ASSESSING THE EFFECTS OF TRAINING AND MONITORING ON
ORGANIZATIONAL PERFORMANCE: A STUDY OF MICROFINANCE
FIRMS IN GHANA

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DECLARATION

Candidate’s Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate’s Signature…………………… Date ……………………………

Name: Felix Osafo Marfo

Supervisor’s Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the Christian Service University College.

Supervisor’s Signature ……………………… Date ……………………………

Name: Mr. Paul Kitson Baffour Asamoah
Microfinance Institutions (MFIs) training and monitoring activities are widely recognized as key to loan repayment performance for loan clients especially in developing countries. Microfinance Institutions are therefore tailored to understand needing financial services so as to provide quality, but affordable financial services to their clients, and finding better strategies to recoup investments, which gives a lot of priorities to training, engagements and monitoring activities of MFIs. That being said, empirical evidence is, however, largely lacking and where present, not consistent, and a little has been done in Ghana in this regard (Chiaburu & Tekleab, 2005; Khan et al., 2011; Landa, 2018). The research aimed to investigate the training and monitoring strategies adopted by Microfinance institutions for their clients; assess the impact of training of clients on the Microfinance institutions’ performance; and evaluate the impact of monitoring systems on clients and on the Microfinance institutions’ performance.

The research design used for this study was a case study, where data was coordinated from several sources being: employees, employers, human resource managers, and other management bodies in microfinance companies in Kumasi. The study also used a mixed research approach of both quantitative and qualitative. The target population were the one hundred and seventeen (117) microfinance companies in the Kumasi Metropolis. Cluster and Purposive sampling methods were applied to select the sample firms and the respondents. Considering the firms with regulated training and monitoring practices, 30 microfinance firms of which 30 employees and 30 clients and were selected using cluster, purposive and convenient sampling.

Key findings from the study shows that, 90% of clients of Microfinance institutions have engagements and 95% have monitoring frameworks available,
mostly with workers or employees (loan officers). These engagements ensure good customer service and it keeps client abreast with the institutional current issues. Also, monitoring the business condition of the clients is one of the regular tasks of the Microfinance Institutions, to check the consistency, effectiveness and proceedings of the clients so as know how clients can be able to paid back at the said time. These all contribute to the impact on clients and institutional performance in the form of improved position of MFI or clients’ business in terms of competitive advantage, increased productivity, income of workers raised, and motivation to work harder.

Some challenges recorded from the survey include, lack of facilities available for the training staff in some MFIs; that the training programs are not well structured and at the end of the training little or no impact would have been made; and delay from training which affects activities of clients. By way of recommendation, MFIs can work with different bodies like micro businesses and arrange market for their clients. Also, a minimum rate set by the Bank of Ghana (under which all MFIs are), will help control the high interest rates set by some institutions.
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Thanks and honour be to God Almighty for life and strength and also for His abundant and undeserved Grace to bring me this far in my academics and also undertake this special studies.

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DEDICATION

I dedicate this thesis ultimately to the Almighty God for His continuing blessings and protection throughout the thesis. The entire journey has been tough but He made it possible.

To my family, my lovely wife; Mrs. Shallon Osafo Marfo and daughter; Julia Osafo Darkwa.
KEY WORDS

CLIENT
EMPLOYEE
ENGAGEMENT
FRAMEWORK
MICROFINANCE
MONITORING
ORGANISATION
PERFORMANCE
TRAINING
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CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Performing companies do not only recognize the importance of their clients or their workers but also the need to provide the right opportunities for them to widen their capabilities and knowledge (IBM Smarter Workforce, 2013). This is basically aimed to achieve their individual objectives and the organizational goals and objectives at large. The fast pace of global and technological development has brought to light new ways and changes as well as challenges which molded capabilities and competence required to perform certain tasks and above all increased competition (Allen, 2010; Qayyum et al., 2012).

Most low and middle income countries like India, Indonesia and countries in Sub Saharan Africa like Ghana and Nigeria are dominated by small and medium scale industries and organisations (Quartey, 2012). The effectiveness of these organisations in terms of achieving their set objectives depend on many factors, of which the most important factor being quality of human capital (Armstrong, 2006). Accordingly, the trends in Microfinance 2010-2015, 71% of CEOs cited human capital in terms of employee and clients’ capability to achieve the purpose for which they operate ahead of products, customer relationships and brands as the leading source of sustained economic value (IBM Smarter Workforce, 2013). In addition to this, Chief Executive Officers ranked “People Skills” in top 4 “External forces impacting the enterprise” (MicroNed, 2016). 84% of employees in Best Performing Organizations are receiving the training they need compared with 16% in the worst performing companies (IBM Smarter Workforce, 2013). As a result, in order for an organisation to function
efficiently and effectively, the element of ensuring human resource management practices and improving capabilities must not be overlooked.

As part of the Microfinance policies and goals, is to train and build the capacity of the employees to function efficiently and effectively and ensure effective cost recovery in the short, medium and long term (Raja, Furqan & Muhammad, 2011). Today, companies need to do everything possible to drive performance; people and skills are a strategic part of this performance. According to Ashley (2017), Microfinance Institutions seek to tailor their financial services to provide quality, but affordable financial services to their clients. To achieve this, Microfinance Institutions are committed to motivating their staff and clients in all ways possible, through training and workshops, adhering strictly to banking rules and regulations, and becoming socially responsible in order to ensure higher returns on the investments to meet the expectations of stakeholders.

Training has been defined as providing employees with knowledge, skills, and abilities that enable them to carry out organisational activities efficiently and effectively (Hanaysha, 2016). The need for training is accelerated by the gap between the actual performance and the desired performance (Landa, 2018) and according to Khan et al., (2011) training helps improve on organisational performance. Training is the effort initiated by an organisation to foster learning and of growing importance to companies seeking to improve productivity, make more profits and outperform their competitors. Training normally focuses on providing specific knowledge and correcting deficiencies that may arise in the field of work. Microfinance Institution among other companies according to their guidelines must engage clients in training programmes which benefits not only the microfinance company but also the clients themselves in making better, efficient and effective decisions and know how to handle
setbacks as they unfold. To a far extent, this also encourages self-confidence and self-development (Katcher & Snyder, 2003). It therefore helps organisations (Microfinance firms) to stern morale in their clients, and in handling stress, tension, frustration and conflict that may impede on improving job satisfaction, recognition as well as increasing interaction skills (Katcher & Snyder, 2003).

As part of training methods, it is also important that organisations or institutions undertake monitoring and evaluation practices to ensure checks and assess performance and/or assess the impact of the training practices. The question that may arise in many instances is why human resources are important. Bearing in mind that human resources are the intellectual property of any firm, competent workers prove to be the best source of gaining competitive advantage (Houger, 2006). Training therefore becomes the best way to develop organisational intellectual property through building competencies. By this reason, Microfinance Institution needs to design their human resource and client management in ways that fits which will make their clients achieve their purpose and the organisation achieve its goals and objectives as planned (Houger, 2006).

Ghana’s business scene has witnessed an increasing of financial institutions notable of which are Microfinance Institution (Quaye et al., 2014). The liberalization of financial policies has led to a number of microfinance firms springing up, leading to intensive competition for clients and workforce among themselves (Quaye et al., 2014). With the aim of checking and monitoring clients’ productivity, performance and the propensity to cover up the cost of investment (that is the capital lend from the Microfinance company) strategic attempts have to be made through training and effective monitoring, aside the training and monitoring of performance of employee.
Training and monitoring ensure the availability of knowledgeable, multi-skilled workforce which is the most important competitive resource to the organisation. Being skilled and educated optimises the utilisation of the workforce or human resources and therefore enables their effectiveness, efficiency and productivity (Coetzee 2007). As an organisation becomes more efficient and productive it will also become more profitable as a result. Productivity and profitability are essential for an organisation to grow and achieve its long its long-term goals. In line with the importance of training and monitoring in the achievement of clients as well as the goals of Microfinance Institution, this study attempts to understand the effects of training and monitoring on organisational performance of Microfinance Institution in Kumasi, making references to existing literature and findings from similar researches.

1.2 Problem Statement

Kumasi Metropolis is one of the few Metropolis in the Republic of Ghana, with myriad and emerging Microfinance Institution (Boateng & Boateng, 2014; Eleke-Aboagye & Otsyokpo, 2016), aside Accra, Tema and Secondi-Takoradi Metropolis). However, as some Microfinance companies excel, others find it difficult to make it (Boateng & Boateng, 2014), as they are not able to achieve their mission, goals and objectives. According to International Fund for Agricultural Development (2006), Microfinance institutions have values as well as objectives to: serve increasing numbers of poor and excluded people in an ongoing, sustainable way both by broadening and by deepening outreach; improve the quality and appropriateness of the financial services available to target clients through the systematic assessment of their specific needs; create benefits for microfinance clients, their families and communities that are related to social capital and social links,
assets, reduced vulnerability, income, access to services and the fulfilment of basic needs; and improve the social responsibility of the Microfinance Institution towards its employees, clients and the community it serves.

The social performance of the Microfinance institutions (International Fund for Agricultural Development, 2006) is what is in question here, with focus not only on Microfinance institutions giving out monies or capital/ investment to their clients but also checking on how judiciously the investments are being used, the outcome and also the productivity of the client to meet their set objectives or target, and for the Micro finance institution to get their capital/investment back after the said or agreed time. This calls for the effective social duty of the Micro finance institution to ensure effective training and monitoring of their clients which some Microfinance do (Vinesh, 2014; Umar et al., 2013). In other words, the social role of microfinance institutions being limited is not just about measuring these objectives and outcomes but also about the actions and corrective measures taken by a Microfinance Institution to generate those outcomes (Swart et al., 2005). The aim is to determine whether the Microfinance Institution gives itself the means to reach its social goals, by training and also monitoring progress towards those goals and understanding how to use the information it gathers to make improvements in its operations.

The board, management and staff of microfinance institutions are expected to exude strong financial intellectualism; and demonstrate effective ideas in microfinance and banking in general to assure their rapid transformation from microfinance to savings and loans; and eventually to a full-fledge bank (Falola, Osibanjo & Ojo, 2014). It is the fervent hope and expectation of key stakeholders that the management and staff of microfinance institutions would continue to research into the financial market; and emerge with useful financial products and services that
would meet the financial needs of their existing clients and prospects; and contribute meaningfully to the development and growth of businesses (Boateng & Boateng, 2014). Research has therefore not gone extensively to look into the social role of Microfinance institutions in Ghana to understand how it affects and impacts on the organizational performance (Chiaburu & Tekleab, 2005; Khan et al., 2011; Landa, 2018; Landa, 2018). Most studies focus on organizational performance through employee training and monitoring (Kyeretwie, 2012; Nwaeyeke & Onyebuchi, 2017; Landa, 2018) without giving focus to the training and monitoring (social role) of activities of their client which in some cases affects their performance. This has raised concerns of some researchers to try and look into the sector considering their client in terms of engaging their clients in one or two training (Kyeretwie, 2012; Nwaeyeke & Onyebuchi, 2017). While some firms just monitor their clients, others engage their clients in a form of training activities (Kyeretwie, 2012). This research therefore the purpose of this research Microfinance Institution to assess and understand the issues in question and creating that gap in literature which this study looks forward to fill by knowing the impact of training and monitoring on the performance of Microfinance institutions in Kumasi Metropolis.

Studies have shown that various types of training specifically off-the-job training and monitoring play an important role in improving the efficiency and effectiveness of organizations (Khan et al., 2011) with the reason being that, training increases knowledge, skills, abilities and capabilities. Also, the relationship between training and performance has been argued separately by academics. Some studies have confirmed the direct impact of training on performance, while others have pointed out that training has no significant relationship with performance (Aragon et al., 2014). In contrast, numerous studies have found that training significantly and
positively affects organisational performance (Nel et al., 2007; Quartey, 2012; Kum et al., 2014; Sherwani & Mohammed, 2015; Khan et al., 2017).

Notwithstanding, various studies (Chiaburu & Tekleab, 2005; Khan et al., 2011; Landa, 2018) have been done on training and monitoring of employees and its effects on organizational performance in Ghana, other African countries and the world at large (Houger, 2006; Khan et al., 2011; Kyeretwiw, 2012). Also, studies have been done on client training outside Ghana but research has not been done to cover the monitoring and training of clients and their effects on the performance of Microfinance institutions in Ghana (Quaye et al., 2014; Umar, Emmanuel & Oluseyi, 2013). This study therefore highlights these issues and also looks into approaches of training and monitoring employed by Microfinance institutions and its effects on the performance of these Micro finance institutions. This being done, this study will also contribute to minimizing this gap in literature and thereby establishing the basis to understanding and applying some aspects of human resource management in general in Ghana and beyond.

1.3 Research Objectives

The general objective of the research is to assess the effects of training and monitoring on Microfinance institutions’ performance in Kumasi Metropolis. Specifically, the objectives that are pursued to achieve the aim of the research are as follows:

i. To investigate the training and monitoring strategies adopted by Microfinance institutions for their clients in the Kumasi Metropolis.

ii. To assess the impacts of client training on the Microfinance institutions’ performance.
iii. To evaluate the impacts of monitoring systems on clients and on the 
Microfinance institutions’ performance.

1.4 Research Questions

The general question posed by this research is that: what are the effects of training 
and monitoring Microfinance institutions’ performance in Kumasi Metropolis. Going 
into specifics, the study sought answers to these questions;

i. What are the training and strategies adopted by Microfinance 
institutions for their clients in the Kumasi Metropolis?

ii. What are the impacts of clients training on the Microfinance 
institutions’ performance?

iii. What are the impacts of monitoring systems on clients and on the 
Microfinance institutions’ performance?

1.5 Justification of the Study

Researchers have found out that the area of training in organisations in one 
way or another affects organizational performance positively (Quartey 2012; Kum, 
Cowden, & Karodia, 2014). Also, researchers have found out that microfinance firms 
are very important as they impact the development of the socio-economic activities in 
developing countries and more especially their contributions to the development of 
small and medium size businesses in Ghana (Prah, 2016; Quaye et al., 2014). This 
research will focus on assessment of performance of Microfinance institutions 
through training and monitoring of activates of clients’ capabilities, productivity and 
performance prior to and after giving out investments not been exploited but for the 
right purpose.
The main contribution of the study stems from the identification of the factors that could negatively affect the functioning and performance of Microfinance institutions taking into consideration the part to be played of their clients (especially the human resource factor). This is because the activities of the Microfinance institutions in one way or another affect their performance, business environment of Ghanaian companies and the stakeholders or clients’ that rely on these institutions.

The study of this nature is very important because it is going to enlighten the institutions, the government, policy makers and the public on the essence of their social roles, among other roles the Microfinance institutions need to play, what is expected of them and the reliability of these institutions. The promotion and development of these institutions can contribute in the fight against poverty by improving the various sectors of the economy that depend on them (like the agricultural sector, and the SMEs).

1.6 Relevance of the Study

The findings of the study will be relevant to micro finance institutions in their quest to minimize cost of running the Microfinance institutions, by managing risks and increase profit. However, to operate in the financial sectors successfully, there is the need for the services of professional staff to make and implement strategies in other to gain competitive advantage. The staff of the Micro finance institutions are the main targets of this research and the major input to the success of the institution in question. As a result, if they are efficient it will help improve the performance of the institution taking into consideration the people they work with, since they are the purpose for the institutions being there. In effect, as institutions perform better they are able to increase output and contribute more to the economy. They are also able to
grow and reach out to more clients thus helping to improve access to financial capital
for all manner of purposes which will have effects and impacts on the country in the
long run. And as companies perform better, they are also able to compete better
enabling the economy to remain vibrant.

The study will therefore see to how Microfinance institutions equip staff as
well as clients through training programmes and monitoring frameworks. It will also
see how decision makers in the micro finance and financial sector in general with the
knowledge of using training and monitoring of activities to develop and equip their
staff with professional competence. The study will also improve the management of
microfinance institutions which will increase their profitability, contributing to growth
in Ghana’s microfinance sector and the economy as a whole. Finally, the study will
also fill the literature gap and will serve as a source of reference for future research.

1.7 Scope of the Study

Geographically, the study is done within the four Sub-Metros of the Kumasi
Metropolitan Assembly (KMA) in the Ashati Region of Ghana. The Sub-Metros are
Bantama to the North-East of KMA, Menhyia to the North-West, Nyiaeso to the
South and Subin at the centre of KMA. According to KMA Report (2014), Kwadaso
and Nyiaeso were carved out of Bantama and KMA had 10 Sub-Metros. In recent
years, other areas have been carved out of KMA which has reduced the number of
Sub-Metros from ten to four (Oduro-Appiah et al., 2017).

The study therefore centers around Microfinance Institution within KMA, which was
chosen for the study. The study was conducted among the Microfinance Institution
within Kumasi Metropolis to assess the impact of training and monitoring practices
for clients of Microfinance institutions on the performance of these Microfinance institutions, on which conclusions would be made on the findings acquired.

1.8 Limitations of the Study

Firstly, clients will be difficult to notice as the personal details and the activities of clients of Microfinance institutions are privileged and as such questions that are deemed as sensitive would not be answered and even if answered would not be of the whole truth which affected the outcome of the research. Solving this challenge, Clients were reached out to at the Microfinance institutions and interviewed, some their contacts were taken and met later to and interviewed.

Also, Microfinance institutions are busy institutions which posed as a possible limitation of the study. In other words, due to the busy schedule of staff especially management staff, could affect the sources of some information acquired as well affect the capacity to give detailed opinions on the training and monitoring schemes that have been implemented. In this regard, the researcher focused on available respondents and convenient sampling method was added to the sampling procedure in order to attain the required sample size for the study.

Also, as a result of the collapsing of Microfinance Institutions in Ghana, it limited the acceptance and willingness of full cooperation of the Microfinance Institutions. This circulating news posed as a gross challenge and delayed proceedings with regards to the productivity of work on the field. Fortunately, the information had not spread to most of the targeted Microfinance institutions which helped in the data collection process. Also, for those who had heard the news an authority note was given to them to explain that the research was basically for educational purpose and
not any other reason, of which some of the Microfinance institutions consented to and provided the researcher with the needed information.

1.9 Organization of the Study

The study consists of five chapters. Chapter one introduces the study, presenting the background, statement of problem, scope, significance and limitation of the study. It also clearly states the research objectives and questions. Chapter two reviews literature that informs the study and provides the theoretical framework for the study. The review of literature is both theoretical and empirical to ascertain other views and similar works that have been studied. Chapter three provides the research method, used for the study. This includes the research approach, research design, population and sample of the study. It also presents the method of data collection and analysis. Chapter four presents the data collected and the detailed data analysis. Chapter five summarizes the findings of the study, makes conclusions and suggests recommendations based on the conclusions of the study.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter has been purposed to review literature which broadens the understanding of relevant concepts and also makes relevant analysis and inferences in relation to the study and retrospect, the study area (Kumasi Metropolis). This chapter therefore reviews literature related to training and monitoring as well as microfinance institutions in Kumasi Metropolis. This is aimed at establishing the fundamental facts as referenced to guide the analysis of findings in the subsequent chapters of this research, up to the conclusion.

Specifically, considers meaning of relevant concepts (training, monitoring and organisational performance), the impact of training and monitoring on organisational performance, types of training and monitoring frameworks and its application and impact on microfinance companies in Kumasi Metropolis and Ghana as a whole. The chapter also defines the theoretical and conceptual frameworks for training and monitoring and how it impacts on organisational performance. Studies pertaining to training and monitoring and their impact on organizational performance was also reviewed.

2.2 Review of Related Concepts

In relation to what was stated in the previous section, this section of the report gave the definitions, meanings and distinctions of the various concepts related to the study. This is to establish the fundamental facts as reference, and to guide the analysis of findings in the subsequent chapters of this study, up to its conclusion. This section reviews the concepts of training, monitoring and organisational performance.
2.2.1 Training

Employees are the most valuable asset of every company as they can make or break a company’s reputation and can adversely affect profitability. Employees often are responsible for the great bulk of necessary work to be done as well as customer satisfaction and the quality of products and events. Also, clients are the backbone of every institution since they are the reasons institutions operate and their effectiveness and ineffectiveness affects the institutions in one way or another. With proper training, employees develop the skill sets necessary for accomplishing their tasks at their maximum potential, and clients are abreast with everything that needs to be known about the operation of the institution to know how to manage and achieve their targets and by that the target of the institutions will also be achieved.

Employees who undergo proper training tend to keep their jobs longer than those who do not. Training therefore becomes a planned intervention, aimed at enhancing the elements of employees’ or individuals’ job performance, which ultimately contributes to improving organizational performance and achieving organizational goals and vision (Chiaburu & Tekleab, 2005).

Training programs help the workforce to decrease their anxiety or frustration, originated by the work (Chen et al., 2004). Study done by Chen et al. (2004), revealed that, workers (at both the public and private sectors) in that period who feel themselves to be unable to perform a task with the desired level of performance are laid off, while others decides to leave so as not to face that fate (Chen et al., 2004). This is so because, their stay at the firm will not add to productivity, and the firm in tend makes losses (Kanelopoulos & Akrivos, 2006). The greater the gap between the skills necessary and those possessed by the workforce, the higher the job dissatisfaction of the workers. Rowden (2002), suggest that training may also be an
efficient tool for improving one’s job satisfaction, as employee better performance leads to appreciation by the top management, hence employee feel more adjusted with his job. According to Rowden and Conine (2005), trained employees are able to satisfy the customers and employees who learn as a result of training program shows a greater level of job satisfaction along with superior performance.

Training is important and an imperative tool for the organization to revamp the performance of all the personnel for organizational growth and success. It is beneficial to both employers and employees of the organization. An employee will become more efficient and productive if he is trained well. Firms can develop and enhance the quality of the current employees by providing comprehensive training and development. Training is essential not only to increase productivity but also to motivate and inspire workers by letting them know how important their jobs are and giving them all the information, they need to perform those jobs. The general benefits received from employee training are: increased job satisfaction and morale, increased motivation, increased efficiencies in processes, resulting in financial gain, increased capacity to adopt new technologies and methods, increased innovation in strategies and products and reduced employee turnover.

Effective training and development programs aimed at improving the employees’ performance. Training refers to bridging the gap between the current performance and the standard desired performance (Quartey, 2012). Training could be given through different methods such as on the coaching and mentoring, peers’ cooperation and participation by the subordinates. This team work enables employees to actively participate on the job and produces better performance, hence improving organizational performance (Elnaga & Imran, 2013).
Training programs not only develop employees but also help an organization to make best use of their humane resources in favour of gaining competitive advantage. Therefore, it seems mandatory by the firm to plan for such training programs for its employees to enhance their abilities and competencies that are needed at the workplace (Jie & Roger, 2005). Training not only develops the capabilities of the employee but sharpens their thinking ability and creativity in order to take better decisions in time and in more productive manner (David, 2006). Moreover, it also enables employees to deal with the customer in an effective manner and respond to their complaints in timely manner (Hollenbeck et al, 2004).

Training develops self-efficacy and results in superior performance on job (Svenja, 2007), by replacing the traditional weak practices by efficient and effective work-related practices (Kathiravan et al, 2006). According to Tai (2006), in the fast pace changing world of business and environmental uncertainty, organizations realize their limitation of dealing with new challenges. However, he further states that the firms should invest in training programs to make their employees competent enough to face uncertainties and take effective decisions in time, in order to remain competitive in the market. Firms must also institute effective monitoring schemes to supervise operations.

Effective training is beneficial for the firm in various ways, such as, it plays a vital role in building and maintaining capabilities, both on individual and organizational level, and thus participates in the process of organizational change (Valle et al., 2000). Furthermore, it indicates the firm’s long-term commitment towards its workers and increases the employee’s motivational level.
2.2.1.1 The Training Process

Dessler and Varrkey (2011) state that, training consists of the five steps:

i. Training Needs Analysis (TNA): Identifies the specific job performance skills needed, assesses the prospective trainees’ skills, and develops specific measurable knowledge and performance objectives based on any deficiencies.

ii. Training Instructional Design (TID): Decide, compiles and produces training programme content, including workbooks, exercises, and activities and some techniques like computer and on the job training technique.

iii. Training Validation: The bugs are worked out of the training programme by presenting it to a small representative audience.

iv. Implementation: Actually training the targeted employee group.

v. Evaluation: Management assess the program’s success or failures.

Another viewpoint to the training process generally involves a systematic approach, followed by a sequence of activities.

2.2.1.2 Identifying Training Needs

This analysis is necessary to determine the training needs of the employees or a specific job. What are the practical needs? Why an employee needs training? Every training begins with the need analysis, and establishing a need analysis is and should always be the first step in the training process. (Infande, 2015). There are four procedures that managers can use to determine the training needs of employees in their organizations:

i. Job requirements analysis: The skills and knowledge specified in the appropriate job description are examined. The employees without the skills needed are candidates for a training program.
ii. Organizational analysis: The effectiveness and successes of an organization are analyzed to determine where differences exist. For instance, members of a department with a high turnover rate or a low performance record might require additional training.

iii. Performance appraisals: Here, each employee's work is measured against objectives established for his or her job.

iv. Human resource survey: Managers as well as non-managers are expected to describe what problems they are experiencing at their workplaces and, what actions they believe can be taken to solve the problems.

v. Immediately the training needs are identified, the human resource department must initiate the appropriate training effort, to close the gap between expected and actual results. This may also depend on circumstances like; developing a training plan, designing a training lesson, selecting trainer and preparing the trainers.

2.2.1.3 Training Plans and Implementation.

This area of the training process emphasizes on the techniques and methods by which training is carried out. The objectives of training, budgets and the duration are allocated.

2.2.1.4 Training Evaluation and Feedback

Often, this turns to be the most critical part of the training process, focusing on the results achieved after training. The main idea is to analyze the effects of training and determine whether the set goals have been achieved. Reactions such as the
participant’s feedback, trainer’s feedback, learning behavior and results of the training are being measured. To measure the impact of training, there must be evaluation.

2.2.2 Monitoring

According to BMC Medical Education (2015), Monitoring and Evaluation (M&E) is a powerful management tool that can help both governments and organizations achieve desired results. By providing vital information for decision-making, it assists in reviewing the performance of policies, programs and projects. While monitoring is the on-going assessment of a project, which measures the progress of a program, evaluation is a periodic measurement of the effectiveness of the project in terms of the objectives it aimed to achieve. M&E has considerable scope in helping organizations to use the results for internal learning and improvement of their work. Relating to human resource, staff should be monitored on an on-going basis to assess the extent of success, to respond to unpredictable events, provide regular communication and also to document and learn from the process as well as demonstrate results (Neufeld, 2012).

Researchers (Austrian Development Agency, 2009; UNDP, 2009; Cashin, 2012), have explained monitoring as the systematic collection and analysis and utilisation of information as projects and programmes progress, in order to ensure that plans are being achieved and objectives obtained as planned or to know if adjustments would be needed. In addition, it is aimed at improving the efficiency and progress of a project or organisation and is based on targets set and activities planned during the planning phases of work. Monitoring goes hand-in-hand with evaluation. Cashin (2012), explains evaluation as the comparison of actual impacts against the agreed strategic plans. In other words, evaluation is the periodic assessment of the relevance,
planning, performance, efficiency, effectiveness, sustainability and impact of a project or an initiative in line with the stated objectives and outcomes (Raja, Furqan & Muhammad, 2011). Training, monitoring and evaluation are therefore aimed at ensuring efficiency, effectiveness, impact and progress (UNDP, 2009; Hobson, Mayne and Hamilton, 2013).

Mechanisms for monitoring include: meetings, minutes, calls and project records. It also includes collecting and analyzing information on internal issues (how well activities are implemented), external issues (relevant changes in the context), collaborative issues, and progress towards objectives. By combining the monitoring and evaluation activities and following the succession of the combined results for both processes, the decision maker obtains the logical path of the monitoring and evaluation work breakdown structure. This logical path ensures a coherent and complete monitoring process, being able to provide, in real time, a full description upon the project completion stage (Tache, 2011).

2.3 Organisational Performance

According to Hawthorne studies, and many other researches on productivity of worker, highlighted the fact that employees who are satisfied with their job will have higher job performance, and thus, supreme job retention, than those who are not happy with their jobs (Elnaga & Imran, 2013). Moreover, employees are more likely to turnover if they are not satisfied and hence demotivated to show good performance. Employee performance is higher in happy and satisfied workers and the management find it easy to motivate high performers to attain firm targets (Kinicki and Kreitner, 2007). The outcome of employees’ performance is evident in the performance of the organization. That notwithstanding, employee could be only satisfied when they feel
themselves competent to perform their jobs, which is achieved through better training programs.

On the emerging markets, the performance management is being looked as a participative system, continuous and future oriented, is being looked as an ongoing cycle of criteria settings, monitoring, evaluations, diagnosis and improvements, action plans and development resources (Shields, 2001). Gruman and Saks (2011) consider that performance management is a critical aspect of the organizational efficiency. The performance management is a systematic process of the workload planning and expectations setting, of the continuous performance monitoring, development of the performing capacity, periodically performance evaluation and high-performance compensation. With respect to employees, Rasch (2012) concluded that, high tech organizations are laying off employees in their developed markets in order to devote capital to these emerging markets. Thus, the higher performance ambiguity within the employer employee exchange will increase the negotiation cost. When the exchange object is complex, the value adding is possible only on long term, and the performance ambiguity increases. Thus, the expectations level and requirements must be defined as clearly as possible and to offer any possible interpretations here, the communication has a huge importance and one must pay a special attention to the ways this is performed, as efficient as possible.

2.4 Microfinance Institutions in Ghana

Microfinance refers to provision of small loans and other facilities like savings, insurance, transfer services to poor low-income household and microenterprises. (Ministry of Finance and Economic Planning). Schreiner and Colombet (2001, p.339) define microfinance as “the attempt to improve access to
small deposits and small loans for poor households neglected by banks.” These financial services generally include savings and credit but can also include other financial services such as insurance and payment services. Microfinance is not a new concept in Ghana. Traditionally, people used to borrow money from individuals to establish their businesses. Available evidence suggests that the first credit union in Africa was probably established in Northern Ghana in 1955 by the Canadian Catholic missionaries that were there at the time. However, ‘susu’, which is one of the current microfinance schemes in Ghana, is thought to have originated in Nigeria and spread to Ghana from the early 1900s (Asiama, 2007).

The PNDC Law 328 of 1991 allows the establishment of different types of non-bank financial institutions, including savings and loans companies, finance houses, and credit unions etc. The microfinance sector has thrived and evolved into its current state, over the years, due to various financial sector policies and programmes undertaken by different governments since independence. Among these are:

Provision of subsidized credits in the 1950s;

i. Establishment of the Agricultural Development Bank in 1965 specifically to address the financial needs of the fisheries and agricultural sector;

ii. Establishment of Rural and Community Banks (RCBs), and the introduction of regulations such as commercial banks being required to set aside 20% of total portfolio, to promote lending to agriculture and small scale industries in the 1970s and early 1980s;

iii. Shifting from a restrictive financial sector regime to a liberalized regime in 1986;
iv. Promulgation of PNDC Law 328 in 1991 to allow the establishment of different categories of non-bank financial institutions, including savings and loans companies, and credit unions. (Asiama, 2007)

v. Currently, there are three broad types of microfinance institutions operating in Ghana. These include:

vi. Formal suppliers of microfinance (i.e. rural and community banks, savings and loans companies, commercial banks

vii. Semi-formal suppliers of microfinance (i.e. credit unions, financial nongovernmental organizations (FNGOs), and cooperatives;

viii. Informal suppliers of microfinance (e.g. Susu collectors and clubs, rotating and accumulating savings and credit associations (ROSCAs and ASCAs), traders, moneylenders and other individuals).

ix. In terms of the regulatory framework, rural and community banks are regulated under the Banking Act 2004 (Act 673), while the Savings and Loans Companies are currently regulated under the Non-Bank Financial Institutions (NBFI) Law 1993 (PNDCL 328).

On the other hand, the regulatory framework for credit unions is now being prepared, and this would recognize their dual nature as cooperatives and financial institutions. The rest of the players such as FNGOs, ROSCAS, and ASCAs do not have legal and regulatory frameworks.

In terms of current policy programmes that affect the Microfinance sub-sector, a number of on-going projects can be cited. These include - the Financial Sector Improvement Project, Financial Sector Strategic Plan (FINSSP), the Rural Financial Services Project (RFSP), the United Nations Development Programme (UNDP) Microfinance Project, the Social Investment Fund (SIF), the Community Based Rural
Development Programme (CBRDP), Rural Enterprise Project (REP), and Agricultural Services Investment Project (ASSIP).

The Ghana Association of Microfinance Companies (GAMC) is an umbrella association of companies providing microfinance services under the Tier-2 category of Microfinance Institutions operating in Ghana. Companies who are members of this association offer both lending and deposit products to their clients. The Association was established in 20th May 2011. The Association currently has over 628 members in all ten (10) Administrative Regions of Ghana. It is limited by guarantee. The association provides its members with the following services:

Information dissemination services

i. Capacity building

ii. Supervisory and monitoring services

iii. Advocacy and lobbying

iv. Resource mobilization

Finally, the Ghana Microfinance Institute Network (GHAMFIN) is an informal network of institutions and individuals that operate within Ghana's Microfinance Industry. This network evolved from the concern and an initiative which was promoted by a World Bank sponsored action research project, which sought to identify for wider application, innovative techniques of financial services delivery that had been successful in improving access of micro entrepreneurs to financial services. The research project started with the profiling of three Ghanaian MFIs and later grew into an informal network of organizations interested in providing effective financial services to the poor. The informal group has now been formalized and registered as a company limited by guarantee, the Ghana Micro Finance Institutions Network (GHAMFIN). Its membership consists of 80 regulated and non-regulated
microfinance institutions that together are serving over 60,000 clients. The members of GHAMFIN include institutions such as savings and loan institutions, NGOs, cooperatives unions, rural banks and traditional 'susu' savings clubs.

The main objective of GHAMFIN is to support and facilitate processes that help in addressing the constraints faced by its members. Various studies of the Ghanaian microfinance sector have identified these constraints and they include lack of access to on-lending funds, poor MFI staff skills, inappropriate financial technologies and inadequate operational strategies, absence of performance standards, codes of conduct, conflict resolution mechanisms and so on. These constraints affect Ghana, since the microfinance sector in this country is still young.

2.5 Theoretical Framework

A theoretical framework consists of concepts and their definitions in reference to relevant scholarly literature and existing theory that is used in a particular study (Herbert, 2013). Fredreic (2010) defines a theoretical framework as a collection of interrelated concepts like a theory but not necessarily well worked out. The purpose of the theoretical framework is to guide the research determining what you will measure and what statistical relationships to look for. The models that underpin this study are the ‘soft’ Human Resource Management (HRM) Model and the Multi-level approach to training.

2.5.1 The ‘Soft’ Human Resource Management (HRM) Theory

According to Thang et al (2010), the knowledge and skills of workers acquired through training have become important in the face of the increasingly rapid changes in technology, products, and systems. This supports the “soft” Human Resource
Management Theory proposed by Devanna, Formbrun and Tichy in 1984. This theory’s emphasis is on training employees as a means to achieving the organization’s strategy. Its assumption is that ‘what is good for the organization is equally good for the employee’. According to Devanna, Formbrun, and Tichy (1984), training aims to increase individual performance, which is believed to lead to higher organizational performance. Although the model acknowledges the importance of motivating and rewarding people, it concentrates most on managing human assets to achieve strategic goals (Pinnington and Edwards, 2000).

A ‘soft’ HRM theoretical theory to show how Human Resource Management (HRM) policies can affect employees and organizational outcomes was developed by Guest. The central hypothesis of Guest’s theory is that if an integrated set of HRM practices is applied with a view to achieving the established goals, employees’ performance will improve (Guest, 2011). It also assumes that this will translate to increase in organizational performance. The strength of Guest’s theory is that it is a useful analytical framework for studying the relationship between HRM policies and organizational performance (Guest, 2011). This is because it expresses pathways for more careful, clear and ease of empirical testing. Guest also saw the goals of linking employees with organizational performance as important to ensure the high quality of products and services (Armstrong, 2006). According to Armstrong (2006), handbook on HRM practice, training play a significant role in contributing to improved strategic integration, employee commitment, flexibility and quality (Armstrong, 2006). Milhem, Abushamsieh & Arostegui, 2014 further asserts that the outcomes of effective HRM can lead to high job performance, high problem-solving activity, high cost effectiveness, and low turnover, reduced absences and fewer grievances.
2.6 Conceptual Framework and Summary

As the intellectual property of the firm, employees are a good source of gaining competitive advantage (Houger, 2006) and training and monitoring is a way of ensuring organizational performance. Hence on the basis of the above theories, the proposition can be drawn that training and monitoring improves organizational performance. The conceptual model is presented as:

Figure 2.1: The Relationship between Training and Monitoring and Organizational Performance

Source: Chiaburu & Tekleab, (2005); Khan et al. (2011).

Training/engagements and monitoring of clients by organisations upon offering investments takes into consideration the capacity of the employees or the officers in charge in that regard, the clients, and the frameworks available to do the engagements/training and monitoring (dependent variables). With all these in place
the clients can be informed on the training/engagement structure of the institution which helps the clients to improve their activities, thus their performance, which will lead to the improvement in the performance of the Microfinance institutions (independent variables).

Empirically, there is almost a consensus among researchers that, the aim of training employees is to provide them with skills, knowledge, and capabilities that can be used for the implementation of work roles as well as to provide opportunities for their development (Hanaysha, 2016). The definition provided in Sherwani and Mohammed (2015) study confirmed that training, as a human resource management practice, is a good way to improve employees’ knowledge, skills, and development opportunities. Employees are supposed to be trained on how the system works since financial institutions deal with people and a dynamic system, so as to understand the ways of people and support them with whatever they need to help in the improvement of their capacity and capabilities.

In recent years training has been one of the crucial elements that plays a vital role in increasing organizational productivity, which is, the role of the client. Konings and Vanormelingen, (2009) proposed that training and engagement is a fundamental and effectual instrument in the successful accomplishment of the firm's goals and objectives, resulting in higher productivity of both the clients and the institution/organization as a whole. Bartel (2004) opined that effective training programmes and high productivity on the part of the employee are positively correlated.

According to Harrison (2000), learning through engagements and training is said to be a key factor in increasing microcredits’ performance, achieving their corporate goals and also influencing the performance of the institution in a long run. Swart et al.
(2005) suggested that performance gap of businesses can be bridged by implementing a relevant training method in order to develop particular skills and abilities of the workers thereby enhancing the performance.

Concerning the relationship between training and performance, mixed results were drawn from previous studies. Numerous studies have stressed the importance of the role of training in improving organizational performance. Vinesh (2014) regarded training as a significant tool that results in enhanced employee performance and satisfaction and increased productivity and equality of goods and services, in addition to decreased efforts of monitoring and costs.

Using a sample consisting of officers and clients of banks in Nigeria, Umar et al. (2013) used five variables to measure training and development in those banks, which were the organization’s commitment to the training and development of loan officers and clients, types of training and engagements employed, frequency of engagements, performance-based rewards provided during training sessions, and modern training facilities. Their results accepted the hypotheses that organizational commitment, frequency of training and engagements, and performance-based rewards have a significant impact on organizational performance. On the other hand, the types of engagements and training and modern training facilities have significant effects on clients’ performance but not in the banks’ performance.

Also, using a sample of the employees working at a Lebanese industrial company on some clients of the company, Tangoukian et al. (2016) conducted a study to examine the advantages and pitfalls of training and found that most of the departments in the company implement both internal and external training practices. In their review of research, the effect of training on organizational outcomes, such as human resource outcomes, performance outcomes, financial outcomes, and stock
outcomes, and the strongest correlation was between training and clients’ outcomes, such as their performance and this influenced the institutions’ performance in a long run.

Saks and Burke-Smalley (2014) questioned the relationship between training transfer and organizational performance using a sample of training participants in a training institution in Canada. Interestingly, their findings suggested that on-the-job training has the strongest relationship with both training transfer and organizational performance. The results of Falola et al.’s (2014) study confirmed that both behavioural and cognitive aspects of training result in increased performance. It should be noted here that some studies have dealt with training in terms of strategies, policies, or types rather than as a general construct. For example, Khan et al. (2011) studied the relationship between training and performance by focusing on workplace training or so-called on-the-job training, training style, and training design. In terms of the relationship between on-the-job training and organizational performance, the study showed a significant effect of on-the-job training on performance.

The researches on organizational performance was skewed to training of employees and its effects or impact on organizational performance with little if not nothing on clients’ contribution to organizational performance in Ghana. Other researches outside Ghana also focused largely on the impact of monitoring or training on organizational performance, which was mostly based in developed countries and a few developing countries. Little has therefore been done in Ghana in this regard, with reference to the literature review which this study seeks to fill that gap in literature.
CHAPTER THREE
STUDY PROFILE AND RESEARCH METHODOLOGY

3.1 Introduction

This chapter is devoted to discuss the method used in carrying out the study. The effects of training and monitoring on organisational performance and specifically micro finance firms have not been studied extensively (Chiaburu & Tekleab, 2005; Khan et al., 2011). The chapter therefore describes the study site, lays out the details and rationale of the research design and approach, target population, sampling procedure and sample size determination, as well as data collection procedures, analysis and presentation, among others.

3.2 Research Design

Research is the study of materials, sources and data in order to get to its conclusions (Salaria, 2012). In other words, research follows a structured process or organized steps which gradually takes the research to its conclusion. Getting the research design right is the first step towards an organized research, and the outcome is more likely to be positive (Saunders et al, 2012). The research design can be a case study design, cross-sectional, experimental, longitudinal, and/or descriptive design.

In this study, the design was conclusive in nature and the end result of the study was expected to provide definite answers to the main research question. Specifically, this study made use of the case study design to guide the entire research process. According to Yin (2014), a case study is an empirical inquiry that investigates a contemporary phenomenon (the case) in-depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. Case study method enables a researcher to closely examine the data within a
specific context. This study sought information from employees, employers, human resource managers, among other management bodies in microfinance companies in Kumasi.

3.2.1 Research Approach

Regardless of the design of the study, a research can be conducted qualitatively, quantitatively, or by using a mixed approach (of both quantitative and qualitative). Qualitatively, the research gathers non-numerical data with focus on ‘how’, ‘what’ and ‘why’ questions to understand the meaning of a particular phenomenon and analysis based on interpretive and empirical findings (McLeod, 2017). The aim of qualitative research is to understand the social reality of individuals, groups and cultures as nearly as possible as its participants feel it or live it.

On the other hand, quantitatively, the research gathers data in a numerical form which can be put into categories, or in rank order, or measured in units of measurement (McLeod, 2017). The choice of either a qualitative or quantitative approach depends on the type of data the researcher intends to use in the study.

This study used a mixed approach of both quantitative and qualitative data. Whilst the qualitative approach assesses the nature and effects of training and monitoring strategies, its impact and challenges on microfinance firms in Kumasi in a descriptive manner, the quantitative approach validates this by assigning statistical values to the data to be gathered using tools such as bar charts, pie charts, averages, proportions and percentages to ascertain the objectives of the study.

3.3 Study Area
The study was conducted in the Kumasi Metropolitan Area (KMA) which forms part of the Ashanti Region of Ghana. KMA is made up of four (4) Sub-Metropolitan Areas namely: Bantama, Sub-Metro, Nhyiaeso Sub-Metro, Manhyia Sub-Metro, and the Subin Sub-Metro. According to the KMA report (2014), Kumasi was founded in the 1680 by King Osei Tutu to serve as the capital of the Asante state. However, it came under the influence of the British rule in 1890. With the creation of the ten sub-metropolitan districts in Kumasi metropolis in 2007, Kwadaso and Nhyiaeso were carved out of the Bantama sub-metro. Other areas have been carved out of Kumasi Metropolis to remain the four sub-metros.

Plate 2.1: Map of KMA Showing Various Sub-Metropolitan Areas

*Source: Oduro-Appiah et al. (2017).*

3.3.1 Location and Size

The Capital of the Metropolis is Kumasi. KMA covers an area of 173sqkm, with main roads leading to Mampong and Techiman to the North, Accra to the Sout-
The Kumasi Metropolitan Area is the second ranking in terms of the most urbanized areas in Ghana (Amoako & Frimpong, 2015). The area also has the concentration of industries, commerce, business activities, as well as education, political and administrative functions. As a metropolitan with a vast and good vegetation cover, the predominant primary economic activity is farming. Also there are numerous light industrial and commercial activities in the Metropolis. Kumasi Metropolitan Area was chosen specifically as the target location since it is the area that has most Microfinance companies of the country, and which pens up opportunities for most vulnerable population (especially trading and agricultural activities). Also, the area is a favourable location for the study as it will ensure be cost effectiveness and also ensures efficiency in the research.

3.3.2 Target Population

Bloomberg et al. (2011), define population as the total collection of elements about which the researcher intends to make inferences. The target population of this study is microfinance firms and their clients within Kumasi Metropolis. This population has similar characteristics with minor differences on the mission and mode of operation. Records from the Bank of Ghana (BoG) reveal that the total number of licensed microfinance companies in the Ashanti Region was three hundred and seven (307) as at August 2018 (BoG, 2018) and one hundred and seventeen (117) licensed microfinance companies in Kumasi Metropolis.

3.4 Sampling Design

Researchers can rarely examine every individual in the population who is relevant to their interests. Hence, researchers collect data from a subset or sample of
individuals in the population. Sampling is the selection of individuals, units and or settings to be studied Creswell and Creswell (2017). In other words, the process by which a researcher selects a sample of participants for a study from the population of interest is referred to as sampling. This section shows how the sampling for data collection was done. It is important that the researcher chooses a significant sample size from the target population to conduct the research effectively. A sample is a representative selection of a population that is examined to gain statistical information of the whole. Also, a sample design has been defined as a definite plan for obtaining a sample from a given population for study. Again, it is a technique or the procedure the researcher adopts in selecting items for the sample (Kothari, 2004).

3.4.1 Sample Size

To determine the sample size, the sample frame has to be determined. The sample frame refers to a list of elements from which the sample is drawn and is closely related to the population under study (Archaya et al, 2013). The sampling frame in this study is a list of 117 microfinance firms in Kumasi Metropolis of the 307 microfinance firms listed by the Central Bank of Ghana.

Not all the units in the designated population may be needed to conduct the study (Lavrakas, 2008). Cluster and Purposive sampling methods were applied to select the sample firms and the respondents. Calculating the sample size, out of the 117 microfinance firms in the Metropolis, the researcher considered the first 30 microfinance firms with regulated training and monitoring practices. In addition to the 30 Microfinance institutions, a client of these microfinance institutions were also interviewed (30 clients). This brings the sample to a total of 60, 30 each for clients and Microfinance institution.
3.4.2 Sampling Technique

The sampling was done in two stages. First, the microfinance companies were grouped into two clusters based on proximity to the city of Kumasi. The clusters were microfinance firms within Kumasi city and microfinance firms outside Kumasi city. Microfinance firms within Kumasi made up 117 and microfinance firms outside of Kumasi (but in Ashanti Region) made up 190. This sampling technique used is purposive for the selection of communities and participants to limit the limitations of the study and get accurate data. (Jackson, 2011).

Secondly, because the research sought to assess training and monitoring practices, the researcher considered only microfinance firms with training and monitoring programs in place, within the cluster of microfinance firms in Kumasi. This form of sampling is known as Purposive Sampling. Purposive Sampling is a sampling technique in which researcher relies on his or her own judgment when choosing members of population to participate in the study (Saunders et al, 2012). Also, for convenience in reaching out to client, purposive sampling was used for the data collection.

3.5 Data Collection Procedure

The data for the study were collected from both primary and secondary data sources. The primary data source is an original data source; one in which the data are collected firsthand by the researcher for a specific research purpose or project (Salkind, 2010). On the other hand, secondary data sources consist of non-original or
“secondhand” data or information. This includes data from previous studies, reports, articles, journals, books, publications, among others.

### 3.5.1 Primary Data Collection

The primary data collection required the use of research instruments and techniques to acquire the needed data from a phenomenon or respondents for analysis. Some of these instruments and techniques include field observation and experiments, use of interview guide, structured and semi-structured questionnaire. This study made use of interview guides and semi-structured questionnaires. The data collection took the form of hand delivery questionnaires and interviews or the use of the Kobocollect application (which is now used for data collection for social sciences researches).

### 3.5.2 Secondary Data Collection

Secondary data was collected from the internet for the introductory part of the research and the literature review aspect, which broadened the understanding of relevant concepts and also makes relevant analysis and inferences in relation to the study and retrospect, the study area. Reviewing several literature about the problem under study helped to understand the phenomenon of study (issues related to organisational training and monitoring) and as categorise the research, whether it would be about validating what researchers have done or do a new research based on the information existing, which this study sought to do as part of the problem statement.

### 3.6 Method of Data Analysis
After the field survey (data collection), the data was sorted, coded and checked for completeness. This section helped understand the process of analysis of data collected in both qualitative and quantitative terms. The study results were analyzed in both qualitative and quantitative terms. Quantitative data collected were analyzed descriptively using tables, charts, pictures, graphs, among others. Also, some responses were converted to percentages to make analysis much meaningful and easy and also, to serve as units of measurement of results of findings of the survey. Qualitative data were be considered during data analysis stage where the data were presented as quotes and explanations to the quantitative data collected.

Rationale for using both quantitative and qualitative approaches is to provide a more comprehensive evidence for studying the research problem than either quantitative or qualitative (Salkind, 2010). Also, both approaches enabled the researcher to collaborate across the conflicting relationships between quantitative and qualitative data, hence checking for the consistency of responses (Salkind, 2010).

3.7 Ethical Consideration

In doing research one has to consider ethical issues. According to Burnham (2008), research needs to be sensitive to the rights of participants. This study considered the needs and concerns of participants so as to ensure their safety and protect their dignity and privacy (Addy, 2013). As such, permission was sorted from the management of the microfinance firms with letters in order to carry out the survey. To ensure confidentiality, information was only be used for the purpose of research and names of the microfinance firms and their participants were omitted on the questionnaires to ensure anonymity. In seeking to protect the identity of participants, the researcher did not record names of the respondents so as to keep
them anonymous. Finally, ideas which were not of the researcher were dully acknowledge through in-text citation and referencing.
CHAPTER FOUR
RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents and discusses the results of the data analysis for this study. The respondents to this study were the Microfinance Institutions in Kumasi Metropolis and the clients, that is, the beneficiaries to these MFIs. Data was collated and analyzed using the SPSS, version 16.0. The presentation and discussion of data were done in accordance with the objectives of the study. However, characteristics of the respondents with respect to the Microfinance activities were first presented and discussed.

4.2 Activities of Clients which Require Loans

Everyone require an investment at a point in time. Government, Firms and individuals require it for various purposes. Microfinance Institutions seeking to improve the activities of the poor tent to fulfil the requirement by giving out investments to individuals, firms, and groups in the form of soft loans, mostly to promote their economic activities. The field survey done of Microfinance Institutions in Kumasi Metropolis looked at these activities into details that require the investment of the Microfinance Institutions, and is shown in figure 4.1.
From the field survey, the most economic activity that people need loans or investments from MFIs to facilitate is trading activities (65%), of which 30% of the borrowers are males and 35% are females. Also, people with multi-activities seek soft loans to finance either one or all their activities. One client interviewed of Cold Store purchase, Teaching, Taxi Services (which the cold store operation and taxi services required some form of investment to ensure the smooth running of activities), and another was into farming and trading (which both activities required the investment). A small number of service and agricultural activities of clients needed much investment from the MFIs.

In terms of the relevance of investment to these activities, the investments aid in the buying and selling of goods and rendering of services (buying of taxi and providing taxi services, buying and selling of supplies), importation of goods like cars, payment of supplies, and to support agricultural activities, buy the necessary equipments to promote activities and hire labourers as well to help out in activity.
Due to the nature of work of the clients especially the traders, these clients mostly need investments or capital from time to time to keep the business running. And due to the nature of their work or activity, they are able to pay the money on time to get new loans. Again, due to the nature of the activities or work of the clients, the Microfinance institutions can therefore keep track the activities that their clients do because they are the day to day activities that bring them revenue and by that, they will know the best approach or strategy to use when doing training or monitoring of the activities of their clients.

4.3 Prominent Microfinance Institutions in Kumasi Metropolis

The Bank of Ghana recalled a total number of three hundred and seven (307) Microfinance Institutions in Kumasi Metropolis, in August, 2018. Out of this number 30 microfinance institutions were selected for the study. Some of these institutions included, rural and community banks, non-bank financial institutions: savings and Loans, Credit unions, financial non-governmental organisations, informal finance. Specific Microfinance institutions interviewed include: Adansi Rural Bank, Advance Adansi Rural Bank, Advance Savings and Loans, Akrofuom Area Rural Bank, Asa Savings and loans, Christ-Adom Co-operative Credit Union, Multi-credit Savings and Loans, NEGIOS Micro Credit Services, Nwabiagya rural bank, Sinapi Aba Trust, Opportunity International, among other banks.

Individuals’ activities, business firms' activities, and other entities that need the assistance of these MFIs are seen as clients to these MFIs. These categories of clients have been with the MFIs for assistance for a period of time, as a result of reliability of the MFI, urgency of the investment, and has led to discovery of new MFIs, and linkages of clients to MFIs based on recommendations made by the other
clients. The bond between the MFI and a client show how long they can stay in business, whether a year, ten years, or forever. The period of banking with the firm is seen in figure 4.2 and the kind of investment received over the period of being with the MFIs.

![Figure 4.2: Clients’ Years of Banking with their MFIs](image)

Source: Field Survey, May, 2019

From the field survey, 55% of clients have been banking with MFIs from 1-2 years. This is because they were the institutions they were introduced to and the clients trust how the MFI’s systems work. The survey also shows that a few clients (5%) have been banking with their MFIs. These clients have been able to stick to one MFI as a result of consistency from these institutions as stipulated by one client. A typical institution to mention in this case is Sinapi-Aba Savings and Loans. 25% of clients have been banking with their MFIs for less than 6 months because some were introduced to MFIs to assist in terms of investment in their economic activities. Activities that can be mentioned in this respect include trading activities and rendering of services.
Investments received from these MFIs are also another area that cannot be overlooked. From the field survey, the heaviest investments recorded as received by clients include: GH¢25,000 for a client dealing in taxi services and cold store purchase; GH¢15,000 to a vehicle dealer; GH¢7,000 for a seller of home appliances; and GH¢5000 for trader (supermarket). This means that, investments were taken due to the type of activity that needs the investment and also these clients have something substantial to use as collateral for the investment.

On the other hand, light investments have also been received from MFIs: GH¢500 for a client in agricultural activities and trading; GH¢900 to a client who was into a service informal activity (seamstress); GH¢1,000 for a food vendor. This shows that any business opportunity with legitimate documents to assure the ownership of the business stand the chance of getting support in terms of capital to invest in the business. Additionally, this section shows the importance of the Microfinance institution to the most vulnerable, as they offer both heavy and light investments to any legitimate client that needs assistance.

4.4 Banking Policies/ Frameworks

Every bank or Microfinance Institution is obligated to have a framework for which they work with. This was the directive given by the bank of Ghana to ensure openness of these institutions to the individuals, groups and organisations they work with. The frameworks or policies covers the mission and vision of the institution, the terms and conditions applied to the works of the institution, and frameworks for operation, that is, their training and monitoring frameworks. For the purpose of this study, two frameworks are considered: the training and monitoring frameworks.
From the field survey, 95% of MIFs have monitoring frameworks and 90% have training frameworks. This shows that the MFIs are conscious of the need for training and monitoring of not just the employees but also the clients as well. Delving into the framework for training and engagements with clients, the framework spells out in-service training provided at least a year, after which the client’s relation officer follows up a week later from when the loan was collected, in-service training is then done upon the introduction of new policies, external training is also done at some point. Also, according to the banking and loaning policy of these banks, clients need to start saving with the most MFIs (which about 86% do) before a loan or investment can be granted for the client. One client interviewed explained that specific time-frame was set for him by the chief accountant to expect training from the MFI upon taking investment. This means that the banking policy also considers training of clients as part of the process of loan taking.

On the other hand, the monitoring frameworks highlights that, for some banks, monitoring is done by supervisors or the loan officers periodically, specifically, monthly and in some cases quarterly, and in some few cases weekly by employees of the MFIs to check the impact of the training and how their clients are faring. Apex bank in particular monitors the activities of all rural banks in Ghana as part of their monitoring roles to check the performance appraisals of these MFIs and also audit the activities and issues of the MFIs by departments. MFIs that do not have frameworks is as a result of the firm has no specific designed policy or framework for workers but still manages to satisfy the needs of clients and make sure clients stick to terms and conditions of taking investments.
4.4.1 Usefulness of Frameworks to MFIs

To MFIs, it is very important to have these frameworks because of the following: Organisations and its employees become updated with the system; Enrich staff knowledge of the state of affairs of the institutions and their clients; It makes MFIs aware of keeping good customer service is enhanced; Improves good working behaviour among workers and ensure that their moneys are put to the said use; Increase understanding in dealing with clients so as to prevent clients defilement; New recruits become familiar with working environment; Reduction in mistakes and errors at work; To be abreast with banking issues.

4.4.2 Usefulness of Frameworks to Clients

To clients of MFIs, it is also important for training and monitoring programmes to be made known and opened to them because of the following: Clients become updated with the system of operation of these MFIs; Know what to expect in term of good customer service; Improves good working relationship between the MFI and their clients, which even compels their clients to bring in others clients to the MFI; Enrich clients’ knowledge in the activities of the MFIs to increase understanding in their dealing; It prevents client faulting of MFI policies/frameworks; New clients become familiar with the ways of the MFI’s environment; To be abreast with banking issues.

4.5 Training/ Engagement Programmes of MFIs

MFIs are of the motive to help improve the lives of the vulnerable in all sectors of the economy, not only offering assistance to them but also the MFIs not falling victims to clients not paying back investments/loans. Training and engagement
of clients of MFIs shows the seriousness of the institutions which goes a long way to impact positively on the performance of these institutions by improving performance and, therefore, loan repayment rates. Training and engagement programmes of MFIs to their clients helps to ensures the creation of awareness to the clients on many issues like the proposed business that requires investment, on the area of entrepreneurship, on the issue of saving and on other related issues to support and strengthen the capacity of the borrower both on the repayment of their loan and in their life. Figure 4.4 shows the types of training done and the departments in the MFIs that does the trainings and engagements.

Figure 4.4: Types of Training and Engagement done

Source: Field Survey, May, 2019

There are two kinds of training done from the field survey, and they are, workshops and one-on-one interactions. The majority (84%) of clients are being engaged in one-on-one interactions while 16% are engaged through workshops and seminars held. One MFI interviewed explained that “.... most clients are always busy with their economic activities and ways of making much money to pay back loans and they see the training and engagement programmes (seminars) organized by MFIs as a
waste of time. Rather they prefer the one-on-one interaction, and even with that, at their convenient time” (Field Survey, May, 2019).

The one-on-one training is what they use to capture most of their clients because of the nature of their work in order to know how things are faring with their businesses after the investments were given so as to know how to help out when the need arises for extra assistance in understanding certain issues. The workshops are also organised to brief the clients on changes and new development as they unfold.

Figure 4.4: Engagement Schedules of MFIs

Source: Field Survey, May, 2019

The training and engagements are predominantly done by the Human Resource department of the MFIs in institutions like Adansi Rural Bank, Advance Adansi Rural Bank, Sinapi Aba Trust and Opportunity International. The managers normally show up to train when it comes to seminars and workshops. Loan officers on the other hand do the actual field exercises by engaging with clients (individuals,
firms or groups). On the part of clients, 85% are engaged in some form of training or engagements by the MFIs while 15% are not. In addition, 50% of these trainings are mostly done by loan officers, and they attest that these engagements are mostly done when needed since they do not give them fore knowledge about the meeting or an agendum.

This means that, there is no innovative way doing the training or some kind of engagement apart from seminars and one-on-one interaction. Also, some clients do not see the relevance of the training (15%) and how the training influences their economic activities or the purpose for taking the loan. By coming up with innovative ways of doing training, it could get the non-likers to like the training so that the MFIs can keep a proper track of all their clients.

4.5.1 Regularity of Training

Another thing to check in terms of trainings or engagements is the regularity of these engagement. This helps to show the impact or effectiveness of these trainings.

![Figure 4.5: Regularity of Training](image)
Microfinance Institutions mostly give short-term loans to be paid back depending on the quantum of money taken. And the reason for doing this is to make profits from improving and boosting the activities of clients, but so the MFIs can stay in business to assist clients when needed. From figure 4.6 trainings are mostly done every 6 months, while 25% have theirs yearly, and 18.8% quarterly. 82.4% of clients interviewed from the field survey attested to the fact that training is done when needed, while the others (17.6%) have engagement with their respective MFIs in a consistent period.

Microfinance institutions and clients gave various reasons to back this point. Firstly, they did not want to be nuisance to clients if they are engaging with them on a regular term. Also, they tend to take a while because what they do is just to check how well the business is growing and how activities are going, how to make payment on time and how loans are being used eventually. As such, MFIs do this training mostly before investments are given out and it is mostly about the terms and conditions of the investment they are given and how to efficiently and effectively clients can be able to get the investment back. The situation is quite similar with the clients since 90% get these engagements after loans have been given to them to check how business is going for them and also how they can be able to recoup the investments.

Monitoring of the training is also done to know the effectiveness of the training given to the clients. From the survey, these type of monitoring was done during the time of engagement with the clients of the respective MFI. For organizatons that do these monitoring of training engagements after the engagement have been done is to check the impact of this training to the activities of the client. Also,
since emphasis is on the repayment, MIFs who engages with their clients often tend to create an environment with their clients to fit in at every point in time, in addition to keeping track of activities to ensure that you can pay back loan.

4.5.2 Advantages of the Trainings and Engagements of Clients by MFIs

The usefulness of training and engagements is seen both from the clients’ point of view and the MFIs’. The usefulness of trainings and engagements to MFIs include the following: Engagements are sometimes done before committing investments to assess their financial standards to know if they can pay; Right investment of money; Clients become aware of payments methods and how to meet them; It is a form of financial business advice to clients; Training becomes an eye-opener to know how to work with money to make profits and prevent loss; Can lead workers to work efficiently Employees become clear with policies and strategies; High returns on investment; Improves clients’ morale to work hard and contribute to the MFIs coffers if clients have the capacity to pay back thereby improving MFIs performance; Improves on institutions competitive advantage; Improves work procedures and methods and customers feel satisfied; Increase MFIs customer base which leads to increased income; It has helped the institution to reduce defaulters of clients.

Also, the usefulness of trainings and engagements to clients of MFIs include the following: Creates room for me to work really hard since they are going to pay back loans; Help clients to get the loans they need and be opened up to comprehend repayment structure; Engagements instills motivation in clients so as to work harder to be able to pay back; Helps to understand the terms and condition applied and to repay the loan on time.
4.6 Monitoring Activities of Microfinance Institutions

Aside training and engagement activates, monitoring the business condition of the clients is one of the regular tasks of the Microfinance Institutions, to check the consistency, effectiveness and proceedings of the clients so as know whether loans can be paid back or not. If loans cannot be paid back the strategies be put in place to improve the capacity of the clients to meet their targets and that of the MFIs. Out of the 30 clients interviewed, only one client that proportionally is 5.3% is not being monitored by the respective MFI. This is because the client renders taxi services and is very hard tracking him to be able to determine or know the trend of productivity. 94% of clients therefore receives some form of monitoring from their respective MFIs.

4.6.1 Departments that does Monitoring

There are departments and individuals in the institutions responsible for monitoring and providing assistance for the clients. They are mostly known by the clients as agents from the institutions which are responsible for checking the proceedings in terms of the activities being performed by the MFI that need investment, and they move from one client to another to mobilize saving and collect payments from the borrowers. The institutions check their business when the clients fail to repay their loan. As such if the institutions have no information about their client’s business condition, it becomes difficult for the institution to be confident about the repayment. Knowing the condition of the clients helps the institutions to take different corrective actions to ensure that the target of the client is met, and that of the Microfinance Institution. Figure 4.7 shows the various departments and agents that engage in monitoring of the activities of clients.
From figure 4.7, workers of Microfinance Institutions specifically the employees and the loan officers are mostly (83.3%) those that does monitoring and provides assistance to clients when the need be to make sure they are not limited in any way which in a long run not going to affect the ways of the MFIs. They go from client to client to do what needs to be done in terms of monitoring and technical support and other forms of assistance to clients.

About 60% of clients pay their loans in bits for a period of time from the profits made, especially those who deal in trading activities. This is because they get quick returns and it is difficult for them to pay back investment in full because it will mean using all profits for that and even more, which make them pay in bits. Often than not, monitoring is done to check whether investments are being used for the right purpose, ensure that clients of the institution have access to payment plan, and the monitoring of activities so that they can be able to pay back loans. This contributes so much to the performance of the microfinance institutions as they find ways and means to recoup their investments.
4.6.2 Regularity of Monitoring

The regularity of monitoring activities is also very important to the achievement of the targets of both the clients and MFIs. Figure 4.8 therefore shows how regularly monitoring activities are done and how often it has been done this year.

Figure 4.7: Regularity of Monitoring Activities

Source: Field Survey, May, 2019

From the field survey 75% of clients get their respective MFIs to monitor their activities when needed, while 15% and 5% get monitoring Monthly and weekly respectively. In terms of the usefulness of organisations performance monitoring helps to ensure the following: With the monitoring of activities in check, organisations are able to recoup their investments and promoted further investments to keep MFIs in consistent business. This goes a long way to influence the effectiveness of activities of workers in MFIs; Employees become clear with policies and strategies so as to be in a better position in explaining the activities and way of the institution to clients as and when workers come in contact with clients; High returns on investment for MFIs since they are able to track and put in strategies to recoup their investments; Each worker knowing their importance in the firm serves as morale to work hard and contribute to the organisations development; Improves on
the institutions’ competitive advantage. Monitoring and providing strategies to recoup investments through activities makes clients appreciate the activities of MFIs, therefore increasing the competition among MFIs; Increased in new ways of doing things. Anything innovative is introduced to improve institution’s performance. Aside training of clients in this regard, monitoring is also done to ensure that the said reasons are achieved;

On the hand, the clients’ benefit in one way or another. These benefits and impact include the following: To boost their ability and activities to be able to pay back loans; Creates a good connection between clients and the micro credit through frequent interactions; Encourages and compels to work harder to be able to pay back loans at the said time; Monitoring helps increase work performances; Motivates them to work with MFIs. The ways the MFIs deal with their clients motivates them to continue to stay in business with them.

4.7 Influence/Impact of Training and Monitoring Programmes

This section is to help give a vivid understanding of the factors and issues that involves the influence or impact of training and monitoring of both clients’ performance and the institutions’ performance as well. Therefore, table 4.2 and 4.2 helps give a clear picture to these reasons.
Table 4.1: Influence/Impact of Training and Monitoring on Organisational Performance

<table>
<thead>
<tr>
<th>Influence</th>
<th>Strongly Agree (%)</th>
<th>Agree (%)</th>
<th>Neutral (%)</th>
<th>Disagree (%)</th>
<th>Strongly Disagree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearly stated objectives of training and relevance of training to trainees</td>
<td>35</td>
<td>55</td>
<td>10</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Improved position of firm in terms of competitive advantage</td>
<td>35</td>
<td>50</td>
<td>15</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increased organizational performance (productivity)</td>
<td>21</td>
<td>63</td>
<td>16</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Organisations’ revenues raised</td>
<td>5</td>
<td>63</td>
<td>32</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income of employee raised</td>
<td>-</td>
<td>50</td>
<td>50</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Motivation to work harder</td>
<td>58</td>
<td>37</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Field Survey, May, 2019

For organisations, the influence was assessed on six factors of which all the institutions are of positive mindset to it. The striking factor in terms of the influence is how it motivates employees to work harder. This is because they always stand in for the company if they are approached by any client for clarification and as such there is a need to be abreast with the state of affairs of the institutions. For the motivation of employees to work harder, 58% strongly agree and 37% agree, making the rate of agreement 95%. This is followed by training and monitoring of clients and activities,
which in that regard improves organizational performance (productivity) and in the long run helps improve organisations’ revenue. The least of these influence also have some positive contribution, since it also did not record any negative value in terms of assessment. In reference is the influence on income of employee raised in a long run.

**Table 4.2: Influence/Impact of Training and Monitoring on Clients’ Performance**

<table>
<thead>
<tr>
<th>Influence</th>
<th>Strongly Agree (%)</th>
<th>Agree (%)</th>
<th>Neutral (%)</th>
<th>Disagree (%)</th>
<th>Strongly Disagree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearly stated objectives of training and relevance of training to job roles</td>
<td>10</td>
<td>20</td>
<td>60</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Improved position of business in terms of competitive advantage</td>
<td>30</td>
<td>35</td>
<td>35</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Has the necessary skills, knowledge and ability to carry out work efficiently and effectively</td>
<td>40</td>
<td>5</td>
<td>55</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income of individual raised</td>
<td>35</td>
<td>50</td>
<td>15</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Motivation to work harder</td>
<td>35</td>
<td>60</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Field Survey, May, 2019

For client of MFIs, the influence was assessed on five factors of which most of the clients are of positive mindset. 10% of clients did not agree to the MFIs clearly stating objectives of training and relevance of training to job roles. This could be linked to the situations where clients that attend meetings or clients that meet with workers
of MFIs to engage with them see the engagements as waste of time and resources. Aside that, the striking factor in terms of the influence is how it motivates clients to work harder because they need to find the ways and means to pay back the loans or investments and have enough as profits. As such, 95% agrees of which 35 strongly aree while 60% agrees to it. The main aim of the investment is to contribute in terms of improved work and income of clients. This was therefore achieved event though some clients were adamant of this fact. This is followed by improved position of business in terms of competitive advantage and last but one by improved skills, knowledge and ability to carry out work efficiently and effectively, which recorded 65% and 45% respectively. Even though the positive outweighs the negative by so much, more could be done to make it perfect.

4.8 Challenges with Monitoring and Training Programmes to Organisations

From the field survey, the challenges faced from the banking activities cuts across for all the MFIs. Within the various MFIs challenges faced in relation to the training/engagement and monitoring activities include the following: Insufficient amount of human resource of Microfinance Institutions to work adequately to meet the targets of both the clients and the institution; Inability for MFIs to track activities and investments so as to engage with the individuals; Difficult learning pace of workers; Employers lack computer skills; No facilities available for the training staff in some MFIs; In some MFIs the training programs are not well structured and at the end of the training little or no impact would have been made. Become updated with Bank of Ghana policies and Apex bank policies.
Also, the challenges with the Monitoring and Training Programmes to Clients include: Delay from training affects their activities and appointments which is time consuming; MFI is unable to satisfy loan requirements; Microfinance are tagged with duping clients and this leads to trust issues.
CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the study findings, recommendations for policy makers to consider as well as the conclusion to the study.

5.2 Key Findings of the Study

The study made an assessment of the effects and influence of training and monitoring on organisational performance in Kumasi Metropolis. This study therefore looked at the activities of individuals, groups and firms that requires financial assistance and the various Microfinance Institutions within Kumasi Metropolis that offer such assistance as their mandate for operation makes it necessary. Also, other findings from the field survey in relation to training/engagements and monitoring activities are looked at in the subsequent subsection under the various objectives.

5.2.1 Objective One: To Investigate the Training and Monitoring Strategies adopted by Microfinance Institutions for their Clients

According to the field survey, out of the lots of Microfinance institutions in Kumasi Metropolis, 90% have training frameworks and 95% have monitoring frameworks available. These frameworks have been made for peculiar purposes and importance. It opens up organizations to clients to be updated with how the system of taking and paying back investments work, enriches staff with good customer service through proper engagement means and regular visits to check the activities and offer
assistance to clients when needed. Clients are also abreast with current issues and new recruits become familiar with the environment.

Training and engagements are predominantly done by human resource departments of MFIs while monitoring on the other hand is mostly done by institutions’ workers (loan officers and other employees to be precise). 85% of clients to the MFIs are engaged in some form of training or engagements by the MFIs while 15% are not.

Monitoring the business condition of the clients is one of the regular tasks of the Microfinance Institutions, to check the consistency, effectiveness and proceedings of the clients so as know whether loans can be paid back or not. That is, if loans cannot be paid back strategies are put in place to improve the capacity of the clients through further trainings to meet their targets and that of the MFIs.

5.2.2 Objective Two: To Assess the Influence/Impact of Training of Clients on the Microfinance Institutions’ Performance

From the field survey, the clients voiced out the impacts of the training which they do not see as important to them or benefit from them but deemed important by the MFIs in the Municipality. Engagements are sometimes done before committing investments to assess their financial standards to know if they can pay which clients think it is a waste of time but just a mere formality. To the MFIs it serves as a basis to know the capability of the client in acquiring that particular loan and to them seen as important. Also, clients become aware of payments methods and how to meet them. Clients that are already into business with the MFIs does not see this as an advantage but rather time wasting. Training becomes an eye-opener to know how to work with money to make profits and prevent loss and the employees become clear with policies
and strategies that offer the training become very much aware of these policies. It also improves clients’ morale to work hard and contribute to the MFIs coffers if clients have the capacity to pay back thereby improving MFIs performance. To an extent it improves on institutions competitive advantage as it improves work procedures and methods and customers feel satisfied and safe, which makes them very credible and helps to increase the MFIs’ customer base which leads to increased income. It has helped the institution to reduce defaulters of clients.

5.2.3 Objective Tree: To Evaluate the Influence/Impact of Monitoring Systems on Clients’ and MFIs’ Performance

With the monitoring of activities in check, organisations are able to recoup their investments and promoted further investments to keep MFIs in consistent business. This goes a long way to influence the effectiveness of activities of workers in MFIs. Employees become clear with policies and strategies so as to be in a better position in explaining the activities and way of the institution to clients as and when workers come in contact with clients

Improves on the institutions’ competitive advantage and improved ways of doing things. Monitoring and providing strategies to recoup investments through activities makes clients appreciate the activities of MFIs, therefore increasing the competition among MFIs. Anything innovative is introduced to improve institution’s performance. Aside training of clients in this regard, monitoring is also done to ensure that the said reasons ae achieved.

On the hand, the clients’ benefit in one way or another. These benefits and impact include the fact that monitoring frameworks, create a good connection between clients and the micro credit through frequent interactions.
Also, the experience of voluntary saving is learnt through training programmes and engagements, that is development of facilities for safe but liquid savings deposits. Early microfinance programs were not effective in mobilizing savings and showed little interest in doing so. In terms of advantages, it can provide a relatively inexpensive source of capital for relending. Secondly, today’s depositors may be tomorrow’s borrowers, so a savings program creates a natural client pool. Also, building up savings may offer important advantages to low income households directly: households can build up.

Improved clients’ business condition is one of the impact of monitoring activities. The well-doing business condition of the borrowers is based on factor related to clients such as timely repayment, saving loan capital, loan size, among others. The smaller amount of the borrower's business is under risky conditions. We can connect monitoring and support system and training with the business condition of the borrowers. If there is an organized system of monitoring and support, the institutions can have the chance to know the borrower's capacity of repayment earlier and can minimize the amount of loan at risk.

On the other hand, provision of training helps the borrowers invest the money in profitable business and to be an entrepreneur.

Also, repayment schedule of the institutions is the other issue related to clients of MFIs. Most microfinance arranged the repayment schedule starting from a month after the disbursement of the loan. The duration of the loan varies from institution to institution. One-two year duration is common in the selected MFIs.
5.3 Conclusion

Assessing the performance of Microfinance Institutions in Kumasi Metropolis is quite a similar scenario among the various Microfinance Institutions since they all serve individuals, groups and firms with similar characteristics. As such traces of problems faced by one Microfinance Institution is seen in the other MFIs as well, although in other cases, the problems faced by one institution may vary. Instances of problems that can cut across MFIs include, the accuracy of work and requisite skills needed at the work place from employees, clients diverting the loan to non-business activities, amount of money invested in income generating activities, issues related to loan repayment, absence of voluntary saving experience, business condition of the borrowers are the major factors which affect the performance of the MFI, the political environment in terms of the legal frameworks MIFs follow, among others, all contributed to the current performance of each of the MFIs.

The intensity of the problem can differ from MFI to MFI based on the structures and systems put in place to face issues like absence of training for borrowers, weak monitoring and support system, interest rate of micro finance institutions, uncomfortable loan repayment schedule, loan size, loan capital shortage, training provision to employees and clients, lack of use of technology and cost effective methods, human resource problem, loan capital problem, lack of strong loan collection system in the institutions, which all contributes in one way or another to affect the performance of the institutions in different degrees.

Many of the factors are interrelated and interdependent. That means the existence of one factor affect the other factor both positively or negatively. For instance, failure of clients on repayment is linked with the failure of their business and weak loan collection system. As a result, the interdependence of most of the factors
leads the institutions into their successes or failures. If they are positively interrelated, the factors may lead the institutions into success and if they are negatively interrelated they will affect the institution's success adversely.

This study has gone a long way to establish a relationship between training/engagements and the monitoring system when it comes to dealing with the activities of Microfinance institutions and their clients. Also, there are some gaps in this research that other researches can fill which include:

The perception of businesses/ economic activities on Microfinance institutions considering their role in terms of training/engagements and monitoring and its effects on the performance of businesses. Since this research just covered businesses/activities that actually go in for assistance from the institution and how it the activities of the institution (monitoring and training activities) affects the institutions’ performance, the suggested area of concern will help understand the study from the other side (businesses/ economic activities).

Another area of study is the gender sensitivity of side of this particular study. With that focus is much on male and female activities and how MFIs consider gender sensitivity in their doings.

5.4 Recommendations

The recommendations put forward are based on the discussions of the implications of the key findings and the issues raised for policy making at the organizational level with the MFIs and the national level since the activities of MFIs are synchronised all over the country. In order to solve problems related to clients like diverting the loan to non-business activities, amount of money invested in income generating activities, factors related to
loan repayment, absence of voluntary saving experience, business condition of the clients, it is better to have continuous monitoring system that clients understand and can relate to, for them to appreciate and support and even facilitate different trainings for clients. Also by this the MFIs can work with different bodies like micro businesses and arrange market for their clients. So through working with different concerning bodies, the institutions can solve many problems with minimum cost.

Insufficient amount of human resource is the other major problem in the selected MFIs. By considering the number of clients it is better for the institutions hire an adequate number of employees to use them as a means to facilitate monitoring, to mobilize saving, to give training and so on.

A common interest rate which increases at a decreasing rate is needed in MFIs to control the high interest rates set by some institutions. Some of the institutions also use the outdated financial system that is not cost effective. In order to reduce operational cost of microfinance institutions as well as to reduce the interest rate, the researchers suggest application of cost effective and modern technologies which support the institutions to reduce different costs. Different software and databases to handle financial data and to communicate with branches and to register all transactions in a well-organized way, MFIs should use technologies.

Loan capital shortage, loan size and loan repayment schedule are considered as the main problem seen from institutions point of view. In order to solve such problems, the first option is to accelerate repayment by encouraging the clients by providing different incentives for them to pay according to the schedule and arranging special repayment schedule for special business. It will reduce loan losses or loan at risk.
Finally, at the national level, by considering the role of microfinance institutions for poverty alleviation, the government needs to provide sufficient amount of loan with lower interest rate for those MFIs with the problem of loan capital. This helps the institutions to increase their loan size and to increase the number of poor served by the institutions.
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APPENDIX 1

QUESTIONNAIRE FOR CLIENTS

Section A. Biodata of Respondents

1. Sex of respondent (a) Male [ ] (b) Female [ ]

2. Age of respondent

(a) 20 or below [ ] (b) 21-30 [ ] (c) 31-40 [ ] (d) 41-50 [ ] (e) 51-60 [ ] (f) 61+ [ ]

3. What is your highest level of education attained?

(a) Never [ ] (b) Primary School [ ] (c) JHS [ ] (d) SHS [ ] (e) Bachelor’s Degree [ ] (f) Master’s Degree [ ] (f) Others [ ] (specify)

Section B: Details Activities that require Investment

4.a) Which Activity(ies) do you engage in? i) ……………………………

ii) …………………………… iii) …………………………… iv) ………………

b) How many of them require the loan/ investment?

(a) 1 [ ] (b) 2 [ ] (c) 3 [ ] (d) 4 [ ] 5+ [ ]

5. What is the relevance/ purpose for the investment acquired?

a. ………………………………………………………………………

b. ………………………………………………………………………

c. ………………………………………………………………………

6. Which Microfinance Institution do you do banking with?

………………………………………………………………………………

7. How long have you been banking with your Microfinance institution?

(a) Less than a 6 months [ ] (b) 1-2 years [ ] (c) 3-5 years [ ] (d) 5+ years [ ]

8. How many times have you received assistance from the Microfinance company?
(a) Once [ ] (b) Twice [ ] (c) Three times [ ] (d) Four times [ ] Five+ times [ ]

9.a) How much of a heavy investment have you taken? GH¢………………………….. .00

b) How much of a light investment have you taken? GH¢………………………………. .00

10.a) Do you know/ were you told about any policy associated to taking loans/ investments from Microfinance companies? (a) Yes [ ] (b) No [ ]

b) How well do you know the policies of your bank???
(a) Very Well [ ] (b) Well [ ] (c) Moderately Well [ ] (d) Not so well [ ] (e) Not well [ ]

11. What are the sort of the challenges you face with banking with the Microfinance institutions?

…………………………………………………………………………………………
……………………………………………………………………………………

12. What is/are your suggested solution(s)?

…………………………………………………………………………………………
……………………………………………………………………………………

Section C: Training Programs and its Impact on Firm/ Individual/ Group?

13. i) Does anyone from the microfinance institution engage with you/ you with others/ your group before and/or after taking the loan?
(a) Yes [ ] (b) No [ ]

ii) If yes and before, how many and what is/are the engagement(s) about?

…………………………………………………………………………………………
……………………………………………………………………………………

iii) If yes and after, how many and what is/are the engagement(s) about?
iv) How useful is this engagement?

14.i) Who specifically do the training?
(a) Workers of Microfinance [ ] (b) Managers [ ] (c) Training Contractors
(d) Others (specify) .................................................................

ii) How often has the engagement been done this investment period?
(a) Once [ ] (b) 2 times [ ] (c) 3 times (d) 4 times [ ] (e) 5+ times [ ]

iii) How regular is the engagement done after taking the investment?
(a) Weekly [ ] (b) Monthly [ ] (c) Quarterly (d) When needed [ ] (e) Others (specify)

iv). Where is the engagement normally done?
(a) Microfinance institution [ ] (b) Rented location [ ] (c) Your workplace (d) Others [ ]
(specify) .................................................................

v). Who attends the training apart from you/ your firm/ your group? .........................

15. What are the benefits you/ your firm/ your group gets from the training?

16. What are the challenges faced with the training/ engagement?

17. What can be done to curb the challenges?
Section D: Monitoring Programs and its Impact on Firm/ Individual/ Group?

18. i) Does anyone from the microfinance institution monitor your activities from time to time after taking the loan? (a) Yes [   ] (b) No [   ]

ii) If yes, what do they monitor?

…………………………………………………………………………………………
……………………………………………………………………………………

iii) How useful is it to you as an individual/ group/ firm?

…………………………………………………………………………………………
……………………………………………………………………………………

19.i) Who specifically does the monitoring?

(a) Workers of Microfinance [   ] (b) Managers [   ] (c) Training Contractors (d) Others (specify) ……………………

ii) How often has the monitoring been done this year?

(a) Once [   ] (b) 2 times [   ] (c) 3 times (d) 4 times [   ] (e) 5+ times [   ]

iii) How regular is the monitoring done after taking the investment?

(a) Monthly [   ] (b) Quarterly (c) When needed [   ] (d) Others (specify) ………

20. What are the benefits you/ your firm/ your group gets from the monitoring?

…………………………………………………………………………………………
……………………………………………………………………………………

21. What are the challenges faced with the monitoring engagement?

…………………………………………………………………………………………
……………………………………………………………………………………

22. What can be done to curb the challenges?

…………………………………………………………………………………………
……………………………………………………………………………………
23. i) Do you know about any training or monitoring framework for the Microfinance Institution?  
   (a) Yes [   ]  (b) No [   ]  

   ii) If yes, what is the framework about?  
       ……………………………………………………………………………………………………………………………
       ……………………………………………………………………………………………………………………………

   iii) How useful is this framework to you?  
       ……………………………………………………………………………………………………………………………
       ……………………………………………………………………………………………………………………………

Section D: Impact of Training/ Monitoring of Clients on Organisational Performance

24. Perceived training influence on firm/individual/group’s performance (Tick the appropriate measure)

<table>
<thead>
<tr>
<th>Influence</th>
<th>2</th>
<th>1</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearly stated objectives of training and relevance of training to job roles</td>
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<tr>
<td>Improved position and relationships in the firm</td>
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<tr>
<td>Has the necessary skills, knowledge and ability to carry out work efficiently and effectively</td>
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<td>Motivation to work harder</td>
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APPENDIX II

QUESTIONNAIRE FOR MFIS

Section A. Biodata of Respondents

1. Sex of respondent (a) Male [   ] (b) Female [   ]

2. Age of respondent (a) 20 or below [   ] (b) 21-30 [   ] (c) 31-40 [   ] (d) 41-50 [   ]
   (e) 51-60 [   ] (f) 61+ [   ]

Section B: Employment Details

3. Please indicate your years of banking/ Microfinancing as a profession.
   (a) Less than a year [   ] (b) 1-3 years [   ] (c) 4-6 years [   ] (d) 7-9 years [   ]
   (e) 10+ years [   ]

4. Please indicate your years of working in this institution.
   a) Less than a year [   ] (b) 1-3 years [   ] (c) 4-6 years [   ] (d) 7-9 years [   ]
   (e) 10+ years [   ]

5. What are some of the challenges faced in working here/ managing this firm?
   …………………………………………………………………………………………………
   …………………………………………………………………………………………………

6. What is/are your suggested solution(s)?
   …………………………………………………………………………………………………

Section C: Training and Monitoring Strategies Adopted for Clients

7. i) Is the firm’s training framework accessibly by all workers? (a) Yes [   ] (b) No [   ]
   ii) If yes, what is the firm’s training policy/ framework?
   …………………………………………………………………………………………………
   iii) If no, why?
   …………………………………………………………………………………………………
iv) How useful is this framework to achieving organizational goal taking clients into consideration?

…………………………………………………………………………………………

……………………………………………………………………………………

8. i) Is the firm’s monitoring framework accessibly by all employees? (a) Yes [ ] (b) No [ ]

ii) If yes, what is the firm’s monitoring policy/ framework?

…………………………………………………………………………………………

……………………………………………………………………………………

iii) If no, why?

…………………………………………………………………………………………

……………………………………………………………………………………

iv) How useful is this framework to you as an authority/ employee?

…………………………………………………………………………………………

……………………………………………………………………………………

9. i) How often does the firm organise training programmes for clients?

(a) Every week [ ] (b) Monthly [ ] (c) Quarterly [ ] (d) Every 6 months [ ] (e) Every year [ ] (f) Others (specify)  ……………………………………………………………

ii) When is the training done?

(a) Before investing [ ] (b) After investing [ ] (c) Others (specify)  …………………

iii) How useful is this training/engagement to your clients?

…………………………………………………………………………………………

……………………………………………………………………………………

10. Which department(s) organizes the training/engagement programs for clients?

i) ……………………………  ii) ………………………
iii) …………………………… iv) …………………

11. i) How many times have you witnessed this training/engagement done for clients since you joined the firm?  (a) 1-3 [ ] (b) 4-6 [ ] (c) 7-10 [ ] (d) 11-20 [ ] (e) 21+ [ ]

iii. What form is the training/engagement with clients?
(a) Workshop [ ] (b) Seminar [ ] (c) One-on-one interaction with individuals/groups/firms [ ] others [ ] (specify) ………………………………………

12. How often does the institution monitor activities and progress of training programmes?
……………………………………………………………………

13. How often does the firm monitor activities and progress of clients?
……………………………………………………………………

Section D: Impact of Training of Staff on Organisational Performance

14. Perceived training influence on employee performance (Tick the appropriate measure)

<table>
<thead>
<tr>
<th>Influence</th>
<th>2</th>
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<th>1</th>
<th>2</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearly stated objectives of training and relevance of training to trainees</td>
<td></td>
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<td></td>
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<tr>
<td>Improved position of the firm</td>
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<tr>
<td>Increased organisational performance (productivity)</td>
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<td>Organisation’s revenue raised</td>
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<td>Income of employee raised</td>
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<td>Motivation to work harder</td>
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86
15. What has been the impact of the training programmes on the organizational performance?

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........................................................................................................................................

16. What are some of the challenges noticed about the training?

........................................................................................................................................
........................................................................................................................................

17. Suggested solutions to these problems

........................................................................................................................................
........................................................................................................................................

Section E: Impact of Monitoring Systems on Organisational Performance

18. What are some of the challenges noticed about the monitoring? (could be about you, your colleagues, the firm as a whole)

........................................................................................................................................
........................................................................................................................................

19. Suggested solutions to these problems

........................................................................................................................................
........................................................................................................................................