Global Scientific JOURNALS

GSJ: Volume 10, Issue 4, April 2022, Online: ISSN 2320-9186
www.globalscientificjournal.com

INDICATORS FOR EVALUATION OF PERFORMANCE OF MICROFINANCE BANKS IN NIGERIA

1. **Dr. D E. EBINGA**
2. **Dr. S.N. IGWE**
3. **G.C. EBINGA**
4. **OGBU JOY A.**
5. **NWOSU NGOZI L.**

PHONE: 2348034929222; E-MAIL dkkin444u@tahoo.com
EBONYI STATE UNIVERSITY ABAKALIKI, NIGERIA

Abstract

This study identified the indicators for evaluation of performance of Microfinance Banks in Nigeria.. The study was guided by three specific purposes and three corresponding research questions. Descriptive survey design was adopted. The population was eighty (80) staff of registered microfinance banks operating in Abakaliki Ebonyi State which were all accommodated as the sample size for the study. Data was collected through the use of structured questionnaire. The instrument was validated by three experts from the Department of Business Education, while reliability was assured through a test-retest procedure. Data was analyzed using mean and standard deviation statistics. The result showed that the indictors for evaluating performance of micro-finance banks in Ebonyi State included: funding expenses, cost of fund, profitability measures and debt/equity. Based on the findings, the study recommended that management of microfinance bank should coordinate the customer in other to improve their customers' service and that management of micro finance banks should intensify their operations so as to capture the *confidence of their customers.*

KEY WORDS: Indicators , Assessment, Control system, Micro Finance

INTRODUCTION

Microfinance banks provide a full range of financial services comprising micro-credit (including micro-lease), micro-savings, insurance and fund transfer low-income (poor) clients, including consumers and the self employed, who traditionally lack access to deposit money banks and related financial services, to help them grow micro-enterprises or engage in other productive economic activities (Cabrera, 2016). It must be noted here that the concept of microfinance banking had been in our traditional society for a longtime even before the advent of modern microfinance banking. It existed as either community savings scheme such as Towns' meeting where individuals contribute according to their abilities to the general purse and withdraw also according to one's contributions and needs too or as a group savings scheme where people come together to contribute their resources based on mutual understanding (Ujebe, 2015). These schemes were geared towards the provision of financial services to members to help them solve immediate financial needs at that time, to save some portion of their income that are not needed for immediate consumption among other reasons.

Nevertheless, The Central Bank of Nigeria (CBN, 2005) noted that the formal financial sector provides services to about 35% of the frugally alert populace as the staying 65% are excluded from accessing the financial services. The formal institutions encompassed such institutions as the Nigerian Agricultural, Co-operative and Rural Development Bank (NACRDB) formerly, (now Bank of Agriculture), Bank of Industry, and conventional (commercial) banks. It is imperative to note that the larger balance of the populace not assisted by the formal sector is frequently assisted by the semi-formal and informal sector. The semi-formal institutions encompassed in this dispensation include; non-governmental association microfinance institutions (NGO-MFIs) and the community banks (which is now transformed into the MFBs).

The NGO-MFIs are organizations registered by law and governed by the articles of association/bye laws. Their boards of trustees are usually the founders or elected delegates, they often render financial service as well as the non-financial services.

.

The policy establishing Micro Finance Banks also derived strategies which include the license and supervision (regulation), promoting savings and banking culture among the low income household, government participation by encouraging the three the tiers of government to devote atleast1% of their annual budget. Yaron (1992) recommended two primary measurement criteria to assess the performance of Microfinance banks. First criterion, outreach, which assess the financial service (the output of the intervention) that provide the Microfinance banks to poor customers, given the goal it was founded to attain and for which fund is provided. The second criterion is the Subsidy Dependent Index (SDI) that measures that level of Microfinance bank subsidy dependency, this framework of outreach-SDI was generally accepted and used by many researchers (Nanayakkara, 2012, Manos and Yaron, 2009, Schreiner, 2017). Hulme (2018) reviewed the methodology options for assessing the impacts of MF programs. He explores methods to enhance impact assessment (IA) practice. Hulme argued that while all studies must pursue rigor, the effectiveness of an IA will depend on how it's good in achieving a fit between its objectives and its context. However, very often, donor desires for objective and outside IAs lead to weakening the impact monitoring capacity of the Microfinance bank itself.

Navajas (2016), constructed a theoretical framework that define the social worth of an Microfinance banks in terms of the depth, worth to users, cost to users, breadth, length and the scope of its output. The majority of the poor households served by the Microfinance banks were near the poverty line. Individual lenders had less depth of outreach then group lenders. The study concluded that the poorest borrowers were more likely to be the rural borrowers, but most of the borrowers were more likely to be the urban poor.

Engels (2010), Stated that policymakers, investors and competitions among Microfinance banks and between commercial banks encourage the importance of microfinance banks financial performance measurement. He revealed some financial performance measures and referred to recent involvement of specialized rating agencies in social performance. He also criticized the social performance standards published by social performance task Force, in that their categories are broader and uncertain about data availability and subjectivity in prioritizing indicators of social performance. Also he reported that average loan size measure is used as their primary indicator for the social performance of Microfinance banks in spite of criticisms by many authors. It is against this background that this study tends to survey the indicators for assessment of performance of Microfinance Banks in Ebonyi State.

Purpose of the Study

The main purpose of the study is to evaluate the indicators for the performance of Microfinance Banks in Ebonyi State. Specifically, the study sought to:

1. Indentify the indicators for evaluating performance of micro-finance banks in Ebonyi State.
2. Ascertain the operational problems militating against the performance of microfinance banks in Ebonyi State.
3. Determine the strategies for maximizing the performance of microfinance banks in Ebonyi State.

Research Questions

The following research questions were formulated to guide the study

1. What are the indictors for evaluating performance of micro-finance banks in Ebonyi State?
2. What are the operational problems militating against the performance of microfinance banks in Ebonyi State?

3. What are the strategies for maximizing the performance of microfinance banks in Ebonyi State?

REVIEW OF RELATED LITERATURE

Microfinance is a category of financial services targeted at individuals and small businesses who lack access to conventional banking and related services. Microfinance includes microcredit, the provision of small loans to poor clients; savings and checking accounts; microinsurance; and payment systems. Microfinance services are designed to be more affordable to poor and socially marginalized customers and to help them become self-sufficient (Nwachukwu, 2009). Microfinance initially had a limited definition - the provision of microloans to poor entrepreneurs and small businesses lacking access to credit. The two main mechanisms for the delivery of financial services to such clients were: (1) relationship-based banking for individual entrepreneurs and small businesses; and (2) group-based models, where several entrepreneurs come together to apply for loans and other services as a group. Over time, microfinance has emerged as a larger movement whose object is "a world in which as everyone, especially the poor and socially marginalized people and households have access to a wide range of affordable, high quality financial products and services, including not just credit but also savings, insurance, payment services, and fund transfers (Adeyemi, 2009).

In developing economies and particularly in rural areas, many activities that would be classified in the developed world as financial are not monetized: that is, money is not used to carry them out. This is often the case when people need the services money can provide but do not have dispensable funds required for those services, forcing them to revert to other means of acquiring them (Umeania, 2014). In their book The Poor and Their Money, Stuart Rutherford and Sukhwinder Arora cite several types of needs:

- **Lifecycle Needs:** such as weddings, funerals, childbirth, education, home building, widowhood and old age.
- **Personal Emergencies:** such as sickness, injury, unemployment, theft, harassment or death.
- **Disasters:** such as wildfires, floods, cyclones and man-made events like war or bulldozing of dwellings.
- **Investment Opportunities:** expanding a business, buying land or equipment, improving housing, securing a job, etc.

People find creative and often collaborative ways to meet these needs, primarily through creating and exchanging different forms of non-cash value. Common substitutes for cash vary from country to country but typically include livestock, grains, jewelry and precious metals. As Marguerite S. Robinson describes in his book 'The Micro finance Revolution - Sustainable Finance for the Poor', the 1980s demonstrated that "micro finance could provide large-scale outreach profitably," and in the 1990s, "micro finance began to develop as an industry" (2001, p. 54). In the 2000s, the micro finance industry's objective is to satisfy the unmet demand on a much larger scale, and to play a role in reducing poverty (Gallagher and Robson, 2013). While much progress has been made in developing a viable, commercial micro finance sector in the last few decades, several issues remain that need to be addressed before the industry will be able to satisfy massive worldwide demand (Sears, 2012).

The obstacles or challenges in building a sound commercial micro finance industry include:

- Inappropriate donor subsidies
- Poor regulation and supervision of deposit-taking micro finance institutions (MFIs)
- Few MFIs that meet the needs for savings, remittances or insurance
- Limited management capacity in MFIs
- Institutional inefficiencies
- Need for more dissemination and adoption of rural, agricultural micro finance methodologies
- Members lack of collateral to secure a loan

Microfinance is the proper tool to reduce income inequality, allowing citizens from lower socio-economical classes to participate in the economy. Moreover, its involvement has shown to lead to a downward trend in income inequality (Hermes, 2014). Rutherford (2012) argued that the basic problem that poor people face as money managers is to gather a 'usefully large' amount of money. All the value is accumulated before it is needed, this money management strategy is referred to as 'saving up' (Hermes, 2014).

Some principles that summarize a century and a half of development practice were encapsulated in 2004 by CGAP and endorsed by the Group of Eight leaders at the G8 Summit on June 10, 2004:

1. Poor people need not just loans but also savings, insurance and money transfer services.
2. Microfinance must be useful to poor households: helping them raise income, build up assets and/or cushion themselves against external shocks.
3. "Microfinance can pay for itself. Subsidies from donors and government are scarce and uncertain and so, to reach large numbers of poor people, microfinance must pay for itself.
4. Microfinance means building permanent local institutions.
5. Microfinance also means integrating the financial needs of poor people into a country's mainstream financial system.
6. "The job of government is to enable financial services, not to provide them.
7. "Donor funds should complement private capital, not compete with it.

8. "The key bottleneck is the shortage of strong institutions and managers. Donors should focus on capacity building.
9. Interest rate ceilings hurt poor people by preventing microfinance institutions from covering their costs, which chokes off the supply of credit.
10. Microfinance institutions should measure and disclose their performance both financially and socially.

Microfinance is considered a tool for socio-economic development, and can be clearly distinguished from charity. Families who are destitute, or so poor they are unlikely to be able to generate the cash flow required to repay a loan, should be recipients of charity. Others are best served by financial institutions.

Goals and Objectives of Microfinance Bank

Traditionally, when a person wants to start a business venture, they go to a bank for a loan. But what should a budding entrepreneur do if he is too poor to obtain financing to start a profitable business? The answer lies in a relatively new branch of financial services called microfinance. Its purpose is to provide basic financial services such as loans, savings and insurance to underprivileged people (Schafer and Talavera, 2016). A microfinance institution (MFI) is simply one that offers such services to the poor; according to the Consultative Group to Assist the Poor (CGAP), it can be a credit union, commercial bank, financial non-governmental organization, or a credit cooperative. Following is a list of the main purposes of microfinance.

Provide Access to Funds: Typically, the poor acquire financial services like loans through informal relationships. These loans, however, come at a high cost per dollar loaned and can be unreliable. Furthermore, banks have not traditionally viewed poor people as viable clients and often will reject them due to unstable credit or employment history and lack of collateral. MFIs dismiss such requirements and provide small loans at high interest rates, thus providing MFIs the funds they need to continue operation.

Encourage Entrepreneurship and Self-Sufficiency: Underprivileged people may have potentially profitable business ideas, but they cannot put them into action because they lack sufficient capital for start-up costs. Microcredit loans give clients just enough money to get their idea off the ground so they can begin turning a profit. They can then pay off their micro-loan and continue to gain income from their venture indefinitely.

Manage Risk: Microcredit can give impoverished people enough financial stability to cross from simply surviving to accruing savings. This gives them protection from sudden financial problems that could have been devastating. Savings also allow for educational investment, improved nutrition, better living conditions and reduced illness. Microinsurance provides people the ability to pay for health care when needed, so they can receive treatment for health conditions before they become grave and more costly to treat.

Empower Women: Women make up a large proportion of microfinance beneficiaries. Traditionally, women (especially those in underdeveloped countries) have been unable to readily participate in economic activity. Microfinance provides women with the financial backing they need to start business ventures and actively participate in the economy. It gives them confidence, improves their status and makes them more active in decision-making, thus encouraging gender equality. According to CGAP, long-standing MFIs even report a decline in violence towards women since the inception of microfinance.

Community-Wide Benefits: Generally speaking, microfinance institutions seek to reduce poverty worldwide. As they obtain funds and services from MFIs, recipients gain enormous financial benefits which trickle down to others in their families and communities. New business ventures can provide jobs, thereby increasing income among community members and improving their overall well-being. Microfinance services gives hope to people who previously had little or no opportunity to be self-sufficient.

Control System in Operation of Micro Finance Banks

Financial institutions need activities that ensure that goals are consistently being met in an effective and efficient manner (Aubrey, 2014). Armstrong and Baron (2018), maintain that as a strategic and integrated approach to increasing the effectiveness of companies by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors. According to Ledgerwood (2009), the performance of MFI is measured in many parameters. This includes: Portfolio Quality indicators: Portfolio quality ratios provide information on the percentage of non-earning assets, which in turn decrease the revenue and liquidity position of MFIs. Some of the measures used include the repayment rates, arrears rate, Portfolio at risk, delinquent borrowers, loan loss reserve ratio, and loan loss ratio.

Simon (2015) indicated that different management control systems will have different impacts on organization performance because different management control system often set by high level management is based on different strata or on how companies apply the interactive use of management control systems like financial budget. Management Control Systems have the purpose of providing information useful in decision-making, planning and evaluation (Widener, 2017; Merchant & Otley, 2017). The focus of management control system is not only on one form of control like performance measures but on multiple control systems working together (Widener, 2017; Otley, 2018). Simons (2015) argues that Management control systems are the formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities

Prospects of Micro Finance Banks on their Immediate Communities

According to Oni (2017), the capacity to build growth capital is dependent on 'whom you know' particularly put as your 'technical know who'. In Nigeria, one of the main problems facing small and medium enterprises is capital required.. to finance their activities. Experiential data reveals that finance has about 25% impact on the success of SMEs. Enterprises are financed either by debt, equity or a combination of the two. He two types of financing are derived from either the formal or informal financial sector. In the formal sector, commercial banks and development banks are the main sources of financing for businesses, while the informal sector comprises of loans from friends, relatives and cooperative societies. In Nigeria, banks such as commercial, microfinance, and central bank, as well as international development agencies are some of the institutions in the formal financial sector that have played important roles in financing small businesses in Nigeria. Agwu (2016) stressed that the largest source of finance for SMEs around the world remains the commercial banks. Nevertheless, a lot of commercial banks are no willing to finance small businesses because of the risks and uncertainties involved. Some of the reasons for the reluctance of commercial banks in Nigeria to finance the subsector include: harsh economic environment, inadequate managerial skills and insufficient availability of modern technology by small businesses. This has led to a constant reduction in financing small businesses in the country. A number of credit institutions have been created by the government and its agencies over the years. The aim of these credit institutions has been to enhance SMEs access to finance. The CBN acknowledged microfinance as an essential tool for poverty mitigation through empowering micro and small entrepreneurs.

According to Orodje (2016), before CBN's interference, microfinance in Nigeria was prior to CBN's intervention; microfinance in Nigeria was fast becoming extinct. Microfinance lending had not been very successful from the formal as observed Arogundade (2014). Diagne (2017) stated that inadequate access to loans poor may negatively affect SMEs and their insufficient access to credit by the poor may have negative consequences for SMEs and general welfare. The primary aim of microcredit according to Maruth et al (2013) is to enhance the wellbeing of the underprivileged through improved access to small loans which are not provided by the formal business institutions. Among the problems microfinance faces in Nigeria today is the ability of the microfinance institutions to get to majority of the poor. Thapa (2012) stated that the feasibility in microfinance could be organizational, managerial or financial. Microfinance involves making a wide range of financial services available, like, deposits, loans, transfers and insurance services to small businesses. It also involves making available financial services to small businesses that are usually not catered for by the commercial banks.

Theoretical Framework

The researcher made use of management systems theory and emergency management as the theoretical framework.

Systems Theory and Emergency Management: Systems theory evolved from the basic sciences but is utilized in the social sciences including management theory. A system composed of interrelated and interdependent parts arranged in a manner that produces a unified whole is critical in understanding all parts of the emergency management process. Viewing societies as complex open systems which interact with their environment provides such a critical view of the emergency management system (Barnard, 2018).

Systems theory is based on the idea that everything is part of a larger, interdependent arrangement. It is centered on clarifying the whole, its parts, and the relations between them (Bertalanffy, 2012). Some critical concepts that are applicable to emergency management include some of the following: open system, subsystems, synergy, interface, holism, strategic constituencies, boundaries, functionalism, interface, strategic constituencies, feedback and a moving equilibrium. Emergency management is composed of many parts including: local, state and national public, private and non-profit units. These units interact in many independent ways and each has their own constituencies, boundaries, function, and sub-units. The units may interrelate in emergency management activities in an open environment with few organizational barriers or collaborative and cooperative efforts limited by specific organizational policies, rules and procedures. Emergency managers acknowledge that effective emergency response and recovery efforts require the cooperation of the entire community; emergency managers do not operate in isolation but as a part of a large open system.

.

Summary of Literature Reviewed

The conceptual, theoretical and empirical studies that are relevant to this study are reviewed under the conceptual framework, the following concepts were reviewed: microfinance bank, students association, collection of dues, disbursement of fund, monitoring and evaluation and challenges faced in banking with microfinance bank. Micro finance bank a category of financial services tagetted at individual and small businesses who lack access to conventional banking and related services. Students association is an organisation that unites the minds, culture of students. Collections of dues is a set of co-ordinated, appropriate and timely activities aimed at full collection of money from student; Disbursement of fund simply means the act of spending money while monitoring and evaluation is an embedded concept and contitive part of every project or programme design. Under the theoretical framework, the system theory was reviewed. The reviewed empirical studies are of immense relevance to this study were reviewed.

From the review of the literature, it was formed that none of the studies dealt with indicators for assessment of performance of Microfinance Banks in Ebonyi State. This is the gap that this study has covered.

METHODOLOGY

The research design used for this study is a descriptive survey research design. A descriptive survey design is a design that allows for the study of the peculiar characters population through a sample which is deemed to be a representative of the population. Similarly, survey can be described as that which studied both large and small populations by selecting and studying samples chosen as a representative of the entire population (Robson, 2009).

Population of the Study

The population of the study is eighty (80) staff of registered micro-microfinance banks operating in Abakaliki Ebonyi State.

Table 1 Distribution of Population

S/N	Name of the Bank	No. of Staff
1	Ebonyi State University Microfinance Bank Limited	19
2	Monarch Microfinance Bank Limited	14
3	Ndiagu Microfinance Bank Limited	12
4	Ozizza Microfinance Bank Limited	18
5	Umunnachi Microfinance Bank Limited	17
	Total	**80**

Method of Data Collection

The researcher collected data by administering the instrument to the respondents in microfinance banks. A total of eighty (80) copies of the questionnaire were distributed to the respondents from the Faculty. After their response to the items, the researcher collected and assembled the returned copies of questionnaire. This method ensured 100% return of the distributed copies of questionnaire.

Method of Data Analysis

The data collected was analyzed using mean statistics based on 4 points Likert scale.

RESULTS

Data collection are presented and analyzed principally by the use of mean and standard deviation. Results are presented in tables 1-4.

Research Question One

What are the indictors for evaluating performance of micro-finance banks in Ebonyi State?

Table 2: Mean Response on the Indictors for Evaluating Performance of Micro-Finance Banks in Ebonyi State

S/N	Item Statements	SA	A	D	SD	X	SD	Decision rule
1	Funding expenses	30	25	10	15	2.9	1.7	Accepted
2	Cost of fund	25	30	15	10	2.7	1.6	Accepted

3	Profitability measures	40	25	10	5	2.8	1.7	Accepted
4	Debt/equity	36	24	14	6	2.9	1.7	Accepted
5	Portfolio quality	20	40	15	5	2.4	1.5	Rejected
	Grand Mean					**2.7**		

The result presented in Table2above revealed that the respondents in 1-4 accepted with mean score of 2.7, 2.8, 2.9 and 2.9 respectively that the indictors for evaluating performance of micro-finance banks in Ebonyi State include: funding expenses, cost of fund, profitability measures and debt/equity. It was also revealed that in Table2 above that the respondent in item 5 with mean score of 2.4 rejected that portfolio quality is an indictor for evaluating performance of micro-finance banks in Ebonyi State. Therefore, since each of the above mean scores is greater than 2.5, it was accepted that the indictors for evaluating performance of micro-finance banks in Ebonyi State.

Research Question Two

What are the operational problems militating against the performance of microfinance banks in Ebonyi State?

Table 3: Mean Response on the Operational Problems Militating Against the Performance of Microfinance Banks in Ebonyi State

S/N	Item Statements	SA	A	D	SD	X	SD	Decision rule
6	Shortage of ATM machines which led to overcrowding of the banking hall	25	35	5	15	2.7	1.6	Accepted
7	Limited time of banking hours	30	40	6	4	2.9	1.7	Accepted
8	Ambiguous management policy	25	20	25	10	2.8	1.7	Accepted
9	Location of the bank to the customers	34	40	4	2	2.8	1.7	Accepted
10	Poor management	10	15	25	30	2.2	1.7	Rejected
	Grand Mean					**2.7**		

The result presented in Table 3 revealed that the respondent in item 6-9 agreed mean scores 2.7, 2.9, 2.8 and 2.8 respectively that the operational problems militating against the performance of microfinance banks in Ebonyi State include that shortage of ATM machines which led to overcrowding of the banking hall, limited time of banking hours, ambiguous management policy and that location of the bank to the customers. While the respondent in item 10 with mean score of 2.2 rejected that poor management is an operational problem militating against the performance of microfinance banks in Ebonyi State. Since each of the above mean score is greater than 2.5, it was accepted that items are the operational problems militating against the performance of microfinance banks in Ebonyi State.

Research Questions Three

What are the strategies for maximizing the performance of microfinance banks in Ebonyi State?

Table 4: Mean Rating of the Respondents on the Strategies for Maximizing the Performance of Microfinance Banks in Ebonyi State

S/N	Item Statement	SA	A	D	SD	X	SD	Decision

								rule
11	Procurement of required ICT gadgets for modern banking	40	20	16	4	2.9	1.7	Accepted
12	Training and retraining of workers on the use of ICT gadgets for modern banking	25	30	15	10	2.9	1.7	Accepted
13	Regular maintenance of the office machines	36	24	14	6	2.8	1.7	Accepted
14	Regular review of the banking policies to suit customers demand	45	20	10	5	2.9	1.7	Accepted
15	Effective customers' care service that will attend to customers' need	35	25	15	5	2.3	1.6	Rejected

The result of data analysis presented on table IV above revealed that respondents in item 11-15 with mean score of 2.9, 2.9, 2.8 and 2.9 respectively accepted that the strategies for maximizing the performance of microfinance banks in Ebonyi State include: procurement of required ICT gadgets for modern banking, training and retraining of workers on the use of ICT gadgets for modern banking, regular maintenance of the office machines and regular review of the banking policies to suit customers demand. While the respondent in item 20 with mean score of 2.3 rejected that effective customers' care service that will attend to customers' need is a strategies for maximizing the performance of microfinance banks in Ebonyi State.

Therefore, since each of the above mean score is greater than 2.5, it was agreed that the above listed items are the strategies for maximizing the performance of microfinance banks in Ebonyi State.

DISCUSSIONS

The Indictors for Evaluating Performance of Micro-Finance Banks in Ebonyi State **included**

Operational Problems Militating Against the Performance of Microfinance Banks in Ebonyi State

In Table 2, it was also revealed that the respondents accepted that operational problems militating against the performance of microfinance banks in Ebonyi State include that shortage of ATM machines which led to overcrowding of the banking hall, limited time of banking hours, ambiguous management policy and that location of the bank to the customers. This is in line with Agwu (2008) who stated that operational problems militating against the performance of microfinance banks in Ebonyi State include that shortage of ATM machines which led to overcrowding of the banking hall, limited time of banking hours, ambiguous management policy and that location of the bank to the customers.

Maximizing the Performance of Microfinance Banks in Ebonyi State

The result of data analysis in Table 3 showed that the respondents accepted that strategies for maximizing the performance of microfinance banks in Ebonyi State include: procurement of required ICT gadgets for modern banking, training and retraining of workers on the use of ICT gadgets for modern banking, regular maintenance of the office machines and regular review of the banking policies to suit customers demand. This is in line with the above findings, Fadeiye (2009) opined that the strategies for maximizing the performance of microfinance banks in Ebonyi State include: procurement of required ICT gadgets for modern banking, training and retraining of workers on the use of ICT gadgets for modern banking, regular maintenance of the office machines and regular review of the banking policies to suit customers demand.

.

Conclusions

The findings of this study revealed that indictors for evaluating performance of micro-finance banks in Ebonyi State include: funding expenses, cost of fund, profitability measures and debt/equity.

The study also revealed that the operational problems militating against the performance of microfinance banks in Ebonyi State include that shortage of ATM machines which led to overcrowding of the banking hall, limited time of banking hours, ambiguous management policy and that location of the bank to the customers. Furthermore, the human related factors militating against the performance of microfinance banks in Ebonyi State include: shortage of qualified management team, shortage of qualified customer care staff, ambiguous management policy and poor security network in the bank. The study observed that the strategies for maximizing the performance of microfinance banks in Ebonyi State include: procurement of required ICT gadgets for modern banking, training and retraining of workers on the use of ICT gadgets for modern banking, regular maintenance of the office machines and regular review of the banking policies to suit customers demand.

Recommendations

Based on the findings of the study, the researcher made the following recommendation.

1. Management of microfinance bank should coordinate the customer in other to improve their customers' service.
2. Management of micro finance bank should intensify their operation so as to capture the confidence of their customers.
3. Micro-finance bank should strengthen their management to improve service

References

Abdullahi, A. (2011). Why 6-3-3-4 system is not working. *Daily Times 12 March, 1991. P. 12*.

Akinade, E.A. (2013). *Guidance and counselling strategies for prevention in controlling. Students Activities in Nigerian Tertiary Institutions* in O. Animba, D. Denga and O. Omolabi, (eds.) Appraisal of students' unrest in Nigeria. Enugu: ABIC publishers.

Akubue, A. U. and Enyi, D. (2009). *Crisis and challenges in developing countries*. Ibadan: Wisdom Publishers Ltd.

Ameyo, T. (2013). Six ways to improve collections and payment of dues. Retrieved from https://www ameyo.com

Aminu, J.M. (2008). Only president can reopen universities. *Daily Star x (390), 1 April, 20.*

Anadi, G.C. (2009). *The problem of indiscipline in Nigeria: The home factor* in O. Animba, D. Denga and O. Omolabi (eds.). Appraisal of students' unrest in Nigeria. Enugu: ABIC publishers.

Anowor, O.O. (2009). *Adolescence and its implication for improvement of students*. Discipline in O. Animba, D. Denga, and O. Omolabi (eds). Appraisal of students unrest in Nigeria: Enugu: ABIC publishers
.

Bank. R. (2019). Disbursement. Retrieved from: http://www.bankrate com. *http://www.bankrate.com*

Burton, J.W. (2010). *Conflict resolution and prevention*. London: Macmillan.

Echezona, I. (2001). *Curbing secret cults-related crisis in Nigerian Universities*.

Egwu, E. (2013). *Foresight: Towards exposing and eradicating cult and other social vices on campus*. Lagos: Bravo Nominees Ltd.

Ezike, H.O. (2013). *Root cause and remedies of indiscipline in Nigerian universities* in O. Aniomba, D. Denga and O. Omolabi (eds.) Appraisal of students' unrest in Nigeria: Enugu: ABIC Publishers.

Gaya, S. B. (2006). *The methods of conflict resolution and transformation* in Gaya, S.B. (ed.). Introduction to peace and conflict studies in West Africa. Ibadan: Spectrum Books Limited.

Gururage M. (2019) Late st trends in the debt collection process. Retrieved from http:/// habiletechnologies. Com

Igodo, C. (2012). *Campaign against cultism and drug abuse among youths in Nigeria*. Enugu: Magnet Business.

Kagan J. (2019). Disbursement. Retrieved from: http://www.investope dia .com.

Nwanze, S. (2009). *Unveiling the secret of secret societies in campuses*. Lagos: National Concord.

Obi, E. (2007). *Communication and management of organization behaviour* in A.N. Ndu, L.O. Ocho and O. Okeke (eds.) Dynamic of educational administration and management. Awka: Makes publishers.

Okeke, V.U. (2009). Factors affecting students' crisis as perceived by the staff and students of UNN. *Unpublished M.Ed. Thesis*. October 1996.

Okoye, N.N. (2013). *Psychological techniques for handling campus indiscipline in our institutions of higher learning* in O. Animba, D. Denga and O. Omolabe (eds.) appraisal of students unrest in Nigeria. Enugu: ABIC publishers.

Olanrewaju, K. (2013). *I have lost a gem*. The Cornet Newspaper (Lagos) 28th August, 2003. P.3

Onyecheralam, C.A. (2008). A study of cases of students' unrest as perceived by students in selected secondary schools in Imo State. *Unpublished M.Ed. Thesis* Lagos State University.

Onyeka, B.V. (2012). *Morning Madness at UNN*. The Guardian (Lagos) 22nd June. P. 24.

Otite, O. (2009). *On conflict, their resolution, transformation and management.* In O. Otite (ed.). Community conflicts in Nigeria Ibadan: Spectrum Books Ltd.

Rufus, I. (2008). *Dealing with students' unrest*. Daily Times. 1(314), 10.

Sanya, O.A. (1981, May 2). Decade students' unrest. Sunday Concord. 1 (413), 3.

Seep (2015) A Practical guide to monitoring and evaluation for micro finance association. Retrieved from: http://Seep network org. file. Pdf

The American college of Surgeons (2019) dues collection and membership record maintenance. Retrieved from: https:// www.faces . org

The Guardian (2012). Cultism and violence on our campuses. *The Guardian (Lagos) March. P. 22*

Ufot, O.A. (2008). Students part, riot and demonstration. The Calabar Education: *A journal for education practitioners and thinker in Africa 1(5) 35 – 38*.

Umeh, E.D. (2011). *Tertiary institution in Nigeria: haven or coven*. Enugu: Pan African publishers.

United Nations Development Progranmme Evaluation Office (2019). Handbook on monitoring and evaluation for results. Retrieved from: http://web.undp.org/evaluation/documents/handbook/me-handbook . pdf.

Wale, A. (2008). Forty-four confirmed dead in Kano and Kaduna. *Daily Times (Lagos) 4th November, 1982. P. 25*.