initiated the concept of microloan when he was studying the poor small entrepreneurs in his homeland, Bangladesh in 1974 (Sama & Casselman, 2013). He started lending to groups of women, within a short time, the scheme showed that small loans could immediately promote the well-being of the poor, and also be repaid with interest when due (Sama & Casselman, 2013). From the 1970s, exploratory schemes in Bangladesh, Brazil, and other countries granted small group lending for small businesses to poor women (Marconatto, Cruz, Legoux, & Dantas, 2013). This kind of micro-business lending was built on collaboration group credit in that each person in a group give assurance of repayment of each cluster member (Marconatto et al., 2013). These micro business-lending schemes had virtually selected target on loan for income generating activities aimed at the indigent clients (Marconatto et al., 2013). Following the successful result of the first micro-credit institutions, much more MFIs embarked on establishing it all over the globe. Included in one of the largest is the FINCA International, founded by John Hatch, an economist scholar. Edoha (2015) opined that utilizing the locals' ability instead of including outsiders was vital to growing local economies. His ideology was that all the poor requires is a chance to change their situation. FINCA, by 2005 had a presence in 21 countries with about 400,000 clients, across Africa, Latin America, Central Asia and Eastern Europe (Edoha, 2015).

Accessibility to credit in most advanced nations, by comparison, is a lot simpler to accessing credit through conventional banks or money lending institutions. However, in emerging countries, where the majority of the populace are unemployed, it's usually practically difficult for good micro businesses to gain access to loan (Edoha, 2015). Notwithstanding, microfinance has modified all this, as it has made considerable steps towards the end of the 20th century. Dr. Mohammad Yunus; one of the promoters of microfinance has assisted in propelling the industry to public glare following the Noble Prize awarded to him in 2006. Even though the concept has been in practice for decades in various quarters (Supere, 2013). Microlending usually begins in communities amongst members who come together in groups to share money. Dodson (2014) explained that these savings groups could be traced globally. Each of these micro-lending set-ups named their club in every region. For instance, in Bolivia, they are called pasan Aku, Mexico, tandas, and in Nigeria, Jesus, and it works on the proposition that members of the group pull a pool of fund that is transferred to one person in the group that requires it (Marconatto et al., 2013).

The success of the Grameen Bank influenced the rapid growth of MFIs from the 1970s to 1980s all around the globe; NGOs established a significant number of them and supported by grants and subsidies from public and independent organizations. They showed confident that the poor are capable of repaying their debts, with the absence of collateral; therefore, microfinance is a likely feasible venture (Supere, 2013). In the 1990s, when it became apparent that the industry could not sustain the growth rate while nonetheless depending on the grant, the institutions began to restructure their operations to make it attractable to investors. Furthermore, embrace better-recognized business procedures and workings to enhance competence and continuity (Edoha, 2015). While the interest in microfinance as an instrument for reducing poverty escalated, the attention shifted from NGO designs to boosting a preserved sector. The scheme should offer financial services to the economically active poor at reasonable prices while providing a satisfactory yield to investors. Thus, presently, various other microfinance investment institutions are in existence, some large banks have also penetrated the market; like Credit Suisse, Citigroup, etc. Almost the sum of $15b of foreign investment had already gone into MFIs, with the greater percentage funded by government development institutions like the World Bank and other various independent and public investors (Dodson, 2014).

After the financial crisis that started in 2007 globally, market growth and MFIs business began to decline. Microfinance encountered a severe problem at the international level, while in some countries it faced is a downright crisis. In the world as a whole, portfolio at risk (PAR) that are 30 days past due rose from less than 3% in 2007 to over 5% in 2009; this is an indication of excess lending. The growth in bad loans went in tandem with the decline in the performance of MFIs and the sudden decline in the rates of asset growth. While initially, it presumed that the institution’s setbacks were because of the financial crisis and the subsequent economic decline, a general opinion is now becoming visible that the problems that embedded to a significant level inside the confines of the microfinance industry. Although the money-oriented method was successful by providing a sizable number of people accessibility to financial services, the social feature of microfinance was ignored in some situations (Lützenkirchen & Weistroffer, 2012)

Morduch (1998) challenged the material effect the microfinance industry has had in assisting the poor. He asserted that the poor who are qualified to take a loan and have access to small finance schemes remarkably lack high expanding levels compared to the households that are constrained, besides, most of their ward are not likely to be in school. Morduch (1998) observed that microloan usually does not get to those in abject poverty. Thus, the beneficiaries are mostly those who are living above the poverty line. Indeed, globally, microfinance has reached the low-income earners or poor largely, especially the environment where the traditional banks have failed to extend financial services to the poor. Even more, when the rate of return is below 100%, as in the existing circumstances for practically all MFIs, provision of access to finance for micro enterprises will improve the wellbeing of people eventually (Morduch, 1998).

Microfinance and the growth in microcredit have transformed the institutions into an industry. Focus on the provision of microcredit to the less privileged has been changed to providing financial services to the small earners and the poor. The moment it became evident that the poor also requires other financial services like savings, insurance, and pension (Milana & Ashta, 2012). The significance of microfinance in the aspect of development was strengthening in addition to the commencement of the Microcredit Summit in 1997. The summit's objective is to reach 175 million of poor households globally particularly women, and providing loans to the small entrepreneurs and other financial services by the end of 2015.

Microfinance is a concept that eventually has tremendous results, but is not an entirely new occurrence. Singh (2014) elucidated that the first kind of microloan occurred in the 19th century with the knowledge of rural banks and the establishment of the informal lending agents spread round about the globe. Additionally, in the 1950s to 70s, different public schemes were supported, focused majorly on the agricultural industry in many countries. Today, microfinance is regarded as an essential component of socioeconomic development worldwide (Jegede, et al. 2011), because of its campaign in opposition to poverty, which the United Nations have acknowledged and declared 2005 as the "International Year of Microcredit." In the last few years, the microfinance industry has portrayed a rapid development and profit-oriented approach by decreasing grants and increasing investments in equity; this process stimulated sustained operational and financial independent

The Rationale for Microfinance Banking

Microfinance program has mainly evolved as a reaction to the ineptitude or lack of interest of conventional banks and the traditional financial sector to serve the requirements of the active poor households and small entrepreneurs (Akewushola & Akinlabi, 2013; Sharma, 2013). The conventional banks deny the poor and the low-income earners access to traditional financial intermediation because of high cost of doing micro businesses, lack of required collateral, and essential needs for financing and location of the traditional institutions' branches that are mostly in urban areas (Odebiyi & Olaoye, 2012). Because of that, the traditional institutions disregard the huge prospect in skills and entrepreneurship of this class of society. In Nigeria, for instance, the microfinance policy was launched in 2005. The essence is so to enhance accessibility to financial services for the economically active poor and micro business entrepreneurs that are excluded from accessing finance by the traditional banks; to promote growth and revolutionize their businesses in order to influence rapid economic growth (CBN, 2013).

The provision of access to financial services has a tendency to encourage the self-sufficiency and success of poor people and small entrepreneurs. Thus, this should assist not just to enhance the poor's financial situation, whereas to equally offer a procedure to sustain or improve their wellbeing when confronted with uncertainty. Notwithstanding, accessibility to financial services is a crucial initiative in linking the poor to a wider quality of living and in creating self-confidence of the poor (Sharma, 2013). Microfinance is viewed as a tool for sustaining business enterprises and competition on the other hand, as well as social inclusion. In spite of that, considering the particular localized legal framework and political settings, the growth of microfinance industry is until now still emerging on the scope and wider effect, and faces a persistent gap between supply and demand (Bruhn-Leon; Eriksson & Kraemer-Eis, 2012). Enhancing access to the low-income earners and the poor people to key financial services has been regarded as a component of the World Bank's attempt to boost economic growth and alleviation of the poor. The World Bank's technique stresses a market procedure in that the financial sustenance of financial intermediations turns out to be most important (Gallardo, 2001).

Given the rationale for microfinance, and examining the evolving theory of microfinance, it is undeniable a contemporary growth in emerging nations that have bolstered the argument that microfinance framework is necessary for the growth of rural communities. That is because of the certainty that that aspect of growth in these emerging economies has customarily focused on the urban communities (Hashim & Dodo, 2015). The growth of MFIs in the past decades, coupled with its favorable outcome has demonstrated that microfinance is a cardinal spur for reducing poverty. As a result, microfinance as a policy for economic growth should focus on the poor households given its rate of increase in production and minimal tendency to consume. Provision of access to microcredit by the low-income earners escalates their earnings and similarly enhances their savings and consumption (Efobi, 2014).

The Role of Central Bank of Nigeria in Microfinance Regulation

In December 2005, the central bank of Nigeria (CBN) launched the microfinance regulatory policy framework to promote and boost the accessibility of micro-entrepreneurs. These are the economically active poor, and small income earners to designed financial services that are required to empower and consolidate on their business fortunes (Hassan, 2014; CBN, 2014). The economic rationale of launching microfinance plan was to encourage all-inclusive growth in the economy (Hassan, 2014). Part of the mandate of the microfinance policy was to alleviate the poor, reduce poverty, create employment, and enhance economic development, among others (Hassan, 2014; CBN, 2014). Consequently, the microfinance policy mandate failed to achieve the objective and was not successful. The microfinance industry is confronted with various challenges since the inception of the program in Nigeria. In the background of agitation demonstrated by stakeholders, the poor understanding of the concepts and operational methodology of microfinance practice, amongst others and the call to boost the delivery of microfinance services led to the revision of the policy in April 2011 by the CBN; the microfinance regulatory policy framework launched in 2005.

From the inception of the launch of microfinance banking in Bangladesh in the 1970s, many countries have replicated the scheme (Chew et al., 2016). The apparent widespread acceptance of the scheme, among emerging nations is premised on the likelihood of its ability to alleviate poverty (Singh & Bhar, 2016). The microfinance scheme was established to offer financial services to economically active poor people that are excluded from accessing financial services from the traditional banks, create jobs, create the development of the rural area and poverty reduction (Chew et al., 2016). In furtherance to boost development growth, the government of Nigeria, in its attempt to support this developmental growth initiated the financial inclusion policy in October 2012 by the CBN. The policy is aimed to allow an individual, household, or group to have access to suitable financial services or products (Singh & Bhar, 2016). The government policies have directed on mobilizing five percent (5%) of the conventional banks' profits before tax to small and medium scale businesses so as to boost the microfinance scheme (Anku-Tsede, 2014). Research has shown that the significance of microfinance is that it allows the poor to have access to financial services. The financial services that the conventional financial system could not provide to enhance and expand their economic activities, promote morale of the poor and assists in boosting economic development on a consistent level (Anku-Tsede, 2014; Chew et al., 2016; Hassan, 2014).

Lele (1991) described sustainable development as a new way of life and approach to social and economic activities for all societies: rich and poor, which is compatible with the preservation of the environment. Furthermore, sustainable development can be referred to as the application of continuous delivery of services. Where a greater percentage of the poor and low-income earners have constant access to the proper scope of designed financial services, to credit as well as savings, insurance, and fund transfer; thereby ensuring that the income-generating transactions of the poor get invested (Hassan, 2014; Lele, 1991). By implication, microfinance provides financial services to those who cannot access traditional financial services from the conventional banks because of the high transactional cost required to serve their low level of activities.

Makorere (2014) asserted that the purpose of microfinance is not only to provide capital to the poor, but also to curb poverty from every household, and play its role at an organized level. Microfinance aims to generate institutions that provide financial services to the active poor that cannot gain access to financial services by the conventional banks. In emerging markets like Africa, MFIs is the key tool of funding micro-entrepreneurs (Hashim & Dodo, 2015). Similarly, traditional credit institutions for the poor are available in Nations globally delivering simple financial services to those who lack access to the conventional banks through development finance institutions and cooperative. The private sector-led microfinance in Nigeria developed due to the failure of the traditional banks to provide financial services to the active poor, and the absence of sustained government-supported growth financial projects (Ademu, 2012).

Microfinance has continuously turned out to be a successful program for creating employment and reduction of poverty (Ogujiuba, Fadila & Stiegler, 2013). Thus, small and medium scale businesses across emerging markets are resorting to microfinance institutions for a range of financial services (Ogujiuba et al., 2013). MFIs have turned out as a reaction to combat unemployment and the inability of the conventional financial institutions to satisfy the requirements of the poor who are regarded as un-bankable (Toindepi, 2016). In Nigeria for instance, since microfinance plays a role in creating employment, assets, and alleviation of poverty, the Government had countlessly designed several programs to promote access to finance to promote the wellbeing of the poor. These programs require appropriate strategies in place to ascertain extensive outreach and efficiency (Oghoator, 2015). The role the MFIs play has made the institutions become part of the conventional financial system of a Nation, by implication; they could access capital market to finance their lending assets, allowing for a significant outreach (Ogboator, 2015). Most of the efforts at providing financial services to reduce poverty were largely not pertinent; owing to that, the schemes are not, appropriately designed and equip to fit and reach the realities of the target poor at a reasonable cost (Nwigwe, et al. 2012).

Nigeria is rich in natural resources, like the oil and gas; yet, Nigeria is rated amongst the poorest nations in the world (World Bank, 2014). The World Bank (2014) asserted that by 2005, and approximately 70% of the population in Nigeria is living on $1.25 per day. By 2010, an estimated 63.5% of the population lives on $1 per day an amount that falls below the accepted poverty line (World Bank, 2014). According to the National Bureau of Statistic (NBS), poverty per capita income is still increasing, given that the percentage rate of the poor had decreased from 70% in 2005 to 63.5% in 2010 (NBS, 2012). Nigeria's worth increased to ₦80.2 trillion, or $509.9 billion from ₦ 42.4 trillion, or $269.5 billion; this resulted in increasing in the GDP to 89.22 percent in 2014 (Hassan, 2014). The GDP estimates have rated Nigeria the 26th largest economy in the world, and the largest in Africa (NBS, 2014). However, Nigeria's GDP per capita remains low considering the large population; the per capita increased from US$1555 to US$2,688 (Hassan, 2014). This significant change is because of the rapid growth and emergence of sectors like the telecommunications and the movie and entertainment industry. That suggests that the Nigerian economy largely is diversifying hitherto than publicizing, following the Government's attempts to sustain diversification.

The population of Nigeria is estimated at 180 million people as at 2014, and the majorities are youths (NBS, 2014). There are 36 states governed by elected governors, 774 autonomous Local Governments governed by chairpersons and the Federal Capital Territory, which is the seat of the Federal Government (Nwigwe et al., 2012). Nigeria, like many other developing countries, has over two decades made concerted efforts to expedite the stride of her economic development. So as to achieve sustainable development through initiating policies and programs that aim to reduce the level of poverty through empowering the populace and providing them the access to resources, and financial services; especially credit (Nwigwe et al. (2012).

Over the years, besides financial management, the Nigerian government was also confronted with poverty and unemployed people; who had skills, initiatives and are active, but lacked seed capital to engage in productive activities that can generate income (Abdullah & Ismail, 2014). Thus, to boost access to financial services to those who lack access, the Nigerian government initiated programs and schemes that are designed to meet the poor people. Moreover, have captivated differing foreign aid from various multilateral firms such as the World Bank, International Monetary Fund, and others, which did not yield significant results, most of the schemes were not successful, thus, did not achieve the intended results and had no substantial, measurable outcomes (Obaidullah, 2015). According to Omorede (2014), gross mismanagement and corruption by former leaders cause the failure of the microfinance schemes initiated by the government.

The failure in the banking sector has led the Nigerian government to provide the poor access to finance through these various projects. Some of which are: rural banking scheme, Peoples Bank, Operation Feed the Nation (OFN), Green Revolution, Nigerian Bank of Commerce and Industry (NBCI), Nigerian Agricultural and Cooperative Bank. Others are; Nigerian Economic Reconstruction Fund (NERFUND), Nigerian Directorate of Employment (NDE), Family Economic Advancement Program (FEAP), Poverty Alleviation Program (PAP), Nigerian Industrial Development Bank (NIDB), Bank of Industry (BOI), Nigerian Agricultural Cooperative, Rural Development Bank (NACRDB), and Community Banks, (Abdullah & Ismail, 2014). The programs had the potentials to improve the economy since it is anticipated to reduce poverty, create employment, and enhance economic development, among others. However, these schemes were confronted with challenges and were not so effective; as such, the programs could not achieve their set objectives, and were scrapped. Until the microfinance policy was launched over a decade ago, which is also not without its attendant challenges (Zulkhibri, 2014). In the light of these goals, it became appropriate for the government of Nigeria to understand the prospects and underlying assumptions for attaining these goals besides sustaining the process of required growth.

The level of poverty continued to grow higher because of the lack of understanding of the poor that are expected to gain from the program (Agba, et al., 2014). Research revealed that 3.2 million customers in Nigeria own account with MFIs from over 70% of the country's population of 180 million who lives below the poverty lines (Efobi, Beecroft & Osabuohien, 2014). Accordingly, it is pertinent to conduct a study in order to ascertain the extent to which MFIs have achieved its aim of poverty alleviation and enhancement of financial inclusion in Nigeria.

Consequently, the microfinance sector has been confronted with many challenges since the launch of the microfinance policy in Nigeria, accompany with the fact that the policy came at the peak of the banking sector consolidation; the majority of those who were affected went into micro-financing (Meenu, 2012). In Nigeria, the banking sector is complex and well developed, which has early provided banking services to the more affluent minority population. There are presently 24 deposit money banks (DMBs) in the country, 13 of them has some level of foreign ownership, out of which 5 has substantial foreign ownership of above 50% while 11 are fully owned Nigerian banks. The 24 DMBs in Nigeria has total assets excluding off-balance sheet engagements of ₦26.23 trillion as at December 2014. The five (5) top banks are accounting for an average of 50.64% of banks' total assets amounting to ₦13.31trillion ($672.03 billion) as at December 2014 (NDIC, 2014 Annual Report). According to a survey conducted in 2011, the total retail customers for the 21 banks are estimated at 38% or 57 million of the Nigerian population of 140 million (Efobi, et al. 2014).

Efobi et al., (2014) evaluated that a large number of the Nigerian populous still do not have access to financial services. Surveys conducted by Enhancing Financial Innovation and Access (EFInA) showed 34.9 million adults representing 39.7% who do not have access to financial services in 2012. 36.9 million Adults are financially excluded, representing 39.5% of adults in Nigeria in 2014. The studies also showed those who have access to financial services increase from 28.6 million in 2012 to 33.9 million in 2014, representing 32.5% and 36.3% adult Nigerians respectively. While 15.2 million or 17.3% in 2012 decreased to 11.2 million or 11.7% adults, access their financial services from the traditional financial institutions (EFInA, 2015 and CBN, 2015). This place Nigeria behind South Africa that has 67% rate of financial exclusion; these challenges cumulated to the revocation of licenses of 224 distressed MFBs in 2010, and the review of the microfinance policy in 2011 by the CBN; however, more MFBs have closed shops since then. The liquidated MFIs held a sum of ₦18.2 billion ($92.4m) depositors' funds, ₦19.6 billion ($99.5m) micro loans and N6.1 billion ($31.0m) shareholders' fund (CBN, 2014).

In spite of so many attempts to alleviate the poor in Nigeria, there is still a gap in accessing financial services by a great percentage of the population. Numerous challenges hinder this, some of which are; the uneven spread of microfinance institutions (MFIs) in Nigeria. The majority of the banks are located in a specific section of the country because investors discern that, that environment will yield them more income. In addition, the erstwhile community banks that transformed to Microfinance Banks (MFBs) were still operating like the old regime, with so much inefficiency. Another identified gap is dearth knowledge and lack of skills in micro financing business, which grossly affected the performance of the MFBs. Besides, there were no enough funds for intermediation because of the inability to mobilize savings, business capital, high operational cost, high risk and failure to institute Microfinance Development Fund (CBN, 2014).

The significance of this study is to recognize the financial services that will satisfy the requirements and enhance access to financial services to the active poor and the unbanked in Nigeria. The purpose is to proffer ways that will boost the provision of varieties of financial services for the poor on a continuous basis (CBN, 2014). That shall promote their wellbeing, liberate the poor, boost sustainable economic development, and contribute to financial inclusion. Thus, it is pertinent to promote the provision of moderate microfinance services on a sustainable basis for the active poor, and the small household earners. That will also boost the relevant process of a trajectory of activities, to provide reasonable financial services consistently to the poor and the growth of partners and informal service providers in this sector of the economy.

Zekri (2013) inferred that for microfinance to grow, the regulatory framework would have to be reviewed and ensure an independent and efficient supervisory function. It is based on this ground and to elucidate the prospects of microfinance that it can explicitly outline as socially responsible and sustainable. Thereby, making available financial services to the people promotes financial inclusion to ensure steady development and economic growth. Additionally, Idolor and Eriki (2012) argued that a sustained microfinance policy that is effectual is a highly powerful tool. That they opine can be integrated along with other strategies of poverty alleviation to enhance the wellbeing of the people. They further illustrated that microfinance includes both financial and social, in-between comprising class creation, and training on financial literacy and administrative practices. Idolor and Eriki (2012) proposed that financial services offered by the MFIs should be tailored and implemented to satisfy the requirements of the different segments of the poor, to guide against more risk for the poor. Thus, it is appropriate for MFIs to expand their frontiers, to some extent, to similar financial services in accordance to its environmental idiosyncrasies.

It is recommended that distinct customer service for MFIs could be an important component for efficient service delivery and influence on the wellbeing, assets, and households of the poor people. It is accordingly imperative for MFIs to develop a range of financial services to give flexibility in providing a variety of financial services, which will satisfy the requirements of the economically active poor clients; which has also been attesting to enhance the performance of the MFIs who provide these services. In emerging markets like Nigeria, MFIs apparently have an immense opportunity for the poor that lack accessibility to financial services that are offered by the conventional banks. In the last decade, the developmental policy that tailored on enhancing access to finance to attain a financially inclusive society. Recently it seemed that developmental goals and financial gains could achieve at the same time devoid of conflict. Sustenance for market growth was seldom put on inquiry, as microfinance was being metamorphosed into a continuously financial efficient sector (Lurzenkirchen & Welstroffer, 2012).

Inclusive finance is the new strategy explicitly included on the menu of a social scheme to boosts the need to access series of financial services globally, at a reasonable cost to attain inclusive growth (Krishnakumar & Vijayakumar, 2013). Terzi (2015) explained that financial inclusion is key to maintaining economic and social growth and required to give rise to strong financial stability and development. He further stressed that increased attempt is necessary to tackle the imbalance in the understanding of financial inclusion amidst the adequacy of regulatory policies; weak policy measures; over regulation or inadequate internal collaboration to ensure that the execution of financial inclusion is well-known discretionary warnings globally (Terzi, 2015). It is also pertinent to ensure that there exists a favorable environment for fostering an inclusive finance. By implication, this indicates that policies that promote financial inclusion must evenly link along the goal of macroeconomic stability. However, access to finance is unfeasible where individuals lack the capacity to have access to higher income status.

However, managerial skill and policy would have to be enhanced to boost the efficiency of the MFIs to meet the twofold goals of ‘‘outreach and financial sustainability’’ (Das, 2015; p. 423). Given this, the MFIs and agencies that play the role of providing access to financial services should increase their reach and coverage to meet a wider delivery of credit facilities. So as more farmers and the poor could gain from these services because it has a positive influence on their income (Tasie, Wonodi & Wariboko, 2012).

According to Dey (2015), the most severe barriers trailing sustainable growth of a country are unemployment and poverty. And the main reason is the lack of access and poor credit loans for the poor and unemployed. To gain sustainable development, sustained growth and expansion of rural economy must exist. All segment of the populace must be financially inclusive and be able to have access to financial services designed to meet their requirements in a regulatory macroeconomic policy environment and development of MFIs (Dey, 2015). Correspondingly, Iqbal, Iqbal, and Mushtaq (2015) posit that the tailored financial services offered by MFIs for the poor could assist the poor people to meet their needs, enhanced their well-being and create self-employment, and could alleviate their level of poverty.

Microfinance banks give assistance to the microloan applicants to access financial services that promote their financial independence and growth. Moreover, in turn, drives the sustainable standard of living beside savings and investment. The poor utilize the micro credits to build their businesses, create assets and improve their wellbeing (Dey, 2015). Furthermore, Awan and Ibrahim (2015) opined that microfinance has turned out to be one of the effectual keys to alleviating poverty and the creation of employment since the scheme assists in promoting businesses, boost the income of the poor people and reduce their susceptibility. According to them, microfinance could work as a tool for self-employment, which alleviates the wellbeing of the people. In similar fashion, Akpan and Nneji (2015) explained that provision of financial services to entrepreneurs of a small and medium sector (SMEs) of the economy enhances the growth of these businesses. They opined that the sector could contribute substantially to the economic development of a nation (Akpan & Nneji, 2015). However, the sector has no adequate endorsement that is appropriate to the level of its contribution. The financial services provided by the MFIs have the potentials of boosting the growth of the SMEs, which evidently increase the rate of accessibility to finance by these businesses (Akpan & Nneji, 2015).

Brau, Cardell, and Woodworth (2015) asserted that microfinance could function as seed capital to the poor business entrepreneur since the disposition of their kind of business is considerably diverse from those in the developed market. The low income and the poor utilize the seed capital provided by the MFIs to create assets and build businesses that sustain their livelihood and boost their wellbeing. Furthermore, the common goal of microfinance is to make sure that a greater percentage of small earners access financial services from the institutions. Therefore, the prospective gains of microfinance have justified for its common acceptance as an instrument of economic growth, employment creation and reduction of poverty policy (Nwigwe, Omonona & Okoruwa, 2012). Nwigwe, et al. (2012) elucidated that an efficient operative financial market poses essential responsibility to perform in promoting growth. At the stage of a person's wellbeing, financial markets can play vital roles. These can be a primary source for the poor to have access to financial assets. By easing savings, this could significantly reduce susceptibility connected with asymmetrical and volatile every year variations in phenomena. And can assist in converting illiquid assets into liquid assets when crises occur. Even so, a poverty alleviation scheme needs to strive to attend to the deficiencies and insufficiencies of financial markets as they seldom successfully perform anticipated roles (Nwigwe, et al. 2012).

Agba, Ocheni, and Nkpoyen (2014) concluded that microfinance scheme was established to assist as a means through providing widespread access to financing for the poor and small earners and also to motivate and support their livelihood. It facilitates the provision of microcredits, lower interests and loans without collateral to the poor people. Furthermore, Oya (2012) asserted that interest rates charged by the MFIs are relatively low when compared to the interest rates charged by the informal microcredit agencies. According to Oya (2012), the interest rates charged by the informal microcredit agencies are considered too high for farming business, and that account for the leading rural microfinance projects. The process in which the microloans are granted will contribute to the inclusion of the poor in the financial sector. Therefore, the poor who have no collateral can have access to finance, which should eventually include the excluded working poor people to the mainstream financial sector. This has contributed to awareness and promoted banking services delivery to the less privileged people. Hence, the argument that microcredit can be a competitive means of financing micro businesses cannot substantiate the statement (Oya, 2012).

Microfinance is a deliberate strategy to create a worldwide financial system that is intended to address the financial and development requirements of the larger poor society. It is a powerful device for resolving numerous problems, which face the continued existence of the poor. Ademu (2012) opined that the poor lack accessibility to finance from the formal sector because the industry considers the poor as high-risk borrowers because they lack collateral. That led to the basis for the policy stand of fostering the microfinance sector to boost improved accessibility to finance for the poor. To that effect, the microfinance industry needs inventive concepts beyond the conventional financial system. Microfinance is assumed to alleviate poverty by growing the incomes of households because of less restriction of credit, which allows the poor have access to financial services that assist them create and build micro and small businesses (Ademu, 2012).

After a decade of the microfinance policy in Nigeria, a large number of the population still lacks access to financial services. By 2010, five years after the launch of the microfinance policy, there were 820 MFBs, in spite of that; the majority of the people are still financially excluded. EFInA (2014) showed a slight increase of only 1.3% of those that are financially inclusive from 35% in 2005 to 36.3% in 2010. When the informal financial institutions are included, the total percentage access to financial services in the country rose to 53.7%. Which means 46.3% of the Nigerian adult population of over 80 million are financially excluded; the second study in 2012 showed an increase of those who access financial services from formal MFIs from 36.3% in 2010 to 39.7% in 2012 (EFInA, 2014; CBN, 2014).

The inefficiencies in providing microfinance services to microloan applicants caused by inadequate finance, poor governance, changes in government policies, the absence of microfinance culture, and insider abuse (Ademu, 2012, Omorede, 2014). Others are the lack of knowledge dearth and skills, capacity building (Ogujiuba, et al., 2013); the uneven spread of MFIs and inadequate regulatory framework (Acha, 2012). Therefore, for the MFIs to retain its role of being a formidable tool for sustainable development, and to achieve a financially inclusive economy, there must be adequate finance, good infrastructure, suitable and structured programs designed to empower the poor in place. All that is aimed to alleviate them by offering microfinance services to the unbanked and the active poor in Nigeria.

The Need for Further Study

While synthesizing the literature on the strategies that could improve access to banking services to the economically active poor in Nigeria, I found that in spite of the extensive range of elevated schemes in Nigeria, none seems to have focused on how microloan applicants can acquire knowledge on the approval procedures required in microfinance banks in Nigeria. Akinola and Adesopo (2014) in their study showed that the majority of the MFIs lean towards locating their institutions in urban areas instead of the rural area, location of the poor and the operator's lack dearth of knowledge in micro financing business. Thus, the core target market is disregarded. Ademu (2012) examined the contribution the MFIs have made in the alleviation of poverty in Nigeria and identified five components that hindered the alleviation of poverty. These are low profit, very high prices of goods and services, difficult economic times, lack of takeoff capital or capital to expand the business, and dwindling business as the essential components resulting in increasing in poverty. Acha (2012) reviewed the problems and prospect of microfinance in Nigeria and found gaps to fill regarding a recurrent change in policy by government and diversion of the micro-fund.

Ademu (2012); and Agba, et al. (2014)'s studies showed the need for government to formulate policies and regulations that will persistently stimulate the microfinance credit program in Nigeria and to expedite action to ensure understanding amongst the active poor earners regarding the gains of microcredit program designed for the poor. That establishes a gap in the literature that requires been investigated and filled. This qualitative multiple case study sought to bridge the gap in the literature through scrutinizing and describing the need for providing financial services that are designed to satisfy the needs of the poor income earners to attain an inclusive financial society. The research study is intended to contribute to knowledge through the enhancement of an all-inclusive financial system that requires the creation of continuous financial knowledge or financial literacy to the poor. It will also assist in changing the concept of the poor regarding the distinction between microfinance and microcredit, their mental model of the role and connection that should exist between the poor and financial institutions and other funds providers. That should boost the poor's banking culture and scope of financial literacy; contribute to the economic empowerment of the working poor; promote economic development that should ultimately attain financial inclusion.

Gaps in Research

There is no gainsaying that microfinance is term as the provision of banking services to the unbanked and the poor that are financially excluded from accessing financial services from the conventional banks. This provision for finance has turned out to be the most assuring paths for motivating sustainable economic growth in the rural areas through promotion of micro businesses (Boateng, 2015). In Nigeria, the failure of the community banking scheme and the various government projects aimed to alleviate the poor premised on the many challenges they are exposed to, and had to grapple with from the onset (Acha, 2012). According to Dahir (2015), for the MFIs to get hold of the benefit of the huge market prospects in micro financing, some gaps need to be filled. One of the major aftermaths of a vast informal sector is the problem in economic management. Nigeria has had its fair experience like other countries owing that the regulatory authorities had cause to watch with concern as its fiscal measures fail to meet its set goals. One of the primary hindrances of MFIs in Nigeria is the necessary infrastructure. Which exacerbates operational hitches of the institutions that usually encountered with enormous costs of business because of their unique kind of business, poor banking culture amongst the rural communities, the urban poor, and a huge outreach gap of the market (Acha, 2012). The MFIs are mostly located in the southern and eastern regions of Nigeria, which is a disadvantage to the poor majority in the mainly Muslim North (Thom-Otuya & Chukuigwe, 2014).

Furthermore, there is the weak regulatory framework, lack of understanding of the concept by both the regulators and the operators. The restrained support for capacity building in the MFIs; clear opposition from other financial institutions; common misconception; discarding primary microfinance role; and scarcity of skilled personnel have been hindering the success and performance of MFIs in Nigeria (Acha, 2012 & Ademu, 2012). These formed huge un-utilized potentials of financial services at the small level of the Nigerian economy. That include the constant attempt of the government to connect the gap is not so successful.

In this study, I provided an insight into the role MFIs play in alleviating the poor. I investigated the factors that constrained the microfinance scheme from achieving its intended purpose; identified the reasons that hindered the poor business owners from accessing the financial services. In addition, explored business owners' understanding regarding funding options most suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria. To gain an understanding of the components that has deterred the deliberate growth and hindered access to microloan from MFIs to the economically active poor, which is aimed at promoting financial inclusion and a sustainable economy development.

Summary and Transition

This chapter consisted of a comprehensive review of relevant studies of microfinance and analyzed the rationale in gaining knowledge on business owners' understanding regarding funding options most suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria. The microfinance policy possesses enormous potentials for an economy since it was anticipated to alleviate the poor, reduce poverty, create employment, and enhance economic development, among others. Consequently, that has not been so successful; the microfinance industry faces various challenges since the commencement of the scheme in Nigeria. That is in addition to the fact that the scheme, initiated at the high point of the consolidation in the banking sector. Thus, a large number of those that were affected dived into microfinance business without understanding and acquiring skills on the concept (Meenu, 2012).

Some researchers asserted that the concept behind microfinance program is to promote access to relevant banking services to the unbanked and economically active poor people to improve their entrepreneurial pursuits, increase their income and increase their chances as entrepreneurs. The literature review of various researchers and conceptual theories revealed some of the challenges confronting the microfinance sector. Some of these identified problems are the diversion of the fund, inadequate business capital, change in government policies, the location of MFIs, high risk, high transaction cost. Others are increasing loan losses, weak governance, financial literacy, competition, weak regulatory framework, knowledge dearth and skill gap in microfinance business (Yadav, 2016; Agba, et al., 2014; Ademu 2013; Acha, 2012). Most of the research studies stressed on these challenges that hindered access to financial services for the active poor, and by extension, slows the attainment of microfinance objectives, and suggested further study on the topic. Carrying out further research on the strategies that could improve small business owner’s access to microloan from MFIs, should promote positive social change. Through the enhancement of an all-inclusive financial system that requires the creation of continuous financial awareness to the active poor; improve banking culture and scope of financial literacy; economic empowerment of the active poor; alleviate poverty through creation of employment in small businesses; and economic development.

The conceptual framework for this research is a multiple case study that attempted to describe the methodology of the research as reported in the literature review. Furthermore, the emphasis in chapter 3 are elaborating on a description of the chosen qualitative research method, design, and target population, sample strategy and data analysis methods to be used to examine the strategies that could improve access to financial services designed for the active poor households and small earners in Nigeria.

Chapter 3: Research Method

Introduction

The purpose of this qualitative multiple case study was to explore small business owners' understanding regarding funding options most suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria. In this chapter, I provide an account of the research design, which was used to respond to and explore the research question presented in Chapter 1. In this chapter, I examine the qualitative research method, the reason for choosing a multiple case study design, the method of data collection and data analysis, the population, the selection of participants and sampling strategy, the instrument used for data collection, and coding and analysis of data. I also describe evidence of quality, practicability, and suitability of the study; the process of informed consent; ethical considerations relevant to the study; and the chapter summary.

In this study, I was guided by a RQ on how to seek ways of instituting point of reference for enhancing the efficacy of MFIs that would expand their economic activities and achieve its objectives of boosting economic growth and the management of the institutions. The RQ is phrased as stated below: How can small business owners obtain information regarding funding options most suitable for sustaining their business beyond the first 5 years in Nigeria?

Research Design and Rationale

In this section, I examine the research design and method I used for this study. Particularly, I ascertain the tradition of inquiry to be qualitative research. The purpose of this qualitative, multiple case study was to explore small business owners' understanding regarding funding options suitable to sustain their businesses beyond the first 5 years from microfinance banks, and I sought the causes that have hindered the poor from accessing financial services that are designed to satisfy their banking needs. I also explored the effects of microloan to the sustainability of the growth of their businesses

This qualitative, multiple case study design was the type of inquiry that I employed for this study to explore the causes that impede the small-scale business owners from accessing financial services offered by the MFIs. Qualitative researchers employ non-statistical methods and techniques to gather information regarding an observed social phenomena or events (McNabb, 2012). The data that are collected for qualitative studies consist of words, images, and pictures, which are not numerical. They have the ability of giving more than just narration of events: an understanding, detailed analysis and educated examination of the phenomena.

Ormston et al. (2013) posited that qualitative research is established upon philosophical assumptions to comprehend the various approaches selected by qualitative researchers: ontology, epistemology, rhetoric, axiology, and methodology. Ontology relates to the individual's perceptions and concept specific ideas, and it deals with the nature of existence or reality. Ontology study’s theories of being, theories of what constitutes reality and a formal representation of the knowledge by a set or multiple of concepts within a discipline. The relationships between these concepts are reflected, or reported by investigating multiple form of evidence from participants’ views in quotes and themes. Ontology is used to reason about the properties of that discipline, and it can be used to describe it (Blaikie, 2003).

In the epistemological assumption, the researcher has knowledge of an occurrence because of the knowledge that one perceives to have on the phenomena. Epistemology answers the questions that begin in "how" or "what," and refers to the study of principles of expertise, which is an offshoot of philosophy that is concerned with the essence and breadth of knowledge (Blaikie, 2003). Epistemology emphases examining the essence of comprehension and the way it links to ideas like truth, belief, and justification, in addition to dealing with factors of specialization of knowledge, including doubts concerning various arguments on knowledge. Epistemology is the understanding of whether knowledge is true or false. The study process involves the nature of knowledge and an attempt to identify how the researchers know what they know, as they get close with the individuals who are under study. Data that are subjective, are gathered based on individuals' perspectives from the research that is carried out in the disciple (Patton, 2002).

On the other hand, axiology refers to the role of values. According to axiology, the researcher is aware of the likelihood of biases with the value-laden nature of data collected in the study; in the course of the procedure, the researcher reviews it alongside with his/her analysis and that of the participants (Patton, 2008). Rhetoric assumption refers to the art of persuading the readers. The researcher uses informal, literary, and evolving decisions writing style and acknowledged qualitative language for writing research. Although methodology refers to the methods employed in a research process, inductive procedures, emerging design, and context analysis are employed and formed by the researcher's experiences in data collection and analysis of the researcher (Patton, 2008).

McNabb (2012) explained that qualitative research includes induction and theory generation, and it is subjective and nonpositivistic in nature; on the other hand, quantitative researchers employ numbers and deductive statistical data, theory, analysis, and its goal and positivistic in nature. Quantitative researchers provide an understanding to the difficult situation, or assists to expand ideas or hypothesis for likely quantitative research. The researchers stay away from forming value judgments concerning views, thoughts, attitudes, dispositions, and connections of the phenomenon of study. Although qualitative researchers are open to changes because of the absence of model assumptions, it is also employed to unveil bias in thought and opinions, and plunge in-depth into the problem

According to McNabb (2012), qualitative research can further be classified in three classes: explanatory, interpretive, and critical research. The explanatory researcher aims at exploring and ascertaining the cause of societal problems by way of one or more aspects like environment, socioeconomic, and others. McNabb further asserted that the key aim of the explanatory research is by inductively establishing theories relevant to the phenomenon because of its approach in comprehension and use synonymously in subsequent situations.

The interpretive research was with the understanding that the explanatory research is restricted and inadequate to elucidate human occurrences or situations. The researcher is expected to form subjective connotations and explanations of social phenomenon. The goal of interpretive research is to illustrate and explain the occurrences of persons through viewing how the experiences and occurrences are perceived and grasp as they transpire and evolve. Interpretative researchers affirm that facts could be acquired from explanations linked to perceptible social phenomenon or realities like artifacts, shared experiences, and more. However, Sayer (2010) advised that the interpretations of social phenomena should be taken with consideration because numerous of the innate interactions do not regularly link reason and notion. Critical researchers emphasize providing an analysis on a social situation regarded as harmful. The purpose of critical research is ensuring that individuals are conscious of the aftermaths of their thoughts, behaviors, and actions concerning harmful situations in addition to the eventual goal of altering the thoughts, behaviors and actions. Critical research is established on the premise that there is a social problem.

The exploratory qualitative design of research is a suitable choice compared to the interpretive and critical research. The aim of this research is not to illustrate and explain the experiences of human view in different aspects and patterns as in interpretive studies, neither is the purpose to identify harmful situations, as critical researchers will have provided. The aim of this research surpassed an ordinary description and explanation of the concept of accessing financial services that is designed to meet the needs of the small business earners, unbanked and active poor households. The questions in this research are not formulated for testing hypotheses access to financial services designed for the poor according to the philosophical ground of quantitative research. A multiple case study was adequate for this study as the selected participants were drawn from different cases. A single case study was considered for this study, but was inappropriate. I conducted a multiple case study of 15 samples in Abuja Nigeria.

Role of the Researcher

I am part of the study and the research instrument. In the qualitative study, I served as the research instrument. I used the research study to select 15 purposeful samples. I purposefully selected 15 participants who (a) had not considered accessing microloans from microfinance banks and (b) had gained access to microloan in microfinance banks consecutively for the past 3 years. I collected data from a semistructured interview. I asked the participants open-ended questions using the interview protocol and audio recorded and transcribes the interview responses. I selected the participants without any personal knowledge of the participants. I approached three microfinance banks in Abuja, Nigeria with the inclusion criteria to identify possible participants.

I used NVivo to organize the data, identify themes, categories, and code the interview responses. To mitigate bias, personal bias are identified, and I engage in bracketing, or the process of revealing the personal bias that cannot eliminate (Onwugbuzie & Byers, 2014).

Conceptual Method of Inquiry

Research is defined as a structured investigation to report, describe, predict and control the observed phenomenon. This requires both inductive methods that examines the observed phenomenon and recognizes the common doctrines, systems, or processes that are fundamental to the observed phenomenon in order to generate theories; and deductive methods that substantiate the theorized principles by way of observations to test the validity of the theories (Babbie, 2013). Strauss and Corbin (2014) posit that qualitative research is generally described as the sort of research, which provides findings that did not emerged using statistical, or quantification processes (p. 17). Furthermore, research is described as the action of asserting and improving or scrutinizing and grasping the meaning participants or groups attribute to human or social issues. If there exist various types of issues, various varieties of research methods are utilized to study the issues. Using the same reasoning, extending appropriate banking services that will satisfy the need of low-income earners requires applying appropriate design model that would promote access to this service. The result of this study would alleviate the wellbeing of the poor; contribute to sustainable development and financially inclusive economy.

Accordingly, the purpose of research particularly multiple case study is an action plan of investigation from which one obtain an extensive summary hypothesis of a technique, procedure, activity, or interface rooted in the viewpoints of participants. Significantly, these were collected through listening to the views of the participants, collection of data and knowledge gathered in the course of the procedure (Charmaz, 2014; Strauss & Corbin, 2014). For the purpose of this study, I provided a thorough understanding of the research study that should boost the standard of living of the active poor, and contributes to financial inclusion and economic development.

Research Overview

Qualitative method of research is focused on a "world view" that is holistic and the reality is based upon the conceptions that differ for every individual and changes after some times. Our knowledge is only relevant within its context or a specified state. The logical approach employed in qualitative approach demands the notion of putting bits in concert to form wholes, this practice make sense. Thus, in view of the fact that conception differs from one person to the other, various meanings are possible (Leedy & Ormrod, 2013).

Qualitative research is a field of study that cuts across disciplines, and potential researchers who are determined to collect a deep understanding of the behavior of humans. Using this approach, I explored the why and how of the essence of accessing designed financial services to the poor, not just the what, where, and when. Therefore, small but focused samples are to a great extend frequently required as were carried out in this study. Qualitative research methods have generally remained the better choice in the fields of anthropology, sociology, political science and history. While fields like economics tend to depend on quantitative methods largely.

According to Singleton and Straits (2005), studying research methods offers additional fast and valuable data much more compared to any individual course of study. Thus, research fellows have established mode of enhancing their preferred approaches, in spite of the fact that numerous problems until now burden the research methods such as business methods, social methods, and others. These problems comprise the choice of methods, selection procedure and research designs. Goulding (2002) posits that the advocates of quantitative model discern qualitative research as exploratory, packed with speculation, non-scientific, loaded with value, with misrepresentation of principles of good science.

The advocates of qualitative research too affirm that positives of social behaviors are pseudoscience, resolute, shortsighted, mechanistic, and out of date and restricted to the field of evaluating prevailing postulations at the cost of contemporary hypothesis development (Goulding, 2002). He further ascribed the rift between the two approaches mostly to misunderstanding of their individual descents, a metaphoric that formed the qualitative and quantitative, and their ontological distinctions. According to Goulding (2002), every single paradigm has its strong points and weak points. Qualitative research practice is proposed for research that is exploratory in nature in view of the fact that there is no theory or variables in reality to test the phenomenon that is contemporary or distinct. Hence, it is necessary to study the phenomenon exhaustively to give an understanding (Goulding, 2002). The goal of qualitative research is to report, illuminate and elucidate the phenomena of humans (Polkinghorne, 2005).

For the purpose of this research study, I investigated the concept of designed banking services to the small business owners and the most suitable funding option that would drive the growth of businesses of the active poor and enhance access to financial services that the MFIs offer. Also, in the qualitative models, various practices exist and the goal of research is to ascertain the selection of a practice that is suitable; this explain the rationale for selecting qualitative research multiple case study practice for this dissertation. Multiple case study design is described as “an intensive study of a specific individual or specific context" (Trochim, 2001, p.161). On the other hand, it is defined as an investigation of an enclosed process or an occurrence (or numerous occurrences) within a period through a comprehensive, thorough data collection including various sources of data packed with context.

Qualitative Versus Quantitative

In comparing qualitative and quantitative research methods, researchers have argued that there are significant distinctions between them. Onwuegbuzie and Leech (2005) described the distinctions amongst these views, links with the scope that they individually accept that qualitative and quantitative methods coexist, and can be blended. They further elucidated that the three branches can form a concept of being placed on a continuum. The purist and pragmatists are on opposing sides, when situation lists are located amidst purists and pragmatists, pragmatists recommended collaborating methods in a single stud. In the same vein, Sieber (1973) stated that since the two methods have ingrained strengths and weaknesses, researchers could use the strong points of the two methods to have an understanding of social phenomena.

Singleton and straits (2005) showed the main differences between qualitative and quantitative variables. They stressed that a variable can be qualitative where it is classified or tagged with words or labels and non-numerical distinctions amongst classes. Qualitative research generates non-numerical data. It is exploratory in nature; it aims at providing complete, comprehensive account of the research topic. It tends to be inductive; inductive theory allows for the discovery of new understandings (Leedy & Ormrod 2013), in other words, it generates theory. Nachmia, Nachmias and Dewaard

(2014) argued that qualitative researchers seek to comprehend conduct and organizations through having acquaintance of the individuals concerned and their “values, rituals, symbols, beliefs, and emotions”, and often involves a subjective element; in situation that the researcher might really be absorbed in the state of the research. Furthermore, this approach usually utilizes open-ended questions and adapts the technique of inquiry stemming from a participant’s responses that were impractical to accomplish with large sample sizes.

Additionally, qualitative research can be illustrated as a successful archetype, which naturally takes place in an environment that allows for the expansion to a decree of precision for getting committed in actual experiences (Savin-Baden, & Major, 2013). The approach lets the researcher to investigate and appropriately grasp the complication of an occurrence. However, the approach aims to validate a perception of knowledge as truth. On the other hand, in a quantitative variable, the classes or values comprise of numerals where the distinctions between the classes can be indicated numerically. The distinct dissimilarity of quantitative and qualitative research in clear English is that quantitative creates information that is expressed in numbers, which can be adjusted numerical. It centered heavily on counting and categorizing attributes and the construct of statistical models and figures to describe its observation. Quantitative research is a method for trying theories through investigating the correlation among variables. Quantitative method is conventional, factual, orderly procedures in that data or information expressed in numbers is employed to get facts on worldview. Statistically, quantitative research explores a theory and forecasts a link among variables that are under study (Burns &

Grove, 2005). Notwithstanding quantitative research could reveal a link among variables, the consequence of the research action plan does not interpret the logic for the existence of a connection. Quantitative research is considered factual; it is considered that in acquiring, examining and elucidating quantitative data, the research fellow may continue to be uninvolved and unbiased, usually; this assertion is contrary with qualitative research.

Quantitative research is disposed to be deductive; deductive theory is a type of quantitative inquiry used to substantiate whether or not a hypothesis is true within a defined situation (Laureate Education 2009). That is, it explores theory, which contrary to most qualitative research; quantitative research method tends to generate consequences, which could be generalized. Yet another benefit of quantitative approach is that because it utilizes orderly methods of questioning, which does not adapt from topic to the next, it has the ability to involve information obtain from a large sample size (Burns & Grove, 2005). Quantitative and qualitative research approaches inquire and investigate the varying assertions to expertize with the two approaches, which are modelled to tackle particular kind of research inquiry. On the other hand, the quantitative approach presents an actual standard of reality.

Conceptual Framework of Inquiry

In this qualitative study, I used multiple case study design as showed in the definition of qualitative research by Maxwell (2013), as a way of investigating and comprehending the thoughts of persons or groups regarding societal or human problem. I inductively analyzed the data generated from specifics to generalized themes, scrutinize words, recount the interview in details and shed light on the significance of the data. The qualitative practice of study is proposed where the research subject required exploratory work like this multiple case study in view of the fact that there are no theories in existence to elucidate it, since variables cannot be recognized easily and a comprehensive description of the topic-required presentation. To that effect, I developed more skills and gave an account and the opinion of the respondents (Singleton & Straits, 2005; Strauss & Corbin, 2014; Trochim, 2001)

This method of research necessitates intended benefits for illustrating and explaining collected data. Leedy and Ormrod (2013) asserted that qualitative research is not formulated expository because it expands and establish new theories. It can also be demonstrated like a suitable design that occur in a real situation that allows for the development of the research to a level of cognition from getting too integrated in the reality of the experience (Denzin & Lincoln, 2011).

This study was an exploratory multiple case study research that was instrumental to understanding the observed phenomenon in its real life context in order to optimize the purpose of the study (Yin, 2013). The multiple case study design fits this study as the approach researches put more emphasis on the role of microfinance and the strategies for improving access to microloan to the active poor that were investigated in a field of a restricted scope of interest. This qualitative research method was used to offer an insight into the topic in an elaborate and extensive approach. And the choice of multiple case study design systematically generated pattern archetype of the phenomenon of study taking into account its adaptability, data collection and analysis are usually determined by the research of study, as I tried to assess the present real-life situations and proffer the support for the use of views and expansion of methods.

Justification for Multiple Case Study Approach

Having dwelled upon the qualitative kind of research, the multiple case study instruments were chosen as the suitable research tradition of inquiry. According to Trochim and Donnelly (2007), multiple case study design is an exhaustive study of a specific person or theme. Stake (1995) defined multiple case studies as a qualitative method where a researcher employs a mixture of sources of data like interviews, observations, documents, and archive records within a frame of time to analyze a multiple case. Multiple case studies are attempting to generate a comprehensive explanation and analysis of a case or cases, perfect for issues that need a detailed investigation, and the component of analysis is generally a study of an occurrence, problem, project, or action, besides requiring the analysis of input from several participants.

Yin (2013) asserted that a multiple case study design lets research fellows maintain holistic and relevant attributes of reality of life events, like a person's life circle, small group, organization and management processes, neighborhood, and evolvement of a firm. Even as I admit that there are some established biases regarding the multiple case study method, however, a robust case is to some extent put together for the tradition. The specific dispute that is antagonistic towards case study is the lack of research rigidity usually distinguished through the failure to comply with structured processes and vulnerability of the research study to biases and/or exploratory testimony. Adversary of the multiple case study design further criticized the method on its lack of capacity to give assumption for generality; owing that it consumes time, generates enormous imperceptible documents, and the revived impact of domain tests that sought to develop causal relationships in the disciplines like education. The augment against the vital defenses refutes that exploratory research is also receptive to bias and that case studies are generalizable to hypothetical premises instead of the whole population (Yin, 2013)

Furthermore, multiple case study method does not require consuming time or protracted like its usual methods of data collection methods like the interviews and documents can presently be conducted in a realistic fashion utilizing the internet or telephone. It can literarily be compatible to experimental research that is usually defective in describing how and why of an investigation is required by a multiple case study. Following this denial, a case study analysis in its span of meaning is viewed as practical at the point the objective is to possess an in-depth understanding of the reality of life phenomenon inside its contextual domain. Yin (2013) explained that the method as well subsists with the strictly typical condition where there are several other variables, which are of interest compare to data points, and consequently, depends on multiple references of testimony, as well as data requiring connecting in a triangulation mode. Further to yet another outcome gains from the previous growth of theoretical premises to direct collection of data and analysis. Thomas and Myers (2015) defined case study; aside it is established meaning, as a trans-paradigmatic and trans-disciplinary heuristic, which includes the cautious description of the phenomenon where the facts are being gathered.

Regardless of the research paradigm, case study is transparadigmatic; this means multiple case studies understands post positivism, constructivism, and critical theory. Thus, heuristic is considered as a method that emphasizes the consideration of the researcher in the course of study, “construction, discovery, or problem solving”. The word heuristic is employed to delineate an unusual kind of case study, which uses logical introduction to find out the core of case study (Thomas & Myers, 2015). Accordingly, in opposition to universal meanings of case study method, Thomas and Myers (2015) disprove and gave reasons for case study method as, neither a methodology or a research design.

In addition, there are three kinds of case study methods, which include the single instrument, the collective or multiple, with intrinsic case study. Even though emphasis on the single instrumental case study deals with a single bonded case, the collective or multiple case studies equally focus a single problem (Yin, 2014). However, the problem, regard itself instead of describing it with case study. Thomas and Myers (2015) recognized seven features of multiple case studies, these are small sample size because of its extensive emphases on a single analysis, a comprehensive context analysis, and normal surroundings since it lacks restrain concerning the case of study. Some other attributes are exhaustive explanation of a secular or spatial border and creation of active hypotheses and withdrawal of knowledge acquired. Thus, multiple case study was further portrayed through employing multiple sources of data, which allows triangulation for validity and precision let alone the capability to increase the audience’s comprehension and experience of a phenomenon (Thomas & Myers, 2015).

In view of that, the problem that this study is being conducted is to understand the logic small business owners cannot access the financial services that are designed to meet their need, it has become practical what led to the choice of utilizing the lone instrument multiple case study rather than the collective and multiple, and intrinsic case study. The option evenly situates alone Yin (2013)'s reasons offered to design single case studies. The reason referred to the single case depicting the critical case to support a theory, which has so far been appropriately devised. Built on the specified requirements of the theory, one case can be employed to validate, argue, or develop on the theory.

Yin (2014) postulated that multiple case studies is employed in various conditions to add to the understanding of persons, groups, and organizations, communal, political and associated phenomena. Considering that this research adjudges persons instead of culture, case study is the most appropriate alternative. Accordingly, qualitative researchers have the inclination to adopt the overblown premise that the script requires to be individualized and scholarly in structure, in addition to embarking on qualitative research demanded firm obligation to explore the phenomenon and required period and resources.

Qualitative research is for the researcher that is ready to spare sufficient length of time researching, participating in an in-depth and lengthy method of analysis of data. Couple with determined role of categorizing by huge quantity of data and decreasing the data to fewer themes or categories, writing lengthy excerpts. Since the proof supports assertions and the writer requires demonstrating various views; and partaking in a type of communal and human science inquiry, which does not possess definite rules or particular methods and transforming and altering continuously.

Research questions in quantitative research study frequently begin with research questions through relating what is going on. By distinction, the quantitative research method investigates why and search for similarity in groups, or the links in the midst of variables. The objective of instituting a link, connection, or principle of causation is often the stamp of multiple case study design in quantitative research. Accordingly, the essence of questions in research usually prescribes the appropriate method. Overall, the qualitative research investigation is created out of the research questions. Maxwell (2013) asserted that qualitative research goes further ahead of philosophical suppositions, views, and theories into the commencement of a study. In the middle of the design stage of the study, various qualitative models were reviewed to ascertain the suitable approaches. These qualitative models comprised case study, narrative, ethnography, phenomenology, and grounded theory research. Furthermore, interview method was considered, the choice of a suitable design was predicated entirely on the aim of the research and the kind of information, which were gathered.

Ethnographic research design studies complete culture of a group, in that the research person explains and gives illumination on a whole group's shared standards of value, behaviors, beliefs and language. This design tries to comprehend the adaptions in-group culture within a period. The main data collection procedures are interviews and observations. This study aimed to comprehend the phenomenon and not to understand the culture of a specific group since some sources of data were needed (Maxwell, 2013).

Grounded theory study aims to generate theory that is built on conceptual notions;

besides discovering the respondent's main concern and the way, they try to dissect it. This study scrutinizes a system, action or interface in order to generate a theory that is grounded in observation (Glaser & Strauss, 2012). This approach is inappropriate for this study, as it aims to acquire more knowledge on a phenomenon from the empirical review. Phenomenology focuses on describing the experiences of people in a definite situation to comprehend an occurrence. It tries to offer an account of real life experiences, activities or situations respondents had so as to explain a phenomenon (Patton, 2002), and how their opinions can vary from ordinary held views by stressing on a person's inherent assessments of what someone experience. The participants are deliberately selected to make sure they have experienced the phenomenon that is being studied

Narrative design of research gives account of individual's entire life, lived experiences and told stories within a period, but is not suitable for this study as regards the scope and purpose. This approach explores the essence of the account, and the lessons learnt from the story; this is usually in the shape of biography, history or expressed history. The approach for rendering this study requires stressing on studying one or more persons, collating data through gathering participants' stories, outlining the experiences, and arranging the essence of the experiences in series (Patton, 2002). Thus, studying a person's life will not offer the required data needed for what this research study aims to establish. Multiple case study is a more suitable approach and apt compared to the other approaches in qualitative research study taking into account the aim of the research and the facts needed to response to the research inquiries in this study.

Research Data and Sample Size

Qualitative research has various sampling strategy from which a researcher can select when drawing a sampling strategy plan. However, in this kind of inquiry, the sampling strategy was selected to assist in illuminating the research question to be studied. For that reason, the researcher selected a sampling strategy that best elucidated the research idea (Patton, 2002). Patton (2002) elucidated the various sampling strategies, these are extreme or deviant case, intensity sampling, maximum variation, homogeneous sample, typical case sampling, critical case sampling, snowball or chain sampling, criterion sampling, theory-based sampling, confirming and disconfirming case, stratified purposive sampling, opportunistic or emergent, purposeful random sampling, sampling politically important cases, convenience sampling, and combination or mixed purpose sampling.

Thus, since qualitative inquiry seeks for depth and breadth, the size of participants in this study were small in order to effectively manage the number of in-depth interviews of data, this approach is considered appropriate because of the power of the homogeneous nature of sampling population that were employed for the study (Gentiles, et al. 2015). This qualitative study collected data from the participants through semistructured face-to-face interview until it reached triangulation and produce understanding (Thomas & Myers, 2015). To that regard, the interviews were conducted in the informal settlement to gain an understanding of the bank customers and ultimately expand the research instrument.

Instrumentation and Material

For the purpose of this study, I employed one-to-one interviews as a primary approach of data collection tool. Maxwell (2013) posits that one-on-one interviews are effectual tools for discussion with participants who are open and are willing to share information. According to Maxwell (2013), interviews are common tools for collecting data. One-on-one interview permits the researcher to get information from persons with the aim of obtaining information from their views. The use of interviews is significant since researchers are not able to determine the feelings of others concerning a specific situation; hence, interviewing participants allows researchers to ascertain how the participants perceive the situation in their minds (Maxwell, 2013). I used interview questions as obtained from the review of literature and research questions. Before the interview sessions, I conducted a field interview to obtain response or criticisms for final review of the interview questions in order to ascertain the credibility of the questions. The aim of a field interview is so to let professionals in the domain review the interview questions and response on the credibility and suitability of the questions to the population.

Data Collection and Method of Analysis

Data Collection Method

Data was collected using unstructured interview, intensive discussion, observation and documented evidence. Homogenous sampling strategy was employed, using purposive sampling approach to bring together subgroups of people with similar social backgrounds, attributes and experiences of small-scale business owners in the shanty were randomly selected from the number of the informal residents to garner in-depth information of the needs of this group (Patton, 2002). Purposive sampling helped to ensure that the selected sample is an appropriate representative of the small business owners. Who have had accessed financial services and meet the required criteria to contribute to the study (Yin, 2014); I identified key participants that have the traits, social backgrounds and experiences relevant to the purpose of study for an exhaustive perception of their understanding of the problem and answers to questions relevant to the study. I continued to employ the multiple sources data until triangulation for validity was reached, and gave an understanding of the phenomenon (Thomas & Myers, 2015).

I used semistructured interview to collect data from the 15 purposefully selected participants; the sample is imperative, to increase the depth of understanding of the study, some relatively fewer participants are more realistic; owing that understanding the study in details using this approach required selecting few participants to assist in elucidating the problem of study. These allowed for detail analysis of responses from participants, facilitated variation, and identification of codes and themes, and simplified analysis (Benard, 2012). The sample size of 15 participants was therefore considered suitable for data collection in this study (Draper & Swift, 2010).

Data Analysis Method

The process of interpretation started after the data collection; the interview transcripts were transcribed into codes to form patterns, concepts, and themes that gave meaning to the participant's worldviews; and simplified analysis as it helped to look for keywords, phrases, and ideas in the data that were gathered electronically (Basit, 2003), with the help of NVivo software. The software facilitated in sorting and categorizing data into patterns, and themes (Patton, 2002). The three methods of data analysis used were; open coding that organized the data that made sense of it; axial coding that interconnected the categories; and selective coding that build the story that connected the categories. These processes enhanced the generation of a set of theoretical propositions; explained the data and the phenomenon (Strauss & Corbin, 2014)

The structured tools and methods that were employed by the study to elucidate the collected information were subjected to frequency analysis to determine the size of the sample population. It was further subjected to the primary integral components analysis and un-scale cluster analysis to derive the measurements that determine the essence of the financial services required and of the perceived benefits of the varying financial services.

Issue of Trustworthiness

Credibility

Ali and Yusof (2012) evaluated that the aim of reliability is for the researcher to minimize the error and biases in a study. I conducted the interview, interpreted the findings and shared the interpretation with the participants for validation through member checking. I provided a clear and broad understanding of the business owners' response as regards microloan approval procedures that can guarantee approval success. Methodological triangulation is the process of using multiple sources as evidence to create validity (Yin, 2014).

Transferability

To ensure transferability, I interviewed 15 participants to gain diverse range of perceptions. To ensure credibility of study, the researcher used consistent data collection tool. I used the interview protocol to be consistent in the data collection process. Transferability is always left up to the readers to decide (Marshall & Rossman, 2015; Porte, 2013).

Dependability

Dependability exists when another researcher can adopt the decision of the previous researcher (Onwugbuzie & Byers, 2014). To ensure dependability, I provided systematic details throughout the study regarding the participants' responses to the interview question that I recorded using the audio recording and the transcribed document. Participants reviewed the transcript from the interview responses to validate the quality of the manuscript. I used member checking to verify the meaning of the results to improve the validity and reliability of the study (Harper & Cole, 2012). I used member checking by reviewing and interpreting the interview transcripts, and writing each question followed by a succinct synthesis. I continued the member checking process until there was no new data to collect.

Confirmability

Conformability of the study is ensured using processes such as (a) by creating an audit trail, (b) internal audit, (c) external audit, and (d) a written final research report (White, Oelke, & Friesen, 2012). I completed a detailed account of all data collection and data analysis process. I documented any change made during the research process along with the rationale for the change. I ensured the audits of coding and themes for the qualitative study were followed. I wrote a final research report to increase the conformability of the research results.

Ethical Procedure

Before embarking on data collection using interview process, I obtained approval from the Walden Institutional Review Board (IRB). A consent form was sent along the IRB application form for approval. The consent form provides information on voluntary participations in the research. The purpose of this qualitative multiple case study was to explore small business owners' understanding regarding funding options most suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria. I stored all interview recordings, transcripts, and field notes in a locked safe in my home and I stored the electronic data file in my home computer under password protection. I would permanently erase the electronic data file and delete the saved document after a period of 5 years. I used member checking by returning to the participants a summary of the interview responses. I did not select participants based on prior knowledge of their businesses.

Protecting Rights of Participants

To gained access to the participants in order to create rapport, I developed trust by justifying the essence and the aim for the study and the benefits they, the participants will derive from the study, to get them to share in the importance of the interview (Nachmias, et al, 2014). I reviewed the details and inform the participants about the aim of this study, the voluntary nature; and can discontinue at any time of the study, the procedures, risks and gains of participating in the study, confidentiality and contact information. All this were communicated to the participants in person during initial visit, and assure them of their integrity in the process to gain direct contact and their readiness to take part in the study, and get their consent before the interview starts. Finally, assured them of remaining anonymous, information was kept confidential, privacy will not be violated no coercion, social or economic loss or harmful health impacts, and review benefits and likely risks again before the interview.

Summary of Methodology

In this chapter, I reviewed the qualitative research approaches, inquire and explained why a qualitative study is considered as the most appropriate model, and scrutinized the conceptual framework of inquiry and design for this study. The conceptual framework to be employed for this research is an exploratory multiple case study that will try to explain the methodology of the study as specified in this chapter to provide exhaustive information for this research phenomenon. Consequently, this third chapter elaborately explained the qualitative research method, design, and target population, sample strategy and data analysis methods used to explore the strategies that could improve the access to microloans extending by MFIs to the underprivileged small earners in Nigeria.

The researcher used sampling strategies that ensured participants' participate and were able to answer the interview's open-ended questions adequately. The data that were collected was transcribed into codes to form patterns, concepts and themes to have an understanding of the participant's views on the study. And analyzed through keywords, phrases and ideas from the gathered data with the help of Nvivo software; which assisted in sorting and categorizing data in patterns and themes that generated theory and explain the data and the phenomenon in the study (Patton, 2002). The findings and analysis of data are recorded and reviewed in chapter 4 respectively.

Chapter 4: Results

The purpose of this qualitative, multiple case study was to explore small business owners' understanding regarding funding options most suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria. I drafted the interview protocol for the interview session that aided in generating the participants' responses from a single central RQ: How can small business owners obtain information regarding funding options suitable for sustaining their business beyond the first 5 years in Nigeria? The objectives are to grow the businesses of the small-scale entrepreneurs by using idle savings, growing investment through credit, and cutting oppressive out of date associations compelled by debts (Aghion et al., 2010).

The 1980s was a critical moment in the history of microfinance, such that MFIs like the Grameen Bank began to provide microloans and savings successfully on an extensive level. In Chapter 4, I describe the data analysis of the collected data and present the result of the interview with the 15 purposeful sample research participants. I outline events that could have changed from the proposal, which might have influenced my interpretation of the result. I also included the demographics of the participants and the approach used for data collection. The procedures I used to analyze data and the evidence of trustworthiness in the study are presented. I present the results, analysis of result, summary of responses to RQ, and concluded the chapter.

Research Setting

This research study setting was at Nigeria's federal capital, Abuja Metropolitan centre, in the FCT (Nwagwu, 2015). The semistructured, face-to-face interview session was conducted on weekends or the participants' free days within the months of October and November 2017, for optimal attentiveness. The interviews were conducted at the central business district libraries of the FCT's six regional area councils (Akinjare, Oni, & Iroham, 2014). The proximity of the interview venues to the participants made it easy for the subjects to participate in the interviews. The participants were the small-scale enterprises owners, and the interviews took place in a space of 4 weeks for the 15 research subjects. The data were analyzed at the same time as they emerged during each week's interview plans. The interviews took place in succession.

Demographics

Subsequent to the receipt of approval from Walden University IRB, and after I had sent a letter of cooperation to the three MFIs, I issued an expression of interest letter according to the inclusion criteria and the informed consent form (ICF) to the appropriate participants. All the 15 participants were selected based on the inclusion criteria; they all expressed their willingness to participate in the semistructured interview, and they all signed the ICF. Some signed the ICF in person during my visit to deliver the consent form while others did through e-mail. I called the 15 research subjects following the emerging pursuit for data saturation that resulted to selection of the 15 research subjects.

The positive outcome of this study hinged on a robust database and depth of responses obtained from the participants. Such depth would result in the validity of the research findings. According to Halverson et al. (2014), the sample size in data collection is justified through ensuring optimal participation and observing the responses to recognize data saturation point. Halverson et al. stressed that sample size varies; there could even be a relatively small number of participants. Furthermore, recruiting additional participants could reduce the researchers' ability to investigate the phenomenon.

Table 1 shows the demographic makeup of the participants. The table explains the sector, gender, qualification, and experiences of each of the participants as shown below.

Table 1: *The Demographic Composition for 15 Participants in the Study*

Participant	Subsector	Education	Gender	Num. of years using funding options
Participant 1	SME/Fashion	BSc	Female	7 year
Participant 2	SME/Fashion	BSc	Female	8 years
Participant 3	SME/Fashion	College	Male	6 years
Participant 4	SME/Fashion	MBA	Female	6 years
Participant 5	SME/Fashion	BSc	Female	10 years
Participant 6	SME/Printing	MSc	Male	11 years
Participant 7	SME/Printing	MSc	Male	6 years
Participant 8	SME/Printing	MBA	Male	7 years
Participant 9	SME/Printing	College	Male	9 years
Participant 10	SME/Printing	College	Female	14 years
Participant 11	SME/Food & Beverages	MBA	Male	6 years
Participant 12	SME/Food & Beverages	MSc	Female	6 years
Participant 13	SME/Food & Beverages	College	Female	6 years
Participant 14	SME/Food & Beverages	College	Female	7 years
Participant 15	SME/Food & Beverages	BSc	Male	8 years

Table 1 shows that the diversity of participants' gender involved purposive selection of male (n = 7) and female (n = 8), which made up the sample size (N = 15).

The composition of the 15 participants from the small and medium enterprises in Nigeria included the following: fashion design (n = 5), printing (n = 5), and food and beverages (n= 5). In relation to the intents of this study, I used a sample size of 15 participants until I reached data saturation, where data gathered became redundant, and the interview no longer produced new information (Marshall, 1996). All research questions were properly answered.

Halverson et al. (2014) stated that sample sizes are based on experience and available literature in the various methodological approaches and current trends regarding the data collected. The number of participants required to attain data saturation was also reviewed. In their study, Halverson et al. noted that most researchers could not recognize any new information from responses obtained from the interview session of 20 or more participants. Recruiting at least five participants from each of the three MFIs served as the ground for sufficient breadth and depth of this study. The purposeful sampling technique assisted in recruiting more participants until data saturation became noticeable. This consideration restricted the rationale for the 15 participants for this study.

The sample frame was made available for new recruitment of additional potential participants in the event saturation was not reached after the interview of the 15 participants. During the data collection process, I obtained applicable information from the research participants. The collection of data process accounted for the actual research. In qualitative research, the moment the interview facet of the study is being carried out is then the researcher is responsible for using all elements of reliability and validity (Pezalla, Pettigrew, & Miller-Day, 2012). I stopped reviewing here.

I was able to ensure data audit, and quality assurance processes rolled in concert with the investigations, which was facilitated by including dependability, creditability, transferability, and confirmability of the study. Based on these events, it was evident when the richness or quality of data began to change (Fusch & Ness, 2015). There were instances where participants repeated themes other interviewees had revealed; such repetition was made at the same time with new information. Thus, the emergence of new information justified the carrying on with the interviews. A researcher begins to experience data saturation when the responses of participants include repetitions of answers, which previous interviews had provided. I continued to collect data until participant's responses were evidently repetitive; the responses were explanations from follow-up questions.

According to Robinson (2014), an adequate interview protocol would remove gaps following a succinct inquiry through interview questions. The required number of participants in the research proposal did not throw any constraints on the additional number of participants since data saturation was the only pertinent reason to discontinue irrespective of whether or not researcher exceeded the planned sample size. I employed all quality assurance stages to confirm data saturation before ending the interview session (Pezalla et al., 2012).

Data Collection

After receiving approval from Walden University IRB (#09-05-17-0268865), I commenced the recruitment process for the 15 sample research subjects. The three microfinance banks (MFBs) used as case study assisted in recruiting the participants based on the inclusion criteria, in Abuja, Nigeria. However, it is imperative to have a clear understanding of the community from where the sample size was recruited, as it is appropriate to this study. Understanding the population in a research community assists to use efficiently research findings to other business principles (Zeyen, 2014). The population for this study consists of small business owners in the suburban, outskirt of

Abuja FCT who had had access to financial services offered by the MFBs and has been successful for five years. All the potential members of the population comprised individuals who have the required expertise to contribute to the study. The prospective participants were also familiar with various loan options provided by their MFIs.

The use of semistructured interview, intensive discussion, and documented evidence were used to collect data. The sampling strategy was homogenous sampling, using purposive sampling approach to bring together subgroups of people with similar social backgrounds, attributes and experiences, frame of households in the shanty were obtained through random selection from the number of the small business owners to garner in-depth information of the needs of this group (Patton, 2002). Purposive sampling was employed which helped ensure that the selected sample was an appropriate representative of the active poor who had had access to financial services and the required expertise to contribute to the study (Yin, 2014); I identified key participants that had the traits, social backgrounds and experiences relevant to the purpose of the study. That helped to collect an exhaustive perception of the selected participants that allowed the researcher understand the problem and questions relevant to the study, as I continued to employ the multiple sources data triangulation occurred, increased validity and gave understanding of the phenomenon (Thomas & Myers, 2015).

I used semistructured interview to collect data from the 15 purposefully selected participants; the sample is imperative, so as to increase the depth of understanding of the study, relatively fewer participants are more realistic; owing that understanding the study in details using this approach requires selecting few participants to assist in elucidating the problem of study. This allowed the detailed analysis of responses from participants, facilitated variation, and identification of codes and themes, and it simplified the analysis (Benard, 2012). The sample size of 15 participants is therefore considered suitable for data collection in this study (Draper & Swift, 2010).

Data Analysis

The process of interpretation started after the data collection, the interview transcripts, field notes, and reflective journal entries were transcribed into codes to form patterns, concepts, and themes, which gave meaning to the participant's worldviews. In addition, simplified analysis as it helped to look for keywords, phrases, and ideas in the data that was gathered, which was electronically (Basit, 2003), with the help of NVivo software. The three methods of data analysis were used; open coding organized the data and made sense of it; axial coding interconnected the categories; and selective coding built the story that connected the categories.

The structured tools and methods that were employed in the study that elucidated the collected information were subjected to frequency analysis to determine the size of the sample population. It was further subjected to the primary integral components analysis and un-scale cluster analysis to derive the measurements that determine the essence of the financial services required and of the perceived benefits of the varying financial services.

Evidence of Trustworthiness

Credibility

Ali and Yusof (2012) explained that the aim of reliability is for the researcher to minimize the error and biases in a study. I conducted the interview, interpreted the findings and shared the interpretation with the participants for validation through member checking. I provided a clear and broad understanding of the business owners' response as regards microloan approval procedures that can guarantee approval success. Methodological triangulation is the process of using multiple sources as evidence to create validity (Yin, 2014).

Transferability

To ensure transferability, I interviewed 15 participants to gain diverse range of perceptions. To ensure credibility of study, the researcher must use consistent data collection tool. I used the interview protocol to be consistent in the data collection process. Transferability is always left up to the readers to decide (Marshall & Rossman, 2015; Porte, 2013).

Dependability

Dependability exists when another researcher can adopt the decision of the previous researcher (Onwugbuzie & Byers, 2014). To ensure dependability, I provided systematic details throughout the study regarding the participants' responses to the interview question that I recorded using the audio recording and the transcribed document. Participants will review the transcript from the interview responses to validate the quality of the manuscript. I used member checking to verify the meaning of the results to improve the validity and reliability of the study (Harper & Cole, 2012). I used member checking by reviewing and interpreting the interview transcripts, and writing each question followed by a succinct synthesis. I continued the member checking process until there is not new data to collect.

Confirmability

Confirmability of the study is ensured using processes such as (a) by creating an audit trail, (b) internal audit, (c) external audit, and (d) a written final research report (White et al., 2012). I completed a detailed account of all data collection and data analysis process. I documented any change made during the research process along with the rationale for the change. I ensured the audits of coding and themes for the qualitative study were followed. I wrote a final research report to increase the conformability of the research results.

Study Results

This study was a multiple case study of small and medium enterprises (SMEs) in fashion, printing, and food and beverages in Abuja, Nigeria towards reaching an understanding regarding funding options most suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria. I selected 15 participants who had the required experiences and interviewed them. The data collected were based on SME sector, and in total, five participants each from the fashion sub-sector, the printing sub-sector, and food and beverages sub-sector were interviewed, which made 15 participants in the SME sector in Abuja, Nigeria. The emerging data revealed the views of the small and medium scale business owners, as representatives. Taking into account that the study had one RQ, the interview questions (IQ) were examined about providing answers to the research question from the viewpoints of the research subjects. The data collected from the semistructured interviews conducted were transformed into categories, codes, and themes. The codes stemmed from the conceptual frame and perceptions emerging from the interview transcripts. The codes transpired to themes, then advanced to categories. The results section included the themes followed by the codes that emerged, as they are revealed and classified in the IQs in the protocol. I explored the research question: How can small business owners obtain information regarding funding options most suitable for sustaining their business beyond the first 5 years in Nigeria?

Findings

The following section is a presentation of the study results as recommended for multiple case study design; it is followed by an evaluation of findings as related to answering the research using the interview protocol. Table 2 and 3 shows the summary of the findings.

Table 2: *Findings in Categories, Themes, and Codes*

Categories	**Themes**	**Codes**	**Type**
Information from Bank Regulators CBN Bulletin NDIC Seminars	Education	Training programs Seminars	A Priori
Bank Relationship Manager Advise Banking Products Availability	Bankers Information	Existing Banking Relationship	A Priori

Approval limit by Banker for Customer		Regular Meeting with Relationship Manager of Bank	
Political Situation Economic Situation Technological Situation Investment Situation	Micro-Economic Factors	Political Fluctuation Effect Oil Price Effect Technological Innovation	A Priori
Employing the Service of a Financial Expert Operating Prudential Guidelines	Independent Auditors Forum	Lectures from Audit Meetings	A Priori
Advice from Bank Scope of Bank Operation Availability of Other Products	Bank Integrity	Loan Tenure Charges on Funds	A Priori
Activities of Competitors Trends in the Market	Competition	Upward or Downward Movement of Competition Activities	A Priori
Ability to Plan for a Suitable Option Feasibility Study and Market Examination	Systematic Planning	Market Research Expert Validation	Emergent
Relying on Market Information	Contextual Evaluation	Market Research	Emergent
	Themes	Previous Studies	
Category Trend Analysis and Following Personal Instinct		Codes	Type
Modeling Existing Business Asking for Help from a Successful SME Owner	Mentee/Mentor Relationship	Business Analysis Relying on Information from Sector	A Priori

Table 2 shows the combined data from the interview sessions and document review results that emerged to nine themes. The themes were identified within the data gathered from the study. The data collected were further organized by categorizing the data, and the interview transcripts transcribed into codes. Table 2 is further narrated as follows:

1. **Education**: The first theme that emerged from responses of questions in the interview protocol was education. From the data collected from the responses and review of documents; I categories data to information from bank regulators, CBN bulletin and NDIC seminars. Codes are formed into training programs and seminars on financial literacy.
2. **Bankers Information**: The second theme was banker's information, which was categorized; bank relationship advises, banking products availability and approval limit by banker for customer while data was coded to existing banking relationship, regular meeting with relationship manager of bank
3. **Micro Economic Factors**: The third theme was micro economic factor; the data was categorized into political situation, economic situation, technological situation, and investment situation. Data was coded into micro-economic factors, political fluctuation effect, oil price effect, technological innovation
4. **Independent Auditors Forum**: The fourth theme was independent auditor's forum, categorized into employing the service of a financial expert, and operating prudential guidelines, and coded lectures from audit meetings
5. **Bank Integrity**: Bank integrity was the fifth theme that emerged from the study results. The data was categorized to advice from bank, scope of bank operation,

and availability of other products. while transcript was coded and transcribed to loan tenure, and charges on funds

6. **Competition**: Competition emerged as the sixth theme. The result was categorized to activities of competitors, and trends in the market, and coded into upward or downward movement of competition activities
7. **Systematic Planning**: Systematic planning emerged as the seventh theme. data was categorized to ability to plan for a suitable option, feasibility study and market examination, and coded into market research and expert validation
8. **Contextual Evaluation**: The eighth theme was contextual evaluation. Categorized into relying on market information, trend analysis and following personal instinct, and coded into market research, and previous studies
9. **Mentor and Mentee Relationship:** The last and ninth theme that emerged was mentor and mentee relationship. The data was categorized to modeling existing business, and asking for help from a successful SME owner, and coded business analysis, and relying on information from sector.

Table 3: *Categories, Themes, Number, and Percentage*

Categories	**Themes**	**Number of Occurrence**	**Percentage of Occurrence**
Information from Bank Regulators CBN Bulletin NDIC Seminars	Education	9	60%
Bank Relationship Manager Advise Banking Products Availability Approval limit by Banker for Customer	Bankers Information	10	67%
Political Situation Economic Situation Technological Situation Investment Situation	Micro-Economic Factors	11	73%
Employing the Service of a Financial Expert Operating Prudential Guidelines	Independent Auditors Forum	10	67%
Advice from Bank Scope of Bank Operation Availability of Other Products	Bank Integrity	13	87%
Activities of Competitors Trends in the Market	Competition	12	80%
Ability to Plan for a Suitable Option	Systematic Planning	10	67%

Feasibility Study and Market Examination			
Relying on Market Information Trend Analysis and Following Personal Instinct	Contextual Evaluation	12	80%
Modelling Existing Business Asking for Help from a Successful SME Owner	Mentee/Mentor Relationship	12	80%

Table 3 shows the categories, themes, number of occurrence of theme and the percentage of the occurrence. The Table is further evaluated and explained as follows:

Theme 1: Education

The first theme that emerged using semistructured interview and review of documents as well as field notes was education. Table 3, shows nine participants representing 60% mentioned education as a tool required for assessing microloan using the right funding strategy. The 9 participants said that knowledge of the microfinance loan products would make the business owner to know what loan product to access and what time of the business cycle to assess the loan. Participant 1 stated:

With the right sense of knowledge, I always inquire about the loan options, I work out the mathematics with the help of my loan officers, I then subject the options to further studies, asking questions and reading up the market trends before taking decision. Without education I would have used rule of thumb and get it right or wrong

Participant 1, 2,3,5,6,8,9,12,13 in Table 3, said that with adequate education, I could ask question from bankers, and compare the funding options available before making up my mind. Small businesses lack business information that are appropriate to grow their business, there is therefore, the need for the regulatory authorities and banks to launch awareness campaigns for small business to educate them on business and financial literacy so as to make informed investment decisions (Kamunge, Njeru & Tirimba, 2014). This should improve their business skills in order to identify and harness business opportunities.

The findings in this study showed that the small business owners lack adequate information and financial management training related to business; they are ignorant on how and what option of financial services required that would assist to enhance their businesses and generate profit, and this hampered their choice of loan products (Kimathi, 2015 & Fawowe, 2017). However, where the business owners access such funding, it becomes difficult for them to manage the loan they took from the institutions appropriately because of their limited knowledge on the microloan products, and eventually, the business fails.

Theme 2: Bankers Information

The second theme that emerged from the semistructured interview, document review and field note was bankers' information. During the interview, document review and keeping notes, in Table 3, 10 participants (67%) explained how relying on banker's information could serve as contextual lens towards making informed decision on funding option available to small business owners. Participant 3 stated:

In assessing loan or in evaluating the funding options for my business, I rely on bankers' information on loan products, the interest rates, the duration of loan, the repayment penalties, the clause of the loan, and the benefits associated with each option. In furtherance to this information, I book an appointment with the bankers for further one-on-one enquiries to have a clear view of any hidden charges that were not reveal on the flyer, or advertisement message. A one-on-one discussion create an avenue for me to ask personal questions and not rely on general information

Theme 2 is in alignment with previous literatures. Kamau, Namiinda and Buluma (2016) posit that institutions should establish a system that could consistently monitor and evaluate the provision of sharing quality credit information to consumers. A system that could appraise performance and information sharing in place, and measures that would ensure commitment to the procedures of accessing loans (Kamau, Namiinda & Buluma, 2016).

I found that it was necessary to have transparent broad scope of policies and regulation in developing MFIs to engender and sustain small-scale businesses. The government needs to increase its intervention through financial sector policy formulation, regulatory supervision, interest rates, economic and social policy and other small-scale business support services to clearly communicate its processes, requirements, and encourage small-scale business the access to suitable financial products (Mallineuxa & Murindeb, 2014). It is therefore, pertinent to curb market failures that could be caused by information asymmetry; that is, where the MFIs have more knowledge than the business owners

Theme 3: Micro-Economic Factors

The third theme that emerged from the data collection and analysis process using semistructured interview, document review, and field notes was micro-economic factors. Table 3 shows 11 participants (73%) mentioned micro economic factor, which could affect business owners from accessing micro loan in a harsh economic condition. The theme is aligned with literature review. Participant 2 stated:

Microeconomic factors such as the demand for my good, the channel of reaching my customers, the cost of producing or supplying the products, and the competition in the market gives me insight on the funding option to use at any giving time. When I have chances of making quick sales, I could use overdraft. However, when the competition is stiff, I could borrow from friends or use a bank with lowest interest rate

The other 10 participants asserted that microeconomic factors are a determinant in choosing the funding option for financing business activities. The third theme confirmed the literature review and the conceptual framework. According to Pina (2014), the economic environment of a business plays a critical role in ascertaining the success or failure of a business, thus, microeconomic environment affects the decision making of institutions depending on the prevailing economic factors. These factors are external constraints on businesses; beneath the conditions, some small businesses consider it difficult to grow. There must therefore be deliberate efforts at the economy-wide level to boost investment and restore growth.

The research study findings indicate that the MFIs would need to make decisions to streamline their processes to align with the microeconomic environment in which they operate to allow their customers access the financial services they offer. There abounds a vista of opportunities for the small business owners in a favorable economic environment where procedures are simple to comply with, transparent and flexible to all prospective business owners (Hunjra, at el., 2014). Thus, enhancing the business environment should set the terms for the businesses to succeed.

Theme 4: Independent Auditors Forum

The forth theme that emerged using semistructured, document review, and field note was independent auditor's forum. Ten of the participants (67%) mentioned independent auditors as a tool that inhibits a business from accessing microloan from microfinance banks (Table 3). Participant 1 mentioned that:

Reviewing the work of independent auditors, one could now gain information into the different funding options available, the advantages and disadvantages, the microfinance that leverage on their client, and those that has helped their customers to grow. Again, attending forums of independent auditors, one can seek clarification or get enlightened financially

Participant 2 and the 8 others stated that through independent auditors, a business owner could ask clearer questions as regards funding options that would help to improve business rather than making the business a loan repayment venture. Theme 4 aligns with literature reviews. Businesses statement of affairs are carried out by independent auditors, in which they develop an expressed opinion asserting the reliability and fairness of financial position, performance of operations, and cash flow in compliance with generally, accepted principles.

I found that the auditor's report which essentially informs and communicates his opinion, or disclaims an opinion to the stakeholders and prospective investors of any irregular unlawful financial claims; this report assists as a guide to the business owner when making decision on the loan products option to access. According to Antonio and Bassetti (2014), auditors are mandated to examine and give recommendations of the affairs of firms because there are increasingly growing demand for reliable information about institutions. Small-scale businesses also demand for transparency and trustworthiness from firms, irrespective of its size, to guide and provide a leeway of security in deciding the proper financial service.

Theme 5: Bank Integrity

Theme 5 emerged from semistructured interview, document review, and field notes as bank integrity. Table 3 shows 13 participants (87%) who expects a high level of integrity from their banks. Participant 1 stated:

> Knowing your bank respect their mission statement is one sure way to knowing the best funding option from the microfinance bank. For instance, my microfinance bank's mission is to provide access to loan and improve the living standard of the customers. Seeing this mission, I was attracted to the bank. After making enquiries, I started using them to buy bulk products for sales to take advantage of discount and to maintain stock level in my business. So far, the bank has kept their integrity in advising on the best funding option rather than making my business a loan repayment outfit

Other participants (2, 3, 4, 5, 6, 7,8,9,10,11,12,13,14, and 15) asserted that one best way to know a bank's product is asking the bank. Theme 5 confirmed with previous literature review. Levy and Hino (2016) stressed that banks should hold itself to the highest level of integrity in the way it conducts its business and provides services to its customers. The banks should ensure that they, on regular bases transparently report their processes and transactions to boost their integrity. These should enhance customer's loyalty and trust in the banks and the products and services provided. In turn, these could establish an indirect positive relationship through connecting customer satisfaction (Levy & Hino, 2016).

In this research study, the views of the participant have shown that the reputation of a microfinance bank about integrity and service delivery is its most valued asset. Therefore, MFIs must improve their culture, and clearly express that customer service with integrity; fairness and efficiency are of higher priority to profit maximization. The described lived experiences are similar with Cowton (2008); evidently, customers would choose to seek confidently financial services from a bank that operates in compliance with ethics of integrity that is displayed through the provision of quality service delivery, which aid customers to understand which loan product is suitable for business.

Theme 6: Competition

The sixth theme that emerged from the semistructured interview, document review, and note taking was competition. The theme was mentioned by 12 participants representing 80%, competition as a tool required to keep pace with evolving trends and disruptions to access suitable loan options (Table 3). Participant 7 stated:

Following competition moves, banking at your competitors' banks is a sure way to keep track on funding activities. Once you realize that your competitor is having more stock than you, simply find out the bank your competitor uses and approach the same bank for information. With an eye on competition, one can obtain adequate information regarding suitable funding option

Other participants (80%) asserted that a close make on competition would lead one to getting the right information on funding options. Theme 6 is aligned with previous literatures. According to Kamunge, Njeru and Tirimba (2014), prospective consumers perceive that small businesses lack the capacity to provide quality services and are unable to deliver effectively these services efficiently to its clients. Hence, these businesses are confronted increasingly by competitions from both its peers and from big firms who participate in specialized markets that are considered domain for small businesses.

The findings showed that the small businessmen shy away from requesting loan from the microfinance banks that are not competitive; while those that move to the more competitive MFIs are not able to access loans promptly because the few who are highly competitive with their procedures are not liquid enough to accommodate the majority of the loan request. As related by Medlin and Ellegaard (2015), that the MFIs that engaged the model of group lending to secure microloans in place of tangible collaterals stood out from other MFIs. The choice of the model set them apart from others; despite their similarities, this distinct quality made these MFIs more competitive. The MFIs that were more competitive had higher number of clientele and loan requests to the customers of the MFIs that required tangible asset as collateral, personal guarantors, and or required that, the business owners build up savings to a certain amount to stand as collateral to secure loan. Thus, this pose a challenge, as the small business owners lack collateral and the ability to save since their earnings are either small or the business is start-up.

Theme 7: Systematic Planning

The seventh theme that emerged from the semistructured interview, document review, and field note was systematic planning. Ten participants (67%) contributed to the emergence of theme seven (Table 3). Participant eight stated:

With systematic planning, one can know adequate funding options at different times. Systematic planning is about the overall goal of the business, what you want to achieve and at what time. I cannot imagine using loan to pay salaries. However, I can take an advantage or speculate the market and same time access loan. I do lots of planning and I keep a daytime journal where I write new ideas as it comes

Inability to adequately plan, lack of access to finance and poor management are termed as the major causes that could cause failure of a small business (Kamunge, Njeru & Tirimba, 2014).

I found that the participants' experiences and views disclosed are consistent to Fawowe (2017), as they described the consequences of the absence of a systematic planning in place. That led to their inability to access the appropriate funding to conduct their business, this lack of plan poses some difficulties in accumulating profit; given the short repayment periods of loans offered by the MFIs, because the volume and value of transactions are small. Besides that, they further disclosed that the process for securing a loan from the MFIs is also cumbersome; to that effect, the business owners get frustrated since they were no proper systematic planning on the way to appraise and access loan, and conduct their businesses. Their failure to plan is because of their low level of financial literacy, which inhibits them from deciphering the suitable loan option required to perform their business successfully.

Theme 8: Contextual Evaluation

The eight themes that emerged in the data collection process using semistructured interview, document review, and field note was contextual evaluation. I was not expecting this theme. Twelve participants representing 80% as shown in Table 3 mentioned contextual evaluation. Participant two stated:

Evaluating the market trend help me know the best funding option to use in a given circumstance. I could adopt the long-term funding or short-term funding option; all depend on the evaluation. Most times these evaluation is not scientific, rather an instinct based evaluation. Most times, you get it right when you follow your instinct and gut

Other participants (67%) described these evaluations as historical records evaluation or seeking knowledge from books, articles, and publications. Theme 8 adds knowledge to literature. The MFIs must ensure that the context of its products and services; in terms of processes and transactions are accurately judged in its context to be able to evaluate the value of services they provide to clients within the context of its environmental setting. Zhang, Peng, Zhang, Wang, and Zhu (2014) explained that the reputation and approval of a business assists as discovery signals for evaluating the credibility of its information. Therefore, a business must design their products and services' messages in a format that is informative and powerful, so the client could evaluate within the qualities that depict the text in its text.

I found that the application procedures, lending policies, the terms and conditions of credit of the MFIs are rather complicated for the small-scale business owners to evaluate the context to understand better. Therefore, that hampers the ability to choose the appropriate loan for their business. According to Ledgerwood (2013), access to microloans and the repayment are designed to be easy, simple, and fast thereby ensuring that the terms of the MFIs services are flexible, consequently, expanded the businesses of the small-scale business owners through the provision of these financial services.

Theme 9: Mentor and Mentee Relationship

The ninth theme that emerged during the data collection process using semistructured interview, document review and field note was mentor and mentee relationship, where 12 participants representing 80% mentioned the theme. Participant 10 stated:

I used my mentor to know the funding option feasible for my business. After learning from my mentor through the apprenticeship program, we still maintain the business relationship. When I have any funding issue to explore, I simply rely on my mentor for expert knowledge. We have never gotten it wrong since we established the mentor and mentee relationship.

Mentoring and coaching relationship is dynamic as both parties have roles, and stand to benefit provided the relationship works favorably. A mentor's role is to assist a person (mentee) enhance his/her potentials and skills by observing, assessing, modeling, and giving guidance. This requires that trust and respect be earned through sharing information, resources and expectations (Hudson, 2016). In addition, it requires professionalism, passion, and encouragement with collaboration in decision-making. Agarwal (2014) stressed that in mentor/mentee relationship, the mentee clearly benefits in terms of business and profession advancement besides learning higher astuteness in business. The mentor gains friendship and fellowship, and feeling of self-respect for assisting to develop a mentee's career.

In this study, I found that most small business owners lack the skill to be efficient entrepreneurs; the majority of them need some mentoring/coaching on entrepreneurship, to effectively make decisions on the proper funding require to grow their ventures (Burke, 1996). Similarly, I also found that from their experiences because the participants are not proficient enough; the whole income generated from the business were used to repay the high interest charged on loans by the MFIs, and at the long run, these hinders them from accessing further loans. Hence, for the business owners to access the microloans, the rates would have to be reasonable in order to keep the terms of repayment terms and still expand their businesses.

Summary

In this chapter, I presented the summary of the research data. The interview transcripts, observations, field notes, and reflective journal entries were analyzed and coded, to identify key themes in the research. The emerging themes discussed in this chapter include: (a) education, (b) banker's information, (c) independent auditors' forum (d) bank integrity, (e) competition, (f) systematic planning, (g) contextual evaluation, and

(g) mentor and mentee relationship. There were no discrepant cases within the interview statements.

The data was associated with the overarching question of the study: How can small business owners obtain information regarding funding options most suitable for sustaining their business beyond the first 5 years in Nigeria? Research has shown that microfinance plays a vital role in the development of every economy as it identifies the low-income earners who are sometimes excluded, or denied access to financial services by conventional banks (Rai, 2016). Similarly, one of the benefits of gaining access to the suitable loan was that the initiative of microfinance presents opportunities, such as the extension of education and jobs to the active poor. Thus, the small business owners' who were able to access microloan are less likely to withdraw their wards out of school for economic reasons. In addition, they are more likely to grow their businesses, which would aid the creation of new jobs. Thus, the central point of this study was to explore the reason why the small business owners are not accessing microloans that were hitherto supposed to be accessible.

The findings showed that the decisions made by the MFIs affects the small-scale businesses; therefore, it becomes expedient for the institutions to evaluate the implications of decisions, before making them. It is instructive to note that their decisions influence the choices of the customers who transact and access the services they offer.

Furthermore, the small business owners lack the appropriate entrepreneur training to run business successfully, lack adequate financial management skill, lack knowledge to decipher the information on loan procedures and the ability to interpret bank information among others.

In Chapter 5, I will present the discussion, conclusions, and recommendations from my study. In this chapter, I will also include a discussion that is focused on the interpretation of data and limitations of the study, research implications for social change, and recommendations for future researchers. In addition to the summary and conclusion of the study, in Chapter 5 I will also include reflections on my personal experience with the research process

Chapter 5: Discussion, Conclusions, and Recommendations

The purpose of this qualitative, multiple case study was to explore small business owners' understanding regarding funding options suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria. I chose to conduct this research, using a multiple case study, because the research question called for an in-depth understanding regarding funding options suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria. I gathered data from multiple sources including interview transcripts, direct, field notes, and reflective journal entries.

Interpretation of Findings

The RQ for this study guided the nature of the study. One overarching question guided the discussion of patterns and themes found in the interviews, field notes, and reflective journal entries about the funding options most suitable to sustain small business owners beyond the first 5 years from microfinance banks in Nigeria. Concepts such as education, banker's information, microeconomic factors, independent auditor's forum, bank integrity, competition, systematic planning, contextual evaluation, and mentor and mentee's relationship were assessed to gauge an understanding of the themes relevant to the study. I confirmed the results of other studies noted in the literature review.

Research Question

How can small business owners obtain information regarding funding options suitable for sustaining their business beyond the first 5 years in Nigeria?

Theme 1: Education

The first theme that resulted from the analysis and interpretation of the data collected from the semistructured interview was education. I found that small-scale businesses failed to access financial services from the institutions because of the low level of knowledge and skills gap for the appropriate option of microloans required growing their businesses. The finding supported the assertion of Pradhan (2013) that there is the need to boost the level of financial literacy and awareness regarding financial products and services to the small business owners. Pradhan posited that business owners are not voluntarily excluded from participating in the financial system, but that the majority of people are confident in banking and requires financial services. Pradhan explained that their reason for not accessing the financial institutions for financing is majorly inadequate financial literacy.

Tetteh and Antwi (2013) showed that microcredit has positively performed a role in enhancing the wellbeing of microfinance clients by uplifting their financial livelihood and human capital assets. However, Tetteh and Antwi stated that the absence of financial literacy and academic training hinders the acquisition and adoption of basic skill knowledge, change, competition, and growth in small-scale businesses. Roy (2014) confirmed that the perception of most small business owners is that microfinance banks are only interested in profit making; this bolstered the need for public awareness for them to understand that the objective and mission of microfinance is to develop the rural entrepreneurs.

Awareness programs should be organized in the rural areas where the small business entrepreneurs reside to enlighten them of the benefits, inform them about microfinance, and change their perception. The financial services offered by these MFIs should, therefore, be extended in those locations to make it easily accessible to the microloan seekers to grow their business and improve their wellbeing. Agba et al. (2014) and Ademu (2012) suggested that government should formulate policies and regulations that will stimulate the microfinance program in Nigeria. The government could collaborate with the private sector to engage more in microcredit programs through efforts that would enlighten the public. The government can expedite action to ensure understanding amongst the small-scale business owners regard the gains of microcredit program designed for them (Agba et al., 2014).

Theme 2: Bankers Information

The banker's information was the second theme that emerged from the analysis and interpretation of the data collected from the semistructured interview. Akinola and Adesopo (2014) stressed that despite the various lofty micro lending schemes in Nigeria, none have focused on how microloan applicants can acquire knowledge on the approval procedures required in microfinance banks. This assertion aligned with the findings in this study in that the small-scale business owners rely on information from banks that serves as contextual lens towards making an informed decision on funding option available to them. Ademu (2012) and Agba et al. (2014) claimed that government need to formulate policies and regulations that would stimulate the microfinance credit program and to expedite action to ensure understanding amongst the small business owners regarding the options and gains of microcredit program offered by the banks. In addition, Pina (2014) claimed that there is inadequate business information for entrepreneurs; therefore, authorities and banks should conduct information sharing sessions to educate entrepreneurs on financing for them to perform well. Thus, small-scale businesses that have skills and understanding on the financing options have a positive influence on the growth of small-scale enterprises.

Anku-Tsede (2014) stated that microloan application procedure should guide against market risks and should be derived from external regulations, laws, and financial rules made by the government. The financial system should be used to ascertain the entry and exit rules, interest rates, and prudential regulation for microfinance. Although MFIs do not adequately conduct public awareness, there is the need to boost the level of financial literacy and awareness regarding financial products and services to the small-scale business owners. Banks, and regulatory authorities, according to Kamunyu and Theuri (2016), are encouraged to share adequate information on various funding options to entrepreneurs before they access loans. The knowledge should change the perception of considering microfinance as a tool of providing microloans to the public for personal needs rather than a vehicle of empowering small- and medium-scale businesses to generate more income and improve their wellbeing (Salhab & Ali, 2015). Okpara (2010) recommended that the monetary authorities should ensure that the financial policies required for establishing MFIs are appropriately redesigned to enhance the MFIs and to offensively wage poverty.

Theme 3: Micro-Economic Factors

Microeconomic factors are the third theme that emerged from the analysis and interpretation of the collected data from the semistructured interview. I found that microeconomic factors are a determinant in choosing the funding option for financing business activities. These factors confirmed the literature review that one of the leading issues business owners are confronted with is the current microeconomic environment in which they operate. This conformed to the assertion that the dynamics of the microeconomics if unfavorable could affect negatively on the performance of enterprises (Kristjánsdóttir, 2014). These factors are external constraints on businesses that some small businesses consider it difficult to grow; as depicted by factors like cost of production, changes in regulation and competition, which could spur either growth or failure of enterprises (Pina, 2014).

The third theme also supported Ugiagbe (2014). Armendáriz and Morduch (2010). Ugiagbe (2014) evaluated that poor microeconomic environment, poor service delivery and attitude of MFIs officials' impact negatively on the performance of small-scale businesses, and in effect, the aims of microfinance programs of poverty reduction. Harsh economic conditions affect repayments of loans and other commitments, and importantly this becomes crucial to social policy regarding empowerment of the less privileged, facilitating service delivery and social programs that would boost the campaign against poverty.

According to Armendáriz and Morduch (2010), microfinance assists to bridge the challenges that depend on market failures that stem from poor information, the high cost of transactions and problems in implementing agreements. It questioned the old-age notions on what poor households could and could not achieve, in general, and it exhibits the prospects for innovative agreements and for financial institutions to enhance terms in poor segments of the society. The government could promote micro financing by instituting sound macroeconomic policy, ensuring stable and low inflation rate; while addressing the issues linking to the ambiguous areas in regulation, pricing, skill gap, low level of financial literacy, competition, etc.

Theme 4: Independent Auditors Forum

The fourth theme that emerged from the semistructred interview is the independent auditors. I found that business owners require some clarity as regards business affairs, environment, risks and funding options that would help to improve business rather than making the business a loan repayment venture. This theme confirmed the literature review (Antonio and Bassetti, 2014). The critical role the auditor plays in a potential investor's decision-making. Antonio and Bassetti (2014) stated that the auditor obtains a thorough understanding of a firm's environment, operations, and internal controls and performs a risk assessment of the institution, and provides reasonable assurance on financials to meet increasing demand for reliable information of institutions. This would give the customer advantage on the options of funding available, the operating environment of the institution and its internal dynamics; and guide with decision making process in accessing type of loan and or transacting with the institution.

Theme 5: Bank Integrity

The fifth theme, bank integrity emerged from an analysis and interpretation of data collected from the semistructured interview. I found that small-scale businesses expect a high level of integrity from their banks. Banks should keep to their mission and financial advisory role on the best funding option rather than making businesses a loan repayment outfit. The theme supported Boatright (2011), Paul (2015), Levy and Hino (2016), and Badabad and Sherafati (2016). Boatright (2011) postulated that integrity and trust are required from banks because they serve an intermediary role between several parties. The useful nature of banking also establishes the necessity for trust because of the reliance of the economy on banking services (Boatright, 2011).

Trust and reputation are vital to a bank's success, especially to MFIs that operate in the intrinsic political sphere of development. The perception of the public and primarily that of clients determines the sustainability of any financial institution. The MFIs should therefore invest and built the ability of customers to develop their reputation. That way,the clients see themselves as part owners (Paul, 2015). According to Levy and Hino (2016), banks should consistently publish their activities and processes to promote customers' loyalty and trust in the bank, and product and services, thereby creating a good relationship and customer satisfaction. The bank would not have the capacity to retain its customers where there is the absence of a proper relationship between banks and customers. Banks must have strategies that would attract the needs of customers to ensure a continued relationship (Magasi, 2016). Badabad and Sherafati (2016) reported that the average women in the rural setting hardly apply for a loan; as such there is need to come up with some process which will boost their access.

Accordingly, conscious attempts most are made to guarantee that MFIs are competently funded and organized to preserve the institution.

Theme 6: Competition

Competition is the sixth theme that emerged from the analysis and interpretation of data during the study. The theme confirmed that as trends in the business sphere evolve; the strategic context is immensely changing, and rewriting the rules of competition, the way of doing business, and eventually, the performance of the business. I found that to keep pace with the evolving trends and disruptions; the theme collaborated with the literature review; the business owners strive to seek for information on rivals, review their benchmarks and put their strategies to the test (Hirt & Willmott, 2014). Considering that, businesses are increasingly challenged by competitions from both its peers and also from big firms who participate in specialized markets that are considered domain for small businesses (Kamunge, Njeru & Tirimba, 2014). Healthy competition promotes the conduct of business, expands access to credit for firms, which in turn ease their financial constraints, and enhance delivery of quality goods and services. (Cornaggia, Mao, Tian & Wolfe, 2015).

The MFIs are faced with competition both in the domestic and global markets, some of the operational challenges that confront MFIs are the increase in operational costs, unreliable supply of funds, and uncertain demands of the loan application that makes the institutions resolve to pursue competitive advantages (Cao et al., 2015). Ikramullah et al. (2016) developed the competing value framework to address the competition that exists in microfinance institutions and identified four quadrants to explain competition among microfinance institutions as human relations model, interpersonal relations, planning and achieving goals. The four quadrants form a framework that guides the implications of competitive values of a microfinance system in coordinating client retention.

Theme 7: Systematic Planning

The semistructured interview further produced a seventh theme, systematic planning in the analysis and interpretation of the data. I found that small-scale businesses' lack adequate planning, lack of access to funding, and poor management are some of the main challenges that could cause small business to fail. Klewitz and Hansen (2014) argued that innovative, successful and sustainable enterprises could create radically innovative products, processes, and services at the firm level, and stressed that collaborative strategic efforts are more practical in triggering response, and accelerate expected and highly successful business.

Thus, the business enterprise capable of attaining its optimum level of performance would have to apply fully innovation to mediate in blending its formal strategic planning processes, flexible planning, and enterprise financial performance, to relate favorably its success to innovativeness. Managers are thereby advocated to grasps good understanding on how to blend versatility into their processes and goals to accomplish the gains of innovation (Dibrell, Craig, & Neubaum, 2014).

Paul (2014) supported that a microfinance strategy is an effective tool for empowering the poor through offering them more opportunities for self-employment and make the poor creditworthy. The poor residing in the rural areas are still ignorance about banking products and services. The banks should, therefore, adopt and institute appropriate system into micro banking system designed for the poor. Similarly, Chinomona and Tam (2014) examined the constitution of the legal framework supervising the institution, growth, management and regulation of microfinance institutions in addition to the purpose of creating policy measures, which could deal with the problems confronted by the microfinance segment in Vietnam.

The perception is that a modified legal framework will accelerate a rapid growth of MFIs, thus, uplift the poor. Therefore, some established components have to be changed to minimize the challenges that hinder access to the scheme, such as high cost, repayment system and membership yardstick. Emphasis should be on the policy of optimizing the wellbeing of the poor (Ashraf, 2014). On the other hand, Zhu (2014) asserted that access to finance had been the primary challenge that has hindered the sustenance and growth of the microbusiness. He suggested that small and medium sized MFIs should take advantage of the favorable moment by adopting innovative ideas and growth designed for micro businesses. Furthermore, discard the conventional banking methods, operate small businesses and promote access to financing micro-businesses to grow their businesses.

The banks' conditions, commitment and ability are of great importance in consideration to the vision and management of the bank's endeavors and the role of its customers. The banks should consider the customers as active agents in the bank's sustenance, and come up with strategies to encourage, educate and develop the abilities or skills of customers, manage and retain their patronage (Paul, 2015)

Theme 8: Contextual Evaluation

Theme eighth in the analysis and interpretation of data collected from the interview is contextual evaluation. The findings are that the small businesses expect that the context of products and services, in terms of processes and transactions to be considered as accurate in its context to be able to evaluate the value of services provided within the context of its environment. Wood and McKelvie (2015) stressed that evaluation of goods and services provided to the market by entrepreneurs are opportunities to address gaps, and introduce new products as it opens new windows for growth. It gives insights on how to acquire what pave way to integrate the framework that conceptually explains the perceptions of customers. Krystallis and Chrysochou (2014) asserted that customer's experiences a firm's brand, product or services before an evaluation on the brand.

The experience gained influences the customer's character towards a product, which is considerably affected by both testimony and tales of the product. Evaluating the experiences of customers and users to know their perception and outcomes of the services and products used, the views could be subjective, customers are eager for clarity, while managers seek for solutions and results (Krystallis & Chrysochou, 2014). The feedbacks and complaints from customers, besides close customer relationship and communication, would considerably be of benefit to the MFIs as the feedbacks could function as an early warning system.

Theme 9: Mentor and Mentee Relationship

Mentorship emerged as theme nine in the analysis and interpretation of data. I found that mentoring promotes the small-scale entrepreneur's businesses as it accords them the opportunity to learn superior skills, communicates, increase confidence, guidance for decision-making and job satisfaction. Literature showed that the impact and effectiveness of interventions programs provided through mentoring relationships enhance the mentee's managerial skills, forms character, and the gains are immense. This could be achieved by fully taking advantage of the mentoring relationships, which improves and sustains the mentees level of performance both immediately and in the long- run (Shojai, Davis & Root, 2014).

According to Laukhuf and Malone (2015), mentorship assists to transforms and grow mentee's business and broaden their personality and skill, and guide the less experience in achieving a successful business. Entrepreneurs that participated in mentoring relationship, emphasis the benefits of retaining these relationships because of the favorable outcomes showed in their profession and personal growth; as the mentor gains friendship and fellowship, and feeling of self-respect for assisting.

Limitations of the Study

The limitations of this study were not as was expected in regards to small business owners' entrepreneurs; I expected that the business owners to show a feeling of frustration and as a result decline to be engaged in a conversation. Most small business owners were more than willing to participate in the interview session. I, unfortunately, had to turn down some small business owners who were willing to conduct an interview with me, but were not within the scope of this study. After my first meeting with the business owner's entrepreneurs, they were happy to welcome me back to their stalls or shops asking if I needed additional information from them for my research. Although most business owners' were not overwhelmed by my presence, there was a sense of curiosity among their neighbors, who saw me in the business owners' stalls or shops and wanted to know my reason for being there.

Additionally, none of the business owner is acted in a way that was unusual or out of the ordinary; they were all willing participants and allowed me to conduct my semistructured interview, as well. While most participants endeavored to share their experiences with me, the one limitation I encountered was the participants' reluctance to share information such as marital status, date of birth, how much they earned, and how many individuals they have living in each of their households. This are information they considered private; although they later shared the information the moment we became familiar with one another, initially I had some participants ask if others answered all the questions I was asked them.

Although 15 business owner entrepreneurs were purposefully selected from Federal Capital Territory (FCT), Nigeria to participate in the study, there is a chance that the views of the participants selected might not represent the views of all business owners in FCT, Nigeria. Another limitation associated with this study included the geographical location of the research focus. Focusing only on FCT posed a limitation regard gaining a stronger insight of the information about funding options most suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria, for example, the result may not be transferable to the entire country or other research sites. The primary aim of all qualitative research is not to generalize the research finding, but to leave the transferability decision up to the reader (Houghton et al., 2013;).

The participant selection criteria also created a limitation. I selected business entrepreneurs who operated small-scale business enterprises that were independently owned and operated. These business entrepreneurs also provided goods and services to consumers within a local market and employed between one to 10 individuals with an annual profit of 150,000 naira or less (approximately 1,000 dollars or less). It is important to note that their business experiences varied from one person to the next.

Recommendations

The following are recommendations for future research that I provided based on my analysis of the data provided by the participants of this study, from semistructured interview and document review of the participants, and from my reflective journal entries. While the findings of this study are not intended to be transferable as transferability is always left up to the reader to decide (Houghtonet al., 2013). Thus, there is an evidence to suggest that small business entrepreneurs in Abuja, Nigeria require information to understand funding options most suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria.

The results of this study indicated that there is a need to develop ways in which small scale businesses, particularly; small scale business owners in Abuja obtains information necessary to initiate, grow, and sustain their businesses. The focus of this study was on small business owners in FCT and the research findings revealed fascinating factors which business owners could obtain information regarding funding options most suitable for sustaining their business beyond the first 5 years in Nigeria. To further address the information small scale business owners in FCT, Nigeria need, it may be useful to expand the scope of this study to include other business owners whose businesses are considered medium scale or large scale, as some of these business entrepreneurs may also benefit from this study. There is a need for future researchers to investigate if there is any significant difference in the information needed regarding the funding options most suitable for sustaining their business beyond the first 5 years in Nigeria for small scale, medium scale, or large-scale business owners' entrepreneurs in Abuja, Nigeria.

The federal, state, and local governments have a role to play in ensuring the wellbeing of small-scale businesses. Governments owe small-scale businesses the responsibility of providing both financial and infrastructural support (Latha & Murthy, 2009). Government should provide support to include business friendly policies that encourage small business owners, education where awareness can be shared, seminars where auditors could share their knowledge, bankers' forum where different stakeholders and competitors could be allowed to display different loan products available in the market. The need to provide information regarding formal business training as well as appropriate access to financing for business cannot be overly emphasized. Business enterprises contribute significantly to the development of community, families and wider economy (Ekpe et al., 2010); there is therefore a need to nurture and maintain entrepreneurship among business owners.

The results from this study also revealed that financial institutions charge high interest rate, as well as the stringent requirements enacted on individuals in need of loans; as a result, small business owners' are unable to gain access to loans. A government, however, needs to intercede on behalf of small-scale business entrepreneurs by providing information needed to address the challenges associated with funding options. Although the focus of this study was on small-scale business entrepreneurs in Abuja, the research findings may also be beneficial to medium scale businesses. Since most participants indicated lack of finance as being a major issue for their businesses, something medium scale business owners might equally need for their business and economic development, and sustainability.

Furthermore, the research findings also revealed the importance of information regarding formal business training and education. All participants who had obtained formal business education and training expressed its importance and impact on their businesses. "I completed my education; I believe that it is important to go to training before starting any business." Small-scale business owner's entrepreneurs need to be educated and given sufficient information and knowledge about business and entrepreneurship. Additionally, information concerning funding options that influence the business and economic development of business owners in Abuja, short-term loan, and group lending, strategies, are inadequate. As Boateng (2014) stated, entrepreneurship mainly contributes to the development of an economy, while at the same time being a multifaceted and multilayered phenomenon that can be affected by culture and social traditions.

The inadequate definition ascribed to poverty has resulted in temporal and unsustainable poverty alleviation initiatives in many countries, as the leading definition of poverty could be seen more as the outcome of poverty rather than poverty itself (Nyasulu, 2010). This is still the case worldwide as several of the study participants indicated that they asked series of questions on funding options before engaging into a relationship with microfinance bank for the purpose to source for initial funds required for business. Still, the economic situation in Nigeria has been particularly difficult, that includes the price of goods and services on the increase and the price of oil and gas; most participants felt that the only option was to wait and see how everything turns out.

It is important that future researchers investigate and explore how the economic situation of a country affects the business and economic development of business entrepreneurs. In general, this study might be beneficial to key stakeholders, including small-scale business entrepreneurs in Abuja, local, and state government leaders, government and nongovernmental agencies, regulatory authorities, policy makers at the local government, state and national levels, as well as educational institutions. The sample of participants used in this study may not effectively represent the entire small-scale business owner's in Abuja. It may be essential for future researchers to repeat this study in other states, within or around the same region, to compare and contrast the research findings with the results of this study. Also, the research criteria for participant selection for this study were specific for the current research; future researchers may consider adjusting the research criteria and sample size to expand the scope of the study.

Finally, future researchers may consider exploring the relationship between small-scale business owners in Abuja and socioeconomic development in the six geo-political zones of Nigeria. It is important to note that all of the participants in this study acknowledged that access to more financing could improve the business of business owners in Abuja, Nigeria. An examination of this study through experimental analysis may provide a holistic perspective regarding the relationship between small-scale business entrepreneurship and socioeconomic development, particularly in developing countries. To disseminate effectively the research findings, other strategies I might adopt include seminars, journal article publications, conference presentations, and initiating small business owners' initiative campaigns.

In essence, the results of this research point to the fact that there is a need to actively engage small-scale business entrepreneurs and collaborate with key stakeholders to ensure that the recommendations proposed are successfully implemented. It was also interesting to see that most participants did not attend training; these participants failed to realize that although their businesses might not have required training and educational qualification, attending training would have helped in other aspects of business growth such as networking, mentoring, using the most effective funding option and business strategies. There is a need to share information such as basic sales and marketing tools like flyers and sales incentives with small-scale business owners so that they will not see financing as the only way to grow their businesses. Furthermore, business owners need to be introduced to other benefits associated with training as one may have access to huge sums of finance, but may not see a significant growth in their business and identify the cause because of lack of specific business and other managerial training.

With the relevant information on formal business training, education, knowledge of what other banks are offering in form of competition, and evaluation of funding options, a business owner could learn to be disciplined and basic accounting procedures needed to calculate cash flow and profit and loss analysis. However, mismatching funding options will put pressure on the business owners to focus on loan repayment rather than business sustainability.

Implications

The purpose of this qualitative multiple case study was to explore small business owners' understanding regarding funding options most suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria. There are various ways in which this study might contribute to positive social change. First, the results of this study may provide an enlightened outlook about the funding options most suitable to sustain their businesses beyond the first 5 years from microfinance banks in Nigeria, and may result in empowering and equipping business owners with the information and tools needed to avert future hindrances. An understanding of the information regarding funding options to small-scale business owners may lead to business and economic growth for some business owners as they gain access to tools such as formal business education, networking opportunities, business capital offerings, and other resources needed to grow and sustain their businesses. This information, understanding, and access may lead to significant reduction in poverty among business owners as well as sustaining business beyond 5 years in Abuja.

Some research participants also indicated that being an entrepreneur allowed them to meet the need of their family in a unique way and not have to ask their extended family for money when any of their children needed anything. Additionally, being entrepreneurs had allowed some of the business owners the ability to train their children up to university level, thus contributing to the society by producing educated youths and young adults. By adopting the recommendations of this study based on the research findings, it may illuminate the need for federal, state, or local government to focus on and provide information to small-scale business owners in Nigeria to develop economically. The federal government of Nigeria may also benefit from this study as the research results may foster understanding and insights to help guide officials in developing and implementing an appropriate policy that could assist in poverty alleviation among entrepreneurs. It may also help the government to develop policies that would educate the family on the importance of skills and knowledge acquisition for every member of the family, which could then result in economic development and poverty reduction. The results and implications of this research may provide information to small-scale business owners in Nigeria on how to acquire information, strategies, knowledge, and education that could help them access microfinance loan for economic development. It may also reduce the current level of business failure that are caused by wrong funding options. Finally, the results of this study may also contribute to a curriculum that could be used to educate children on financial literacy and family economic roles.

Summary and Study Conclusions

In 2016, small businesses accounted for more than 40% of the workforce worldwide; yet, small business owners tend to earn less than medium and large business owners, and the reasons seem to be multifaceted (Revenga & Shetty, 2012). Small business owners are more likely to work within the home or in the informal economy compared to medium business owners, particularly small business owners who are inclined to operate smaller businesses in less lucrative sectors (Revenga & Shetty, 2012). For example, although Nigeria is known for its abundance of dynamic human and vibrant resources, and natural resources, as well as its various business and investment potentials that it enjoys (Ihugba et al., 2013), the issue of poverty, particularly among the citizens, remains a major economic problem (Ihugba et al., 2013). Fifty percent of the 150 million Nigerians are unemployed and 70% of them live and work in rural areas (Fapohunda, 2012). In identifying specific information such as lack of required financing, lack of access to formal business training, and the prevalence of low-level education, I answered the research question for this study. The purpose of this qualitative multiple case study was to explore small business owners’ understanding regarding funding options most suitable to sustain their businesses beyond the first five (5) years from microfinance banks in Nigeria. I recruited 15 participants from Abuja, FCT, Nigeria, through purposeful homogenous sampling. These individuals shared their experiences, and knowledge with me through an in-depth semistructured interviews; I collected other data through, field notes, and reflective journal entries.

The conceptual framework was on ethical banking operations framework which suggested (a) having information about the ethical processes of the organization, (b) being knowledgeable of the regulatory framework of the organization, (c) having knowledge of the competitors. (d) Having the capacity to access such information from the organization. (e) having the adequate referral to the organization, and (f) accessing the organization with a specific plan on why a relationship should be established. The analysis of participants' responses, field notes, and reflective journal entries, revealed that information about education and business training, bankers' information, micro-economic factors, independent auditors' forum, bank integrity, competition, systematic planning, contextual evaluation, and using a mentor plays a key supportive role in revealing the funding options for small business owners.

The study results also revealed that most small-scale business owners did not see the need for training. They believed that due to their type of business, they would not benefit from training and, if anything is to be learned, skills can be learned on the job. As the findings of this study revealed, information about access to formal business training may help not only business owners in Abuja, FCT, but also other business owners within the entire country. The findings of this study offer an additional source of information about the need for business and economic development among business owners in general.

Furthermore, the results of this study revealed that a limited number of small-scale business owners received startup money from family members, friends, or in-laws; only some used money from previous businesses to start their businesses. Of those who used money from previous businesses, some still received additional finance from relatives. The results of this study also revealed that most business owners know about microfinance and, of the individuals who knew about it, they do not believe in using funds from microfinance banks without a significant knowledge of loan.

This study addressed the gap in the literature regarding research about small-scale business owners in Abuja, FCT, and information regarding the funding options most suitable for sustaining their business beyond the first 5 years in Nigeria (Ekpe et al., 2010; Ifelunini & Wosowei, 2012). Information regarding information barriers such as lack of required businesses training, skills development, time management, and other business related skills tends to impede the business and economic growth and sustainability of some small scale business owners (Broto, 2014; Ekpe, 2011). Additionally, based on the implications of this study, the dependency of small-scale business on their relatives due to cultural belief may also be reduced.

By offering formal business training information to business owners, attending seminars, and using a business mentor in Abuja, Nigeria this study might contribute to social change. Based on the research findings, the results of the study advance important recommendations for action and further research. The recommendations proposed for stakeholders may also help to address the issues and information associated with lack of access to formal business training, lack of access to finances, and the need to support one's family. As a result, regulatory authorities might enhance the potential for information needed by small-scale business owners in Abuja, Nigeria to be made available about overcoming the lack of information regarding funding options most suitable to sustain their businesses beyond the first 5 years from microfinance banks.

Most countries appear to understand the need to eliminate all forms of discrimination against small-scale business owners. In the case of Nigeria, the federal government developed several programs in 2004, including the National Economic Empowerment and Development Strategy, State Economic Empowerment and Development Strategy, Local Economic Empowerment and Development Strategy programs (Tajudeen & Adebayo, 2013). Furthermore, the National Financial Inclusion and Financial Literacy campaigns, and lending to micro, small and medium enterprises programs launched by the CBN in 2012 and 2013 (CBN, 2014). Thus, there is still a need for poverty reduction among small business owners using resources and making decision within the household (Revenga & Shetty, 2012). Poverty elimination among small business owners can be achieved when business owners are exposed to information regarding the ability to increase access to economic opportunity. This enables business owners to have equal voices and rights within society and in the home (Revenga & Shetty, 2012)

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Appendix A: Interview Questions

I am a graduate student of Walden University, studying management in finance. In fulfillment of my doctoral degree, I am carrying out a study on the strategies that could improve access to microloans extending by MFIs to the underprivileged microloan applicants in Nigeria. I therefore solicit for your participation in an interview session to gather data on this field of study, on your understanding and views regarding funding options offered by the microfinance institutions that are suitable to sustain your business.

I understand that you can only communicate and express yourself earnestly and clearly in broken/pidgin English, for that reason, I ensured that the interview was in the language you understand. I want to bring to your notice that the interview session was recorded, while I also took down notes. After the session, you have the right to go through it, and give consent for me to use the data collected for this study. If all this is clear, we will then start the interview session.

Questions:

1. Thank you for being part of this interview session. Can I please get to know you, and what do you do for a living?
2. Do you operate a bank account?
3. If yes, what type of account do you operate, and why the choice of these kind of account?
4. Can you say you have enjoyed the benefits of operating a bank account?
5. What are the types of funding options your financial institution extends?

6. Do you consider these funding options' terms and conditions offered acceptable or stringent?
7. Were you able to access any of these funding options offered by your institution?
8. If your answer to question 7 is yes, what strategies did you use to ascertain that the funding option you applied for was appropriate to your kind of business?
9. How has this funding option enhance your business or livelihood?
10. Do you think the funding options the microfinance institutions offer are appropriate and designed to meet the needs of the small businesses?
11. What will you like the institutions to improve, introduce or discontinue in the way they operate or how they render these financial services?
12. What other additional information on funding options you have accessed that has sustained your business would you like to add that I did not ask?

Appendix B: Sample Letter of Cooperation as Approved by IRB to send to Research Partner Organization

FidFund Microfinance Bank Limited

9, A.E. Ekukinam Street,

Utako District
Federal Capital Territory
Abuja

July 30, 2017

Dear Hyeladzira,

Based on my review of your research proposal, I give permission for you to conduct the study entitled Improving access of Small Business Owners to Microloan in Microfinance Institutions in Nigeria" within the microfinance bank, Abuja. As part of this study, I authorize you to select participants, conduct face-to-face interview, and validate responses in the following sources:

- Allowing the researcher to recruit 15 potential participants on site; participants will comprise customer who have used different funding options; such as microloan, small and medium enterprise loan and mini loan.
- Allowing the researcher to conduct a face-to-face interview offsite among the 15 recruited participants.
- Allowing the researcher to recruit five (5) customers on site from the 15 participants for a face-to-face interview.
- Allowing the researcher to conduct face-to-face interview among the five members offsite.
- Allowing the researcher to review the 15 potential participants' documents; as document review as part of the data collection procedure in the study. The researcher will request permission from the 15 potential participants through the consent form for the customers' information to be reviewed.

- Assisting the researcher develop a list of customers that meet the inclusion criteria as contained below:
- Allowing the researcher to seek permission through the consent form to review the documents

Individual’s participation will be voluntary and at their own discretion.

We understand that our organization’s responsibilities include:

1. Identifying participants who meet the criteria; bank small business customers who have access microloans in the last five years and have been successful in business
2. Grant you access to recruit participants for the study, at their office for a face-to-face interview
3. Grant you access to the library to read organizational manuals and view blueprints as well as access to customer’s documents as adequately approved by the Operations Department. You may make copies of the material from the library but you may not remove the original manuals and blueprints from the site.

We reserve the right to withdraw from the study at any time if our circumstances change.

I confirm that I am authorized to approve research in this setting and that this plan complies with the organization’s policies

I understand that the data collected will remain entirely confidential and may not be provided to anyone outside of the student’s supervising faculty/staff without permission from Walden University IRB.

Sincerely,

Signature of Authorization Official

Contact Information:

For: Microcred Microfinance Bank Limited

Appendix C: Expression of Interest E-mail to Potential Participants

Doctoral Research Study

My name is Hyeladzira Ochonogor and I am a doctoral student at Walden University. My field of focus is in Management with a specialty in Finance. The research is supervised by Dr. Mohammad Sharifzadeh of the faculty of Management and Technology

You have been chosen for a research study. The consent form document will be given to you that will provide information so that you can make an informed decision concerning participation.

What is the research about?

I am doing a research study exploring the Rationale for Extending Banking Services to Microloan Applicants

What does participation in this research study involve?

Participation in this study is limited to fifteen (15) small business owners that have successfully run their businesses for more than five years. Should you be selected as a final participant, participation would involve you participating in a semistructured interview process that would explore your opinion and experience on the subject matter. Each participant will be a successful small business owner that has access different funding options in three microfinance banks.

All assessment results will be kept confidential.

You are not required to participate in this study. Should you initially agree to participate, you also have the opportunity to withdraw at any time through the study.

This email is used to elicit your interest to participate in the research. I hereby invite you to be included in the study.

I am happy to respond to any questions or concerns you have about the research. I can be reached at +234 803 786 7663 or at email hyeladzira.ochonogor@waldenu.edu.