اونيۏرسيتى مليسيا ڤهڠ
UNIVERSITI MALAYSIA PAHANG

ORIGINAL ARTICLE

THE IMPACT OF MICROFINANCE TOWARDS MICROENTERPRISES (MEs) PRODUCTIVITY IN MALAYSIA

M. Mohamad Nor * and N.U. Mohamed Rosli

Commerce Department, Polytechnic Muadzam Shah, Pahang, Malaysia

ABSTRACT – This study examined the impact of microfinance criteria on Microenterprises (MEs) productivity in Malaysia. The main issues in this paper is the capability of MFIs to allow the business to fully utilize the sources are ambiguous. There are seven (7) variables have been used in this paper which are Productivity (PROD) as a dependent variable and Six (6) independent variables (IV) involved, there are Loan Size *(LoanSiz)*, Loan Duration *(LoanDur)*, Loan Repayment *(LoanRep)*, Loan Utilization *(LoanUti)*, Contact with Lender *(ContactLen)* and Training *(Training)*. A multiple regression method has been used in the study to identify the impact of productivity among MEs in Malaysia. Based on the findings, microfinance criteria meet the significance level and contribute to MEs growth. Based on that, the solid and complete questionnaires are only 199 (41.50 %) of AIM and 277 (57.70%) of TEKUN. The findings revealed that microfinance criteria enhance the MEs growth and productivity and accept most hypotheses in the study. In the aspect of significance, the variable of productivity shows a significant sign contributes to MEs in Malaysia at 5% respectively. Hence, the study recommends that MEs must be linked up to the larger financial sources such as SME bank and non-government agencies in terms of financial support. Besides that, Micro finance Institutions should provide a moral support such as entrepreneurial skills in order to enhance their financial management and operation as well as in handling resources efficiently. The policy makers should seek some strategies in the aim to promote MEs in the market penetration. Finally, for the future study, the study suggests to use longitudinal data for future research because this method can monitor changes before and after the joining microfinance schemes. Apart, also can make a comparison between borrower and non- borrower in the aspect of business growth among MEs in Malaysia. As a conclusion, the findings of the study have answered the research objectives.

INTRODUCTION

The rapid growth of microfinance has been seen since the last three decades as an effective tool for poverty eradication, health and education improvement and for income problem solution (Rahman, 2007; Hassan et al., 2013; Masyita and Ahmad, 2013; Rahman and Dean 2013; Kachkar et al., 2015). Based on Asian Development Bank (ADB) as cited by Kachkar et al., (2015), Microfinance (MF) can be defined as a wide range of financial services including loans, deposits, money transfers, payment services and insurance specifically developed for poor and low income people and for microenterprise. It is believed that microfinance as a main element in eliminating poverty, is also an indicator to the economic growth and nation's development (Saad and Duasa, 2010; Rahman et al., 2011; Harash 2014). for the low income group who are unable to obtain common financial services. to unite the financial and banking institutions in Malaysia under a common legal, regulatory and supervisory management. However, even after ten years of establishment of Malaysia's Microfinance framework, there are still unwelcome problems facing its proper execution.

Malaysia would not deny the function of microfinance towards microenterprise's growth and productivity. With regard to the introduction of New Economic Policy (NEP) and National Development Policy (NDP) in Malaysia developments plan, their objective is to eliminate poverty among people (Mokhtar, 2011; Nawai & Sharif, 2011). This effort has succeeded when the incidence of poverty has decreased over the years. In 2002, after the development of NEP, the Bumiputeras still represent the major ethnic group living in poverty, and the rural areas are still recording the high level of poverty. Malaysia has introduced the microfinance programme as one of the poverty reduction programmes inspired by the microfinance scheme in Bangladesh by Muhammad Yunus. In this regard, Roslan (2006) mentioned that in accordance with the country's need to eradicate poverty, the microfinance scheme can reduce the level of dependency of the poor on the government by encouraging the concept of self-reliance (Mokhtar, 2011). Through this scheme, clients are given initial capital in terms of loan to start up the money generating activities.

The scenario of Microenterprise (ME) has been discussed in many studies and as a result, ME gives a big impact on national growth and significantly affects job creation (Fred & Timothy, 2013). In his study, Tambunan (2007) revealed that Enterprises are important to create job and they are one of the main sources of economic growth. Further study was done in Iraq by Emad et al. (2014) whereby the authors indicated that enterprise in Iraq contributes 99 % of the economic

development. This shows that microenterprises (ME) play an important role in the nation's well being. Furthermore, Harash et al. (2013) revealed that the largest contributor of economic development is small enterprises especially in textile and apparel sectors followed by food and beverages and woods products. Additionally, Chin (2008) stressed microenterprise as a backbone of the economy in many regions and it gives a big impact to employment, as opposed to large companies. This is also acknowledged by Mazumder, Zhan, Muhammad and Abdullah (2012) who found that microenterprises contribute effectively towards economic wellbeing. Somehow, according to the authors, microenterprises are still relying on financial facilities such as microfinance as a mode of credit access because they have insufficient capital to start up their business. In Malaysia, according to Bank Negara Malaysia (BNM), the definition of microenterprise is sales turnover of less than RM300, 000 or full-time employees less than 5 and it is available for all sectors. Meanwhile, small enterprise is sales turnover from RM300, 000 to than RM15 million or full-time employees from 5 to less than 75 for service sector and sales turnover from RM300, 000 to less than RM3 million or full-time employees from 5 to less than 30 for service and other sectors.

Besides that, productivity can be identified as a total productivity as output value (sales value) over resource input value, where resource input value in this study is measured by of capital at time *t*, wages and salary paid at time *t*, rent paid at time *t*, electricity at time *t*, and cost of machine at time *t* (Stevenson, 1999 and Otokiti, 2002). All the items have been observed by using Likert scale questions since most all of respondents did not record their sales, cost and profit properly.

Thus this study comes to investigate the extent to which microfinance characteristics will give an impact towards the MEs' productivity (Mulu, 2007; Mendez,2012; Kent & Dacin 2013). Hence, there needs to be more investigation to be carried out in order to see clearly the impact of microfinance on the productivity of microenterprises specifically. Meanwhile, a few studies discussed the productivity of microenterprise (MEs) but did not empirically test them (Babajide, 2011; Mokhtar 2011; Rahman & Dean 2013). Thus, the objective of this paper is to investigate the impact of microfinance criteria towards productivity of (MEs) in Malaysia while it could be an essential value for Microfinance Institutions (MFI), policy makers as well as future research.

LITERATURE REVIEW

Impact of Microfinance Criteria on Productivity

Regarding the amount of loan or **loan size *(LoanSiz)*** given to borrowers, the nature of debt is the one of essential elements in determining the extent of productivity of a firm. Loan size and productivity of firms is in fact a critical issue that needs to be addressed. According to Orji (2006), the amount of loan is one of indicators of firm performance and productivity. An adequate amount of loan given plus efficiency in managing the loan contributes to firm's productivity. Then, a sufficient amount of loan enables borrowers to run a business operation smoothly. In a study by Abraham (2013), the author found that the higher amount of loan granted, the higher the benefit cost ratio is likely to be. Higher loan size also positively influences the value of the firm and increases productivity.

Besides that, as stated by Jaramillo & Schiantarelli (2002), the availability of **loan period or loan duration*(LoanDur)*** allows firms to make a better improvement towards their productivity. A firm with access to long term financing could invest in new capital and equipment such as modern and sophisticated equipment and machines, and these can increase the productivity per worker and generate greater output per unit (Dube, 2013). The failures of firms to obtain long term financing can force firms to acquire short term financing to finance their long term business. This will create mismatches of assets and liability which will exhaust the working capital.

Regarding **loan repayment *(LoanRep)***, it refers to the amount of repayment that needs to be paid to MFIs or lenders. Accordingly, the study wishes to investigate the impact of loan repayment on MEs' productivity. A small amount of repayment with a longer period of loan enables borrowers and MEs to have a sufficient fund to generate working capital, which in turn will impact business performance (Babajide, 2011).

In respect of **loan utilization *(LoanUti)*,** borrowers or MEs who are using the fund borrowed only for business capital, tend to have more chances to expand their business and enhance their income. Loan utilization is an indicator in the study that has to be measured to examine whether it gives an impact on MEs' productivity or not. Based on Orji (2006) he suggested that loan utilization should be monitored by MFIs to ensure that borrowers are using the fund borrowed efficiently. On the other hand, it is unlikely that larger firms would have constraints in obtaining funds from commercial banks because they are already connected with banks.

In the aspect of **contact with lenders *(ContactLen)***, Babajide (2011) reported a significant impact of contact with lenders on MEs' productivity. Thus, monitoring and evaluation from lenders lead to better performance of borrowers. Besides that, firms that have a good relationship with lenders promote better performance among borrowers and this brings significant benefits to borrower's productivity (Garriga, 2006). Further, Hulme (2008) suggested that monitoring and evaluation from lenders help borrowers in business enhancement and productivity. Hence, the more frequent the lender monitors the business projects, the more opportunity for the business to achieve the level of productivity.

Fasoranti et al.,(2006) studied the impact of **training *(Training)*** on small scale enterprise in Nigeria, particularly the training given by MFIs to microenterprises gives a good impact on the microenterprise performance. Similarly, Abraham (2013) also agreed that sufficient training acquired by clients enables them a big opportunity to have a better path in performance and productivity. In their study, Fasoranti et al., (2006) and Abraham (2013) found training to be a significant determinant for MEs' productivity. Also, they found that enterprises that are equipped with more training tend to be a

good generator to their business operation since they have knowledge not only on the business but also on how to manage the business and use the resource allocation efficiently

Based on the literature above, the hypothesis can be developed as follows:
H1:Microfinance Criteria has a significant impact towards MEs productivity in Malaysia.

Conceptual Framework

Conceptual FrameworkThe conceptual framework of this study is based on the actual explanatory variables involved.
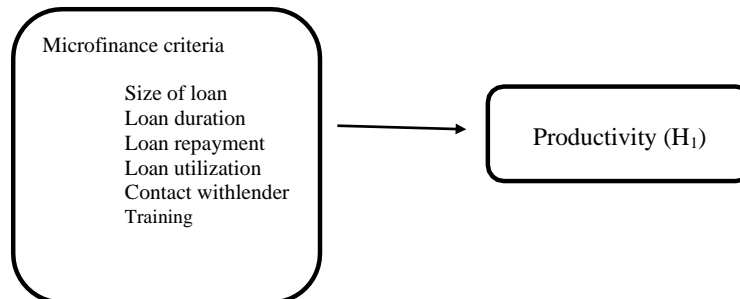

Microfinance criteria

Size of loan
Loan duration
Loan repayment
Loan utilization
Contact withlender
Training

Productivity (H₁)

Figure 1. Theoretical framework for understanding microenterprises' (MEs) growth

RESEARCH METHODOLOGY

This paper has concerns on the MEs productivity that relate on the microfinance criteria which has been discussed in the previous chapter. The selection of microenterprises is in peninsular Malaysia which consists of two MFIs, there are AIM and TEKUN. The primary data was obtained through a survey by using closed-ended questionnaires. The close ended questions were developed and it was used to simplify the respondent answer the questions.

The paper was adapted questionnaires from Babjide (2011) and Mokhtar (2011) which both studies were include the same variables micro financing criteria. However, every items chosen in questionnaires has been reviewed and suitable with a nature of sample's study. The questionnaire was divided into two sections. Section A contains demographic information of respondents. It Includes gender, age of respondent, marriage status, number of dependent, educational level. While section B has covered the question related the explanatory involved in the study and Likert scales regarding the impact of microfinance characteristics on MEs growth and productivity. Section B also includes, the questionnaire deals with MEs growth and productivity and the related information involved in the study while Likert scale has been used to measure productivity.

Population

This study identifies two groups of study which consist of MF institutions (TEKUN and AIM) and clients who engage with the microfinance product or scheme which is micro or small enterprise entrepreneurs. TEKUN and AIM are providing microcredit services throughout Malaysia and have a large number of clients or borrowers. TEKUN as of 31 December 2015, had 337,090borrowers (TEKUN 2015) consisting of micro and small enterprises, whereas AIM had 280,000 borrowers (AIM, 2015). 8 regions in Peninsular Malaysia which covers all 23 areas and 15 branches of AIM and across 9 states of TEKUN involved this study to conduct the survey in order to obtain the related information and data.

Table 1. Population of study

Institutions	Number of borrower	States covered
AIM	280,000	8
TEKUN	337,090	9

Source: AIM (2015) & TEKUN (2015)

Sampling Technique and Sample Selection

This study will randomly select borrowers in various schemes for economic purposes only such as small businesses, services, plantations, animal husbandry, fishery and manufacturing. A stratified sampling technique has been used in this study where the clients or borrowers as a population will be divided into subgroups or strata (Zikmund, 2003). The satisfactory sample response will be calculated based on the formula given by Mendenhall, Reinmuth and Bearer (1993).

$$n = \frac{NZ_{\alpha/2}^2 pq}{(N-1)e^2 + Z_{\alpha/2}^2 pq} \qquad (1)$$

where:
n = the sample size
N = the size of population
NZ2a/2 = the critical value of a two-tailed Z test at 1 α confidence level e = the tolerable error level for estimation (5%)

pq = component of sample proportion variance estimate (maximize 0.5)

This research assigned p =0.5 and q =0.5 to the equation above. Applying the formula above, the calculation of the minimum sample size, as follows:

Sample size for TEKUN

$$n = \frac{337,090 \times (1.96)2 \times 0.25}{337,090 \times (0.5)2 + (1.96)2(0.25)}$$

$$= 384$$

(2)

Sample size for AIM

$$n = \frac{288,912 \times (1.96)2 \times 0.25}{280,000 \times (0.5)2 + (1.96)2(0.25)}$$

$$= 384$$

(3)

According to the formula above, the sample size of both MF institutions are 384 borrowers from TEKUN and 384 borrowers from AIM. To overcome the attrition in sample, the sample size should be larger than the calculated sample response required. Response rate, based on surveys of questionnaires in previous research, were usually between 60% - 90% (Mokhtar, 2011; Coleman 1999; Husain 1998). This study was taking an 80% estimated response rate, so the calculated working sample size is 480 for TEKUN and 480 for AIM.

Method and Data Analysis

The descriptive and inferential analytical techniques have been used in this study. The analytical technique employed is a linear multiple regression analysis approach to identify the impact of all explanatory variables involved on the MEs growth. A linear Multiple regression has been used to the analysis for MEs productivity (MEP). These all variables were performed by using the multiple regression technique. The initial part of the analysing the data, it consisted of the definition of the related variables. The study has focused on productivity which the variables are represented as, $LoanSiz_1$, $LoanDur_2$, $LoanRep_3$, $LoanUti_4$, $ContactLen_5$, and $Training_6$. In this matter, MEs productivity was regressed on the set of explanatory variables that predicted MEs productivity in the respect of microfinance characteristics. Additionally, the coefficient of variables is measured by the marginal effect of the explanatory independent variables on MEs productivity. The equation of the model will be presented in model specification below:

$$MEG = \alpha o + \beta1 LoanSiz_{it} + \beta2 LoanDur_{it} - \beta3 LoanRep_{it} + \beta4 SLoanUti_{it} + \beta5 ContactLen_{it} + \beta6 Training_{it} + \mu$$

(3)

(Adapted with amendment from:Babjide, 2011)

RESULT AND ANALYSIS

At the early stage of this study, 960 questionnaires were distributed to selected respondents where 480 questionnaires were allocated to AIM whereas another 480 were allocated to TEKUN. However, only 263 respondents from AIM and 315 respondents from TEKUN returned the questionnaires, which accounted to 578 questionnaires in total. From the 578 returned questionnaires, only 199 (41.50 %) and 277 (57.70 %) were functional questionnaires, from AIM and TEKUN, correspondingly.

Multiple Regression Analysis on Microfinance Criteria on MEs Productivity

Table 2. Microfinance criteria on MEs productivity

	Microfinance Institutions					
	Total sample		AIM		TEKUN	
	Coefficient	t-statistic	Coefficient	t-statistic	Coefficient	t-statistic
Constant	4.504***	20.984 (.000)	3.370***	7.413 (.000)	5.119***	4.743 (.000)
Microfinance criteria						
Size of loan	0.058**	1.953 (.051)	0.100**	2.035 (.043)	0.077	1.013 (.312)
Loan duration	0.002	0.078 (.938)	0.103**	2.228 (.027)	0.059	0.634 (.526)
Loan repayment	0.012	0.304 (.761)	0.280	0.391 (.697)	0.228**	2.181 (.030)
Loan utilization	0.045	1.874 (.062)	0.016	0.490 (.683)	0.013**	0.198 (.843)
Contact with lender	0.012	0.501 (.616)	0.022	0.548 (.584)	-0.142	-1.935 (.954)
Training	0.058**	2.057 (.040)	0.085	1.694 (.092)	-0.211	1.702 (.090)

Table 2. (samb.)

| | Microfinance Institutions | | | | | |
| | Total sample | | AIM | | TEKUN | |
	Coefficient	t-statistic	Coefficient	t-statistic	Coefficient	t-statistic
R-squared	0.040		0.127		0.70	
Adjusted r- squared	0.21		0.085		0.38	
No. Of observation	476		199		277	
F-test statistic	2.137 (.025)**		3.506 (.002)**		2.225 (.021)**	

Note: *** 1% level of significance, ** 5% level of significance Survey 2016

a) Loan Size (LoanSiz)

For the microfinance criteria, the result in this study represents a significant sign for several variables in the three samples. The coefficient of **size of loan** *(LoanSiz)* or amount of loan received denotes a positive correlation for all samples. This means that a 1-unit increase in size of loan or amount of loan would increase in firm's productivity by 5.8 % for total sample, 10.0 % and 7.7 % for AIM and TEKUN samples respectively. Therefore, this study supports the hypothesis which the size of loans has a positive correlation with MEs productivity. Another study that has been conducted by Mosalake (2007) also agreed that the amount of initial capital or loan size is highly correlated with the success of firms especially to MEs that always have obstacles in obtaining a sufficient amount of initial capital to operate their business. In the same line, another previous study by Kidist (2012) found that insufficient and costly credit facilities and sources will negatively affect business operation and productivity. Thus, sufficient capital relating to the size of loan is one of the basic elements that allow firms to run and operate their business, and hence, enable firms to perform well to continue the business.

b) Loan duration (LoanDur)

The coefficient of **loan duration** *(LoanDur)* shows a positive correlation and TEKUN sample was statistically significant on MEs productivity. The result revealed a significant level at 5% for AIM while other samples are not significant. According to Dube (2013), loan duration allows business to make a better improvement regarding business operations and give a good result to firm's productivity. He also stated that if business has access to long term loan or loan term financing, it could make an investment on fixed assets such as purchasing high technology machines, which can help businesses to increase productivity. Therefore, loan duration is important to ensure that firms reach the level of productivity. This finding supports the result of this study that loan duration got a positive relationship with MEs productivity for all samples. The longer the duration of loan given by MFIs, the more chances MEs would have in allowing their firm to be productive.

c) Loan repayment (LoanRep)

In the aspect of **loan repayment** *(Loan Rep)*, the result shows that there is a positive correlation for all samples. However, there is no significant indication for total sample and AIM. The positive correlation demonstrates that 1-unit increase in repayment of loan will increase the MEs productivity by 1.2 % for total sample, 28 % for AIM samples and 22.8 % for TEKUN sample. The results contradict the hypothesis that there is a negative correlation between loan repayment and firm's productivity. Similarly, Girabi and Mwakaje (2013) agreed that a huge amount of repayment may burden borrowers because they have to pay more to lenders and this subsequently leads to lower input or resources used, which hinders them from improving the firm's productivity.

d) Loan Utilization (LoanUti)

Loan utilization *(LoanUti)* was statistically significant to TEKUN samples and positively correlated to MEs productivity. A unit increase in loan utilization will increase MEs productivity by 4.5% in total sample, 1.6% in TEKUN and 1.3 % for AIM respectively. In the same manner, the finding of Orji (2006) shows that full efficiency in credit utilization brings an optimum of output in the production. Besides that, full efficiency of credit amount in business activities will lead to full utilization of resources and this directly leads to a positive result of productivity. As a conclusion, loan utilization is an indicator to ensure that MEs in Malaysia meet the desired productivity.

e) Contact with lender (ContectLen)

The study also examined the relationship between contact of lenders and MEs productivity. This is represented by *contact with the lender (ContactLen)*. However, the result appears to be not significant for all samples. This means that contact with lenders does not give an impact to MEs productivity in Malaysia. For example, lender monitoring activities in AIM is more to the sensitivity of loan repayment performance. Conversely, in terms of correlation, the study confirmed that a positive relationship exists for total and AIM sample which is the higher lender monitoring activities, the MEs productivity will be increased. Hence this study approved that there is a positive correlation but not significant on MEs productivity.

f)   Training (Training)

Besides that, regarding the **training** *(Training)* variable, the result shows that only the total sample is significant to this study at 5%. From the result of the study, training has a positive correlation with productivity which indicates that an increase in training would increase MEs productivity by 5.8 %, 8.5 % and 21.1 % respectively. At the same time, Abraham (2013) also agreed that sufficient training acquired by clients provides them with a big opportunity to have a better path in performance and productivity. Based on the data and the result obtained, it is better to say that the variable of training statistically gives an impact towards the productivity of Microenterprises in Malaysia.

The coefficient of determination, **the R squared value**, for the total sample is 19.9%. Meanwhile, the value of R-squared for AIM is 12.7 % and 7 % for TEKUN. The R squared for all samples seems the predictors are not strong to influence the dependent variables. There are possible reasons for another prediction to be included to measure their productivity for future study. However, all samples are significant at 5%. It also implies that the Microfinance determinants are well contributing to MEs productivity in Malaysia.

The coefficient of determination, **the R squared value**, for the total sample is 19.9%. Meanwhile, the value of R-squared for AIM is 12.7 % and 7 % for TEKUN. The R squared for all samples seems the predictors are not strong to influence the dependent variables. There are possible reasons for another prediction to be included to measure their productivity for future study. However, all samples are significant at 5%. It also implies that the Microfinance determinants are well contributing to MEs productivity in Malaysia.

Goodness of Fit of the Model for MEs Growth

Evaluation of fit of the model found R^2 = 19.9; prob. = 0.025; for total sample, while TEKUN sample found R^2 = 0.07; prob. = 0.021 and AIM R^2 = 12.7; prob. = 0.002. Based on the result of testing goodness of fit, all three samples have met the criteria and it can be inferred that the model meets the conformance model.

Thus, this study accepts H1 as follows;

H1: Microfinance criteria give a significant impact on Mes productivity in Malaysia.

CONCLUSION

The findings of this study have several significant implications especially for academics, microfinance institutions and policymakers. The variables that have been used as measurement in the study, give their own value towards MEs growth and productivity in Malaysia. Most of the explanatory variables involved demonstrate that there is a significant impact, but several variables like service charge and loan utilization did not give any significant value towards MEs productivity. As a whole, the system of MFIs in Malaysia comprises a subsidized credit system with the main purpose of giving funds to their clients to help poor people in household improvement. Nonetheless, the main target of MFIs is to see the business of their clients grow and achieve productivity. Fortunately, this study is able to find that microfinance characteristics are the element that can push MEs to succeed. Thus, there is a possibility that many MEs are supporting non-poor people. However, in studies by Robinson (2001a) and Morduch (2006), MFIs were found to give impact to MEs productivity. Group lending and individual lending are two different situations. In particular, group lending implemented by AIM has its own criteria and scenarios that are different from that of TEKUN which implements individual lending systems. Such difference is the reason why this study splits the sample into AIM sample and TEKUN sample. The data and result also show a difference in value and coefficient due to different backgrounds of clients that represent microenterprise.

The study can include the interest rate and service charge determination imposed by commercial banks to their MEs borrowers in terms of impact of interest rate on business performance and growth. Additionally, a longitudinal study is also recommended for future research. Longitudinal research can monitor changes before and after the borrowers joined microfinance 138 schemes. Future research can also make a comparison study between borrower and non borrower in terms of business productivity.

Other fields that future researchers should look into the amount of loan given to MEs whether the particular amount is sufficient to support the business. The size of loan in the determination of business growth should be considered as well Multiple regression method is only look at the relationship for both dependent and independent variables and show a report of variance analysis, more predictors inputted, the high value of R2 presented. The R2 value will increase even when adding statistically non-significant variable into the equation. Based on this, the study unable to reveal the importance of independent variables by using only the increment of R2 . Furthermore, multiple regression need a larger sample size in generalizing the result. As an alternative, the study may use correlation coefficient method to analyse the data.

REFERENCES

Abraham A. (2013). Performance of Microenterprise and Its Determinant Factors: The Case of Hosana Town, Hadiya Zone (master's thesis). Haramayah University, Ethiopia.

Ahmad, N.H., Seet. P.S. (2009). Dissecting Behaviour Associated with Business Failure: A Qualitative Study of SME Owners in Malaysia and Australia. Small Business Economics, 5(9), 98-104.

Babajide, A. A. (2011). Effect of microfinance on micro and small enterprises (MSEs) in southwest Nigeria. Covenant University, Ota, Nigeria.

Berger, Allen N., and Gregory F. Udell. 1995. "Relationship Lending and Lines of Credit in Small Business Finance." Journal of Business 68: 351-382.

Bernard, A. B., and Jensen, J. B. (2007). Firm structure, multinationals and manufacturing plant deaths. Review of Economics and Statistics, 84(2), 193–204.

Cecchetti, S. G., Mohanty, M. S., & Zampolli, F. (2011). Achieving Growth Amid Fiscal Imbalances The real effects of debt, Economic Symposium Conference Proceedings, Jackson Hole, 145-196.

Fred, A., and Timothy, W (2013). Effect of Credit on Micro and small Enterprises Performance in Kitale Town. International Journal of Academic Research in Business and Social Sciences, 3(2), 570-583.

Chin, O. and Nor, M.M. (2016), Does The Microfinance Term Dictate The Performance Of Microenterprises? Procedia Economics and Finance 35 p.p 281 – 286.

Choudhury, M.A., 2011. Islamic Economics and Microfinance (QMHF). New Horizon. Coleman, B. E. (1999). The impact of group lending in Northeast Thailand. Journal of Development Economics, 60(1), 105-141.

Dube, H. (2013). The impact of debt financing on productivity of small and medium scale enterprises (SMEs): A case study of SMEs in Masvingo urban. *International Journal of Economics, Business and Finance*, 1(10), 371-381.

Ebong, E., & Dayo, F. (2007). Explains Why Smes Experience Difficulty in Accessing Credit From Commercial Banks. (online) Available: www.businesstodayonline.com (July 12, 2011).

Fasoranti, M. M, Akinrinola, O. O. and Ajibefun I. A. (2006). Impact of microcredit and training on effeciency of small scale entrepreneurs: Evidence from National Directorate of Employment (NDE) Loan/training programmes in Nigeria. *The Social Sciences*.1 (4) 264 – 269.

Girabi F. & Mwakaje A. (2013). Impact of Microfinance on Smallholder Farm Productivity in Tanzania: The Case of Iramba District.

Harash, Emad & Al-Timimi, Suhail & Alsaadi, Jabbar. (2017). Effects of Financing on Performance of small and medium enterprises (SMEs). *Asian Economic and Financial Review,* 3(2), 227-242.

Hassan, S., Rahman, R. A., Bakar, N. A., Mohd, R., & Muhammad, A. D. (2013).De signing Islamic Microfinance products for Islamic Banks in Malaysia. Middle- East *Journal of scientific research*, 17(3), 359366.

Hassan, R. S., & Hart, M. (2016). The determinants of small firm growth : an empirical study on Egypt. *Journal of Business and Management*, 7(2), 41–52.

Husain, A. M. M. (1998). *Poverty alleviation and empowerment- The second impact assessment study of BRAC's rural development programme*: Research and Evaluation Division, BRAC.

Jackson, P. L. M. (2004). *Entrepreneurial support in South Africa: a case study of a small enterprise support centre in Johannesburg*. University of Birmingham.

Jaramillo, F. and F. Schiantarelli, 2002, *"Access to long term debt and effects on firms' performance: lessons from Ecuador"* Latin American Economic Policies Newsletter, Network Working paper No.R-460, July, Available at: www.iadb.org/res

Kachkar O., Fares D., & Noordin K. (2015) *Application of Microfinance in Selected Islamic Banks in Malaysia: Issues and Challanges*, retrieved from: http://repository.um.edu.my/96842/1/GCBSS%20conference%20paper.pdf

Luen, K. W., Yong, L. K., and Fook, S. O. (2013). *Strategic planning and business performance: A Study of SMEs in Malaysia.* Proceedings of 3rd Asia-Pacific Business Research Conference. Kuala Lumpur.

Mahmood, R. M., Rosli, M. (2013),Microcredit position in micro and small enterprise performance: the Malaysian case, *Management research review,* 36 (5), 436 - 453 retrieved from http://dx.doi.org/10.1108/01409171311327226.

Mendenhall, W., Reinmuth, J. E., & Bearer, R. V. (1993). Statistics for management economics. Duxbury, Belmont CA.

Mokhtar, S. H. (2011). *Microfinance performance in Malaysia*, Doctor of Philosophy, Finance, Lincoln University, New Zealand.

Mokhtar, S. H., Nartea, G., & Gan, C. (2012). The ̄Malaysian microfinance system and a comparison with the Grameen Bank (Bangladesh) and Bank Perkreditan Rakyat (BPR- Indonesia). *Journal of Arts and Humanities*, 1(3), 60-71.

Mulu, G. (2007), Growth of micro-enterprises: empirical evidence from Ethiopia Ethiopian.

Development Research Institute (EDRI).

Nawai, N., & Bashir, M. S. (2010). *Evaluation of micro credit program for poverty alleviation: A case of Amanah Ikhtiar Malaysia (AIM)*. Retrieved from http://ddms.usim.edu.my/handle/123456789/1555.

Niskanen, M and Niskanen, J. (2007). The determinants of firm growth in small and micro firms – evidence on relationship lending effects. *Small Enterprise Development*, 24, 45- 63.

Nor, M.M. (2019). *The relationship and Impact of Microfinance on Growth and Productivity of Microenterprises (MEs) In Malaysia*, University Tenaga Nasional, Pahang, Malaysia.

Orji, K. O. (2006). Transforming Microfinance Schemes from Subsistence living to Small Scale Enterprises in Nigeria: analysis of Policies for Integration of Science and Technology into Client's Activities, United Nations Educational, Scientific, and Cultural Organization, *Policy paper* Number 11, 1-36.

Otokiti, S. O. (2002). *Theoretical concepts and Scope of Management (A Re-appraisal of Management Principles).* Lagos, Pumark Nigeria Limited.

Pokhriyal A. K., Rani R. and Uniyal J. (2014). Role of Micro-Finance in the empowerment of the women. *Journal of Business Finance*. 02 (01), 21-31.

Masyita, D., & Ahmed, H. (2013). Why is Growth of Islamic Microfinance Lower than its Conventional Counterparts in Indonesia.*Journal of Islamic Economic*,21(1), 35-62.

Nawai, N., & Bashir, M. S. (2010). Evaluation of micro credit program for poverty alleviation: A case of Amanah Ikhtiar Malaysia (AIM). Retrieved from http://ddms.usim.edu.my/handle/123456789/1555

Rahman, A. (2007). Islamic microfinance: a missing component in Islamic banking. Kyoto. *Bulletin of Islamic Area Studies*,1(2), 38-53.

Rahman, R. A., & Dean, F. (2013). Challenges and solutions in Islamic microfinance. Humanomics, 29(4), 293-306.

Rahman A. N., Yaacob Z. and Radzi M.R (2014). Determinants of Successful Financial Management among Micro Entrepreneur in Malaysia, Journal of Asian Scientific Research, 4(11):631-639.

Riwajanti, N. I. (2013). Islamic Microfinance as an Alternative for Poverty Alleviation: A Survey. Afro Eurasian Studies, Vol. 2, Issues 1&2, Spring & Fall 2013, 254- 271.

Roslan, A. H., & Karim, M. Z. A. (2009). Determinants of Microcredit Repayment in Malaysia: The case of Agrobank. Hum. Soc. Sci. J., 4(1), 45-52.

Saad, N. M., & Duasa, J. (2010). Determinants of Economic Performance of Micro-Credit Clients and Prospects for Islamic Microfinance In Malaysia. ISRA International Journal of Islamic Finance. Vol. 2 (1).SME (2015), Kuala Lumpur Malaysia.

Tedeschi, G. A. (2008). Overcoming selection bias in microcredit impact assessments: A case study in Peru. Journal of Development Studies, 44, 504-518.

Tambunan, T. (2007). Entrepreneurship Development: SMES in Indonesia. Journal of Developmental Entrepreneurship, 12(1), 95-118.

Tumkella K (2003). The Challenge of Globalisation and SME Sector in Nigeria: Repositioning through Technology and Innovation, Paper presented at the National Summit on SMIEIS organised by the Bankers'Committee and Lagos chambers of commerce and Industry (LCCI), Lagos, 10th June.

Yano, G., & Shiraishi, M. (2012). Efficiency of Trade Credit Finance in China. Comparative Economic Studies, 54(1), 203-225.

Yunus, M. (2007), About Grameen Bank, available at: http://muhammadyunus.org (accessed July 15, 2015).

Zikmund, G. W. (2003). Sample designs and sampling procedures. In Business Research Methods (pp. 386-388). Ohio: Thomson: South Western.