KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF BUSINESS

ASSESSING THE CONTRIBUTION OF CASH MOBILISATION OFFICERS TO THEGROWTH OF MICROFINANCE INSTITUTIONS: A CASE STUDY OFADOM MICROFINANCE

BY

SARAH ADU GYAN

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CANDIDATE'S DECLARATION

I SARAH ADU GYAN hereby declare that this submission is my own work towards the MBA and that to the best of my knowledge no part of it has been presented for another degree in this university or elsewhere except for the references to other people's work which have been duly acknowledged.

SARAH ADU GYAN	....	....
(PG9599213)	Signature	Date
MR. P.K OPPONG BOAKYE	....	....
(Supervisor)	Signature	Date
Prof. Magnus Frimpong	....	....
(H.O.D)	Signature	Date
(ACCOUNTING FINANCE)		

DEDICATION

I dedicate this project to my dear parents, Mr. and Mrs. Adu Gyan without their support this project would not have been possible.

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I am greatly indebted to God whose grace has been sufficient for me throughout the writing of this project work. I am grateful to my supervisor, Mr. P.K Oppong Boakye of the KNUST School of Business, through whose guidance and direction this work has become possible. I also owe a lot of gratitude to my dear family through whose love and untiring support I have been able to complete this work. Finally, I am grateful to all my friends and well-wishers for their prayers and support.

ABSTRACT

This research sought to assess how the contributions of the deposit mobilisation officers affect the growth of Adom Microfinance Institution. However, the study will specifically examine the total contribution of the savings mobilisation officers relative to total annual deposit mobilisation of Adom microfinance, how their contribution impacts on the liquidity of the Adom Microfinance, challenges the CMO‘s and the management of the microfinance face in their operations and to explore ways to grow their contribution to total savings mobilisation. The study was conducted with both qualitative and quantitative method, executed through questionnaires, which are handed out to forty (40) respondents made up of one (1) microfinance officials and thirty – nine (39) cash Mobilisation officers at Adom micro finance. Statistical Package of Social Sciences (SPSS) and Microsoft Excel were used to analyze data obtained from field research. The study shows that majority representing 53.8% of the cash mobilisation officers (CMO‘s) were able to mobilise an estimated amount of Ghc 600-1000 daily. Concerning the challenges the study revealed some of the cash mobilisation officers absconding with depositors‘ funds. The study went further to establish that, management strongly agree that, increase interest rate on savings were the effect mechanism of increasing total cash mobilisation. The study recommended that, Management need

to motivate cash mobilization officer to encourage them to give their maximum to increasing total cash mobilisation.

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CHAPTER ONE

1.1 Background of the Study

The financial landscape of Ghana has gone through a chequered history over the past three decades. In the 1970's and the early 1980's the economy of Ghana was characterized by a steady decline with hyperinflation and exchange rate depreciation being major features. The malaise that afflicted the economy took its toll on the banking and financial system of the country.

Among the ills that bedevilled the country's financial system, the following may be mentioned as prominent:

- Low capital base of banks
- High risk concentration
- Large portfolio of non-performing loans
- Weak accounting and management information systems
- Weak internal controls
- Weak supervision and deficiencies in the legal and regulatory framework

In addition to these, the Banking system suffered from over-regulation of interest rates as well as sector allocation of credit being tightly regulated by the Central Bank. The weaknesses among others were identified by a Diagnostic Study of Banks commissioned by the Government of Ghana in 1987. Although the Diagnostic Studies mainly covered the state owned banks, the findings were largely relevant to the industry.

Following the publication of these findings the Government, with the assistance of the International Development Association (IDA) embarked on the Financial Sector Adjustment Programme (FINSAP). The objectives of FINSAP included the following:

• Restructuring of distressed banks

• Improvement of deposit mobilization

• Enhancement in the efficiency of credit allocation

• Improvement in the supervisory and regulatory framework as a whole.

Other measures pursued under the project included interest rate deregulation, abolition of credit ceilings and sectorial allocation of credit, as well as market determination of exchange rates. As a consequence of these reforms, a new Banking Law, PNDC Law 225 was promulgated to replace the then clearly out-dated Banking Act, Act 339. Under this new law, new minimum capital requirements were prescribed for the various categories of banks. Other innovations introduced by the PNDC Law 225 included Capital Adequacy Ratio and other prudential requirements. (This legislation has since been replaced by the Banking Act, 2004, Act 673).

Following the banking sector reforms, number of banks increased significantly with the entry of banks with majority foreign ownership. A couple of state-owned banks, specifically Social Security Bank and the Ghana Commercial Bank, have undergone divestiture with the former almost wholly foreign owned while the latter has had a substantial portion of its shareholding offloaded to the Ghanaian investing public.

Alongside the PNDC Law 225, a separate legislation was introduced to regulate the licensing and operation of other players in the financial market which were not banks, namely the Financial Institutions (Non-Banking) Law,1993 (PNDC Law 328). Among the institutions covered by the Non-Bank Financial Institutions Law are Savings and Loans Companies,

Microfinance Institutions and other financial mobilisation companies.

The entry of these institutions into the financial services industry was hailed as a panacea to arrest the dawn of the large proportion of the unbanked population and also make micro-capital to both the urban and rural poor who would have been left out by the urban and elite centred universal banks. Since the advent of PNDC Law 328, Savings and Loans Companies and Microfinance institutions have gained greater visibility and are perceived as an important component of the financial system.

The entry of these players brought the concept of mobile bankers into the fray, even though it had existed at the downstream of the financial services system as _'Susu" collectors but not as the large-scale as it is being experienced currently.

1.2 Statement of the Problem

According to UNDP report (2003), using micro finance for creating wealth and reducing poverty in development countries has been recognised as one of the strategies for achieving the first Millennium Development Goal (MDG). Microfinance Institutions (MFIs) currently provide financial services to an estimated 15 per cent of the country's total population as compared with 10 per cent for the commercial banking sector Obuobi and Polio, 2010.

The recognition is because, microfinance services assist the poor and the underprivileged in the economy to accumulate wealth/assets, reduce risk and vulnerabilities, facilitate economic activities to earn livelihood, protect against income shocks, build social capital and improve quality of life.

―Susu‖ scheme, a microfinance tool which involves the payment of specific amount of money on regular basis in order to collect or save the accumulated contribution after some period, has become very popular in Ghana. Despite the ever growing acceptance the mobile bankers ―susu‖ scheme as a tool for contribution mobilisation strategy, much research works has not been conducted to assess the contribution of the deposit mobilisation officers to the growth of the industry. On that note, the study seeks to explore the role of the deposit mobilisation officers to the growth of the microfinance industry with specific reference to Adom Microfinance.

1.3 Research Objectives

The broad objective of this study is to appraise how the contributions of the deposit mobilisation officers affect the growth of Adom Microfinance Institution. However, the study will specifically addressed the following;

1. To examine the total contribution of the savings mobilisation officers relative to total annual deposit mobilisation of Adom microfinance.
2. To examine the challenges the DMO's face in their operations
3. To explore ways to grow their contribution to total savings mobilisation

1.4 Research Questions

The following research questions are formulated:

1. Outline the total contribution of the savings mobilisation officers relative to total annual deposit mobilisation of Adom microfinance?
2. What are the challenges the DMO's face in their operations?
3. What are ways to grow their contribution to total savings mobilisation?

1.5 Justification of the Study

This study will aid policy makers formulate appropriate strategies to tap the potentials of that sector of the financial system. It will also serve as a reference and guidance material for researchers in banking, finance and economics. Furthermore, the information to be provided by the study will be useful to the microfinance industry and the companies in packaging their services. It will also be useful to the customers of these companies as they will have a broader knowledge of services available in the industry. To industry regulators, it will aid them to appreciate the contributions of savings mobilization officers and type of risks to which Savings and Loans companies are exposed in order to formulate appropriate strategies for effective supervision.

1.6 Scope of the Study

The study would seek to focus on the operations of Adom Microfinance of three years (2010-2012) with particular emphasis on the contributions of the DMO's to the growth of the institution whilst other stakeholders such as management and customers who in the opinion of the researcher possesses other information of microfinance institution in the areas of mobile bankers doing their mobilization. The section will provide a snapshot of various procedures, processes and tools that would be used for data acquisition and analysis through the administration of questionnaire and interviews. It is instructive to note that, the studies will accessed both primary and secondary data to enhance the credibility and the reliability of the study.

1.7 Organization of the Study

The study will consist five chapters. Chapter one will introduce the reader to the introduction and the background of the study, and further relevant information such as research questions, the scope, the methodology, objectives and the justification of the study. Chapter two of the study in turn, will concentrate on the literature review to review the work of other authors who have conducted studies in this area of interest to identify their conclusions and also identified gap in literatures covering relevant areas. The third chapter will also outlines the design of the study, the strategy, research purpose, data collection and analysis and the tools, sampling population, size and method.

The chapter four would provide the outcome of the data obtained and its relationship to chapter one. The outcome would be presented in graphs, tables and charts. The fifth chapter will also present a snapshot of discussion on the records and findings. And it will also provide a recommendations and perceived solutions to the problems that would be identified in the course of the research.

1.8 Limitations of the study

Certain limitations are expected to be encountered in the course of this research. The most anticipated challenges among them are expected to be the challenge of data collection from the respondents. Due the difficult posture sometimes respondents in this country exhibit, this attitude is expected to have impact on the project but, effort would be made to control the negative impact it may have.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The purpose of this chapter is to offer theoretical and empirical review of microfinance institutions relative to the challenges and the contributions of the savings mobilization officers. It covers the evolution of microfinance and its impacts on development. Through the literature review, the researcher sought to elucidate the benefits, challenges as well as the contributions of the savings mobilisation officers of the microfinance institutions.

2.1 The Introduction of Micro Finance

Over the past two decades, various development approaches have been devised by policymakers, international development agencies, nongovernmental organizations, and others aimed at poverty reduction in developing countries. The challenge of reducing poverty and improving living conditions for the poorest population is a formidable one. The betterment of poor people requires an effort that spans all sectors of the economy and may not be easy to achieve through economic growth alone. Improved access to financial services helps poor people by enabling payment transactions then bring them into the formal sector. Financial services enable poor people to use profitable business opportunities and raise earnings (Kumar, 2005; Wolday, 2003). But financial markets often serve poor people badly. Since poor people often have insufficient traditional forms of collateral to offer, they are often excluded from financial markets. The formal financial institutions were relevant to extend credit facilities to the poor for fear that loans would not be repaid. Poor borrowers faced high transaction costs when they sought loans from formal financial institutions. The costs included time, travel and paperwork involved in obtaining credit. One of these strategies, which have become increasingly popular since the early 1990s, involves microfinance schemes, which provide financial services in the form of savings and credit opportunities to the working poor (Johnson & Rogaly, 1997).

Microfinance Institutions (Micro finance) have become increasingly involved in providing financial services to SMEs focused on poverty reduction and the economic survival of the poorest of the poor. There is continuing and quite rapid improvement in understanding how financial services for the poor can best be provided. As part of this learning process, microfinance practitioners, donors, and governments have been interested in knowing to what extent these credit interventions impact the beneficiaries. According to Robinson (2001), there are two known approaches in microfinance development. These are poverty lending approach and financial system approach. Both approaches share the goal of making financial services available to poor people throughout the world. The poverty lending approach focuses on reducing poverty th rough credit and other services provided by institutions that are funded by donors and government subsidies and other concessional funds. A primary goal of this approach is to reach the poor especially the poorest of the poor with credit. Saving is not a significant part of this approach. But mandatory saving is a precondition for receiving the loan.

The emphasis is on micro- credit, not microfinance. With the failure of credit institutions to address the grassroots (households') financial needs, the situation demanded an innovative approach to address the lower segment of the population. The new approach should correct the drawbacks of the old approach (Hailu, 2005). This is a financial system approach. The financial system approach focuses on commercial financial intermediation among poor borrowers and savers; and also emphasis is given to institutional self-sufficiency. The approach targets lending to the economically active poor people, i.e. people with the ability to use small loans and the willingness to repay and to voluntary save mobilization. Bank Rakyat (Indonesian's microbanking system) and Banco Sol (salvia's banking system) are models of profitable microfinance institutions (Robinson, 2001). From the forgoing approaches, this will go a long way to elevate many poor people who have the ability and willingness to work with a micro- credit facility to change their standard of living.

2.2 Meaning of Microfinance

There are various school of thought about microfinance however, they all have common meaning thus to provide small loans to the poor to improve their living conditions. Robinson (2001) microfinance refers to small scale financial services for both credits and deposits- that are provided to people who farm or fish or herd; operate small or micro enterprise where goods are produced, recycled, repaired, or traded; provide services; work for wages or commissions; gain income from renting. out small amounts of land, vehicles, draft animals, or machinery and tools; and to other individuals and local groups in developing countries in both rural and urban areas.

Microfinance has also been defined as the means by which poor people convert small sums of money into large lump sums (Rutherford 1997). Microfinance, according to Otero (1999) is ―the provision of financial services to low-income poor and very poor self-employed people‖. These financial services according to Ledgerwood (1999) generally include savings and credit but can also include other financial services such as insurance and payment services. Schreiner and Colombet (2001) define microfinance as ―the attempt to improve access to small deposits and small loans for poor households neglected by banks.‖ Therefore, microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector. Microfinance is an economic development approach that involves providing financial services, through institutions, to low-income clients, where the market fails to provide appropriate services. The services provided by the Microfinance Institutions (Micro finance) include credit saving and insurance services. Many microfinance institutions also provide social intermediation services such as training and education, organizational support, health and skills in line with their development objectives.

From the various definitions, microfinance is provision of financial services to clients who have otherwise been neglected by the mainstream banking industry. These clients are excluded from mainstream banking primarily for reasons such as poverty, lack of education, living in a remote location, e tc. Many kinds of organizations participate in providing microfinance services. These include non - profit organizations (both regional and international), private companies, financial institutions and registered banks. Throughout the rest of the paper such organizations will uniformly be called microfinance institutions, or Micro finance. The microfinance industry also includes other participants - such as state, local and national governments, independent rating agencies and other third -party observers.

The broader definition of microfinance includes not only microcredit but also other financial services, which can be offered to the poor. Interested economists found soon that not only small credits but also other services connected with lending could improve economic lives of the poorest (Bauer, Chytilova &Morduch, 2008). In the Ghanaian context, Appiah, (2008) defines microfinance as the provision of financial services and the management of small amounts of money through a range of products and a system of intermediary functions that are targeted at low income clients. It includes loans, savings, insurance, transfer services and other financial products and services. Ghana, for the past two years through BoG has introduced regulatory policies that will redirect the activities of microfinance institutions. This will foresee how microfinance institutions will transform the living standard of especially the poor in Ghanaian societ

2.3 Types of Microfinance Institutions

With regards to the institutional framework for microfinance service provision, Parivartan (2006) identified three basic types of providers. These are formal, semi - formal, and informal providers.

2.3.1 Formal

Formal providers refer to formal financial providers that are subject to the banking laws of the country of operation. These can be government institutions or private banks. They rely on reduced transaction costs, regulation, the legal system, and individual risk evaluations. Net savers earn lower rates wi th formal providers than with bank accounts, but net borrowers pay lower rates. Formal providers increase access to small loans and savings services for those who lack bank access in Argentina, but NGOs probably cannot do much to promote them.

2.3.2 Semi – formal

Semi-formal providers are those microfinance institutions which have commitment to provider banking and financial services to clients who have been excluded from formal banking. They registered as banks with special charter or as NGOs. They function by enabling access to useful lump sums by borrowers through loans. The loans are repaid in small frequent manageable installments. Borrowers are encouraged to repay loans through accountability and a number of incentives such as repeat loans, access to group members and so on.

2.4 Microfinance Administration in Ghana

The operation of microfinance entails little amounts of loans which are given to individuals and groups to help them start some income generating activities. Little savings over time is also an integral aspect of microfinance as it serves as security for the poor households and also helps them accumulate substantial capital to overcome their capital constraints. The loan which are given out are also short -terms loan which is usually up to the term of one year. Payment schedules are usually on week basis. Instalments made up from both principal and interest, which amortized in course of time.

Easy entrance to the microfinance intermediary saves the time and money of the client and permits the inte- rmediary to have a better idea about the clients' financial and social status (Haugen, 2005). Haugen (2005) explained terms of application that the clients need not go through the cumbersome procedures which are required in the traditional commercial banks. There is also short processing periods between the completion of the application and the disbursement of the loan. No collateral is required contrary to formal banking practices. Instead of collateral, microfinance intermediaries use alternative methods, like, the assessments of clients' repayment potential by running cash flow analyses, which is based on the stream of cash flows, generated by the activities for which loans are taken. The use of tapered interest rates decreasing interest rates over several loan cycles as an incentive to repay on time.

Large size loans are less costly to the MFI, so some lenders provide large size loans on relatively lower rates. The clients who pay on time become eligible for repeat loans with higher amounts. In developing countries we observe that individuals that are unable to get loans from formal institutions can still obtain credit from informal lenders. This indicates that informal lenders are able to handle information – and enforcement problems. In a credit market there are typically asymmetric information between a borrower and a lender, where borrowers have full information about their productivity and their risk types, but a lender lacks this information.

This kind of information asymmetries may be captured in a standard principal-agent model. When borrowers have private information about their risk types, the lender is facing an adverse selection problem. Adverse selection is a pre -contractual problem and we refer to this as the lenders screening problem later in the thesis. If post contractual action by the borrower is not verifiable for the lender, the problem is called moral hazard. This problem can be thought of as a monitoring problem and we refer to this as the incentive problem (Haugen, 2005). Stiglitz (1990) looks at how peer monitoring can help improve the operations of Micro finance and welfare of borrowers.

He attributes the success of the flagship of Micro finance, the Grameen Bank to peer monitoring. Peer monitoring is largely responsible for the successful financial performance of the Grameen Bank of Bangladesh and of similar group lending programs elsewhere. But peer monitoring has a cost. It transfers risk from the bank, which is in a better position to bear risk, to the consignor. In a simple model of peer monitoring in a competitive credit market, this article demonstrates that the transfer of risk leads to an improvement in borrowers' welfare.

2.5 Microfinance and Development in Ghana

Accessing credit is considered to be an important factor in increasing the development of SMEs. It is thought that credit augment income levels, increases employment and thereby alleviate poverty. It is believed that access to credit enables poor people to overcome their liquidity constraints and undertake some investments such as the improvement of farm technology inputs thereby leading to an increase in agricultural production (Hiedhues, 1995). Navajas et al, (2000) stated that the main objective of microcredit is to improve the welfare of the poor as a result of better access to small loans that are not offered by the formal financial institutions and argued that insufficient access to credit by the poor just below or just above the poverty line may have negative consequences for SMEs and overall welfare.

Access to credit further increases SME‟s risk-bearing abilities; improve risk coping strategies and enables consumption smoothing overtime. With these arguments, microfinance is assumed to improve the welfare of the poor. It is argued that Micro finance that are financially sustainable with high outreach have a greater livelihood and also have a positive impact on SME development because they guarantee sustainable access to credit by the poor (Rhyne and Otero, 1992). Buckley (1997) argue that, the indicators of success of microcredit programs namely high repayment rate, outreach and financial sustainability does not take into consideration what impact it has on micro enterprise operations and only focusing on ―microfinance evangelism‖.

Carrying out research in three countries; Kenya, Malawi and Ghana, came to the conclusion that there was little evidence to suggest that any significant and sustained impact of microfinance services on clients in terms of SME development, increased income flows or level of employment. The focus in this augment is that improvement to access to microfinance and market for the poor people was not sufficient unless the change or improvement is accompanied by changes in technology and or technique (Buckley, 1997). Zeller and Sharma (1998) argue that microfinance can aid in the improvement or establishment of family enterprise, potentially making the difference between alleviating poverty and economically secure life. On the other hand, Burger (1989) indicates that microfinance tends to stabilize rather than increase income and tends to preserve rather than to create jobs.

2.6 Impact of Microfinance

Wright (1999) highlights the shortcomings of focusing solely on increased income as a measure of the impact of microfinance on poverty and states that,‖ there is a significant difference between increasing income and reducing poverty‖. Wright argues that, by increasing the income of the poor, Micro finance are not necessarily reducing poverty. It depends on what the poor do with this money, oftentimes, it is gambled away or spent on alcohol, and so focusing solely on increasing incomes is not enough.

The focus needs to be on helping the poor to ―sustain a specified level of well-being‖ (Wright, 1999) by offering them a variety of financial services tailored to their needs so that their net wealth and income security can be improved. It is commonly asserted that Micro finance are not reaching the poorest in society. However, despite some commentators‘ skepticism of the impact of microfinance on poverty, studies have shown that microfinance has been successful in many situations. Littlefield, Murduch and Hashemi (2003) ―various studies concluded on increases in income and assets, and decreases in vulnerability of microfinance clients‖. They Littlefield, Murduch and Hashemi (2003) ―various studies concluded on increases in income and assets, and decreases in vulnerability of microfinance clients‖. They referred to projects in India, Indonesia, Zimbabwe, Bangladesh and Uganda which all shows very positive impacts of microfinance in reducing poverty. For instance, a report on a SHARE project in India showed that three-quarters of clients saw ―significant improvements in their economic well-being and that half of the clients graduated out of poverty‖ (2003).

Hulme and Mosley (1996) in a comprehensive study on the use of microfinance to combat poverty, argue that well-designed programmes can improve the incomes of the poor and can move them out of poverty. They state that ―there is clear evidence that the impact of a loan on a borrower‗s income is related to the level of income‖ as those with higher incomes have a greater range of investment opportunities and so credit schemes are more likely to benefit the ―middle and upper poor‖. However, they also show that when Micro finance such as the Grameen Bank and BRAC provided credit to very poor households, those households were able to raise their incomes and their assets. Therefore, while much debate remains about the impact of microfinance projects on poverty, it can be seen that when Micro finance understand the needs of the poor and try to meet these needs, projects can have a positive impact on reducing the vulnerability, not just of the poor, but also of the poorest in society.

Wright (2000) was of the view that the advantage of microfinance is that donor investment is recycled and reused. Khandker (1998) did direct comparisons to show that microfinance can be a more cost-effective developmental tool than alternatives including formal rural financial intermediation, targeted food interventions, and rural infrastructure development projects. Moreover, unlike many other interventions, costs for microfinance tend to diminish with the scale of outreach (Rhyne 1997; Christen et al 1996). Microfinance is an instrument that, under the right conditions, fits the needs of a broad range of the population—including the poorest— those in the bottom half of people living below the poverty line. While there will be people in this group who will not be suited for microfinance because of mental illness, etc., the exclusion of this small percentage of the population will likely not be a limiting operational issue for Micro finance.

2.7 The Concept of Microfinance Companies

Micro finance role is to promote economic interest of their members and in particular to promote thrift among its members by affording them an opportunity for accumulating savings and paying reasonable interest without risk on such savings. Create source of funds from which it can afford relief to its members in need by making loans to them for productive and provident purposes are fair and reasonable rates of interest and with easy terms or repayment, continuously educate members on how savings can be made on regular basis and the wise use their savings; and provide service to its members such as financial counseling so that the members can solve most of their financial problems, and the risk of management service to ensure the safety of members' savings and loans. To fight poverty through improving the members' economic and social conditions by enabling the access financial services, to fight exploitation of powerless individuals by the powerful individuals or institutions, by polling their own resources to meet their needs. Formation of a micro finance has the following benefits to members: members are encouraged to save since Micro finance are readily accessible, interest rates on saving and lending is better than elsewhere a fact that sound idealistic, members are taught how to handle their finances in a responsible manner this could be true only when they effectively and economically patronize their Micro finance. Loans are insured, so if a member dies, the outstanding balance is settled. However, it is not the practice across board. Besides; other Micro finance also do insure loans for their clients. Savings are mobilized. It also encourages regular social interaction between members (Kabuga and Batarinyebwa, 1995).

Diagne and Zeller (2001), according to them Mobile bankers‘ activity consists of making regular - often daily -visits to market vendors and collecting their deposits from them. The fee usually amounts to one deposit per time period (one month, for example) at the end of which the lump sum less the fee is returned to the depositor. Mobile bankers also extend credit; some of the larger traders, for instance, may get advances of up to six times their deposits.

Mobile bankers frequently carry out deposit and credit operations amongst vendors. In fact, mobile bankers are often agents for large businessmen, moneylenders, or other economically powerful individuals (Diagne and Zeller, 2001). For the market vendor, mobile bankers offer the convenience of bringing banking services directly to their place of activity, during working hours - which is also the time when banks operate - and the possibility of opening a line of credit under better conditions than a formal bank. This regularity of transactions is also appreciated by the mobile bankers themselves, as it is one of the ways they may assess the creditworthiness of their clients. Indeed, their daily visits put pressure on vendors to make deposits, which are usually always of the same amount so that accounting may be made easier.

2.8 Cash and Mobilization

Throughout the time, all around the world, households have saved as insurance against emergencies, for social and religious obligations for investments and for future consumption (Rutherford, 1999). Saving ought to have started before the birth of Jesus Christ in the Roman Empire. It adventure is very much linked with the origin of money where merchants used to keep (save) their precious metals with the gold smiths who would give them back their gold when they back after their business (Cox, 1996**.** Because such precious metals were used a medium of exchange that time, and were mainly kept with the gold smiths, the merchants would forego consumption; it is from this adage that, the culture of saving evolved. Also it should be noted that from this, formal banking and saving in general and intermediation between surplus and deficit money holders evolved (Cox, 1996). However, can poor people save? Do the poor people know the importance of saving? The answer would be yes because the importance that poor people attach to savings is demonstrated by many ingenious but often costly ways they find to save in addition to keeping small amounts of cash secreted at home. These include investing in assets that can be sold in case of emergency, participating in local initiatives such as Revolving Savings and Credit Associations (ROSCAs) or funeral funds, or by lending between family and friends (Wright, 1999). This assertion calls for one to question whether Micro finance in Nairobi Province truly offer safe, accessible opportunity to elicit and instill a saving culture amongst their members or the contrast holds?

One of the objectives of Micro finance is to promote a saving culture amongst their members since savings have a close relationship with wealth. Higher rates of saving today, lead to faster accumulation of wealth and, the wealthier a nation is, the higher its standard of living in the future (Bernanke, 2001). This is supported by Pelrine, 2005 that the power of saving and compounding interest is incredible when done consistently for long period of time. One should always be saving some percentage of the income no matter how small or large. Getting started is the hardest but one can do it. Saving constitutes the key elements on which the development of the society depends. Local savings provide the asset for the society's investment in future. Without it, the society and the economy at large cannot grow and, get out of poverty, unless alternative sources of investment such as foreign capital from donors are injected in the society

(Micro Finance Unit training Manual 2005). This is further supported by Lipsey and Chrystal, 1995). It is desirable that micro finance membership embraces a saving culture so as to increase their low incomes, leading to improved quality of life. Furthermore, development is induced by saving in that, high levels of saving leads to capital accumulation, later on investment leading to high income levels, ultimately through the vicious cycle of poverty, hence development in the long run.

2.9 Administrative Challenges

Again, the microfinance institutions are confronted with administrative challenges which impede the smooth running of the industry. Among the challenges is managerial, most employers of the institutions do not hire employees with professional backgrounds in microfinance operations or proper managerial skills. In addition, unlike the formal and the semi-formal institutions, most microfinance institutions do not have credit risk management officers even though most of them given loans to their clients. Improper record keeping by mobile bankers is also another key administrative issue facing the operators of microfinance.

Under-recording of clients‘ monies by the mobile bankers has been a major concern by the contributors which sometimes leads to unnecessary arguments between the contributors and the mobile bankers leading clients exit. Contributors monies brought in by the mobile bankers recorded in the ledger cards may also be different from the actual amount in the contributors‘ passbook or card this mismatch leads to major administrative issue. Lack of proper monitoring of mobile bankers due inadequate staff has also been a major contributor to the woes of the institutions. The companies are not able to monitor the activities of mobile bankers in the field leading to the gap of the mismatch of the records by the mobile bankers.

2.10 Challenges Facing Microfinance Institutions

Amha (2014) believe that savings Mobilization, in rural areas, requires careful planning and product design. Amha went further to argued that the ability of the DMO‘s to convince the poor client to invest their hard earn money in the micro finance is very difficult and sensitive issue. Many researchers attest to the fact that, microfinance have bad experience from the past couple of decades which demonstrated, most customers in the rural communities, are giving opportunity of savings services, the customers initially save small amount of money and sooner withdraw all of the amount from the bank. The reason is to test whether the microfinances is established to stay in the system or not.

Ashe et all (2001) opined that, microfinance always come out with product in the form of top – dowm fashion instead of customized the product to meet the needs of different target groups of customers or clients. The researchers went further to argue that, the microfinance institutions do not conduct thorough market research before Product development. The field research clearly indicated that there are real opportunities to design demand-based products to different target groups, including those that can help households manage money on a day-to-day basis (‗Susu‘ type, charging fee where applicable), as well as building savings over the medium to long term (Planned Time Deposits). Only some Micro finance (especially state-owned ones) occasionally conduct ―customer consultative groups‖ meetings to gain insight about their performance in meeting client needs. This process should be strengthened.

Voluntary saving is effectively promoted only to borrowers (at monthly or weekly _'Group" or ―Centre Meetings‖) and not to net savers. Branch staff do know of potential marketing forums (e.g. churches, schools, Farmers' Training Centers, Government/NGOs development forums, etc.), but they do not maintain a detailed list. Neither do they have a clear marketing plan (e.g which staff can go to which market, when, etc) nor consistently use or reference effective marketing materials. Without these, staff lack confidence promoting to potential clients or forums of potential net savers. Comprehensive marketing materials need to be designed, with clear, simple and compelling messages, so staff can confidently adapt their marketing message. These can include a list of Frequently Asked Questions (FAQs) so staff can answer typical questions raised by potential clients in the field. Some institutions also use case studies of successful clients (sometimes such clients can also demonstrate as _role models') to convince locals of the advantages of institutional saving.

Repeat, Repeat, Repeat! Telling a potential client once about the benefits of saving with an MFI is not enough. Research shows people need to hear about a new product at least three times, sometimes up to five times. The first time someone is exposed to your promotion, you attract their attention, but little is taken in. The second time, the consumer begins to engage with the relevance of the promotion and considers what it means for them. During the third exposure to the promotion, the potential client decides whether they will choose your product or forget it (Krugman, 1972). Repetition is primarily about convincing target markets of the legitimacy of Micro finance. Especially in microfinance where staff-client relationships are key, potential clients need to have confidence in MFI frontline staff members as trustworthy institutional representatives.

Training and capacity building for MFI frontline staff also should apply to partners and stakeholders (local community leaders, religious representatives, agents, other stakeholders in Government, NGOs, etc) who are involved in word-of-mouth promotion on behalf of the MFI at different community forums. Indeed, in the mass market, such word of mouth – informal communication among clients and potential clients – is the single most important driver of sales in financial services. Potential clients often trust their neighbors and friends over other sources of promotion. These leaders should be carefully selected, considering their commitment to the achievement of the MFI‘s vision and mission, their networks in the local community, reputation, etc. Most Micro finance have no real strategy for linking with informal financial mechanisms like Iddir, Self Help Groups, etc. Iddir appears to have an important place as informal insurance for clients. Indeed, many clients participate in multiple Iddirs (e.g the husband joins three or more Iddirs at the same time, contributing about Br. 10 a month, and the wife joins another four or more Iddirs, maximizing collection at difficult moments, esp. death8). Such money is managed by the Iddir leadership -- either saved at home or in commercial banks (especially CBE). Currently, there is no serious effort by Micro finance to convince Iddir members to bank their savings with Micro finance. Furthermore, participants at the FGDs repeatedly mentioned they are not the only ones to decide on where Iddir money is banked. Often they believe withdrawal from an MFI would be more complicated than from the CBE. Most importantly, the Iddir leadership9 is often unwilling to bring Iddir money to Micro finance because they often use it for informal lending (at high interest rates, equivalent to Arata Abedari‘s rate) for their own individual benefit. In fact, some participants also mentioned that these local leaders are not happy to see people coming to Micro finance for loans and saving, because they view Micro finance as competitors in the local loan market10. Frontline staff needs to help clients maintain control of their savings in these informal mechanisms. The best way to achieve this is to ask for a promotional meeting with the entire Iddir membership, including the leaders. However, if Micro finance decides to promote to Iddirs, they must be flexible on their opening hours in order to create true access for Iddir money. This may mean, for example, an ‗on call system', where Iddirs can call branch managers if they need to access their money on weekends or holidays. Microfinance institutions are contributing immensely as indicated previously, however they are also beset with drawbacks. Despite the well-defined roles of stakeholders in microfinance in Ghana, it appears that growth in the microfinance sector has been slower than expected because certain constraints and challenges have hampered its operations. There has so far not been a coherent approach to dealing with the constraints facing the sub-sector (Asiama &Osei, 2007). Asiama &Osei, (2007) stated that the microfinance industry has been burdened by inappropriate institutional arrangements, poor institutional linkages, a tax regulatory environment, lack of coordination and collaboration, an absence of lending criteria, lack of linkages between formal and informal financial institutions, and inadequate capital.

Coordination and collaboration among key stakeholders including development partners, government and other agencies, is badly needed in order to advance microfinance and its impact on poverty in Ghana. It has been difficult to ascertain the effect of microfinance on the population of Ghana. This is due to the lack of research or independent evaluation of the microfinance activities and their impact in Ghana. Most equity owners do not justify the sources of the initial startup capital and turned to redraw beyond their investment, so clients who are refused redraw of their Susu savings create awareness to their business counterparts whose responds sometimes.

2.10.1 Clients Exit

Pawlak and Matul (2004) in their study stated that client exit (drop out) undermines Micro finance effort to maintain long term banking relationship is necessary for its successful performance. Clients exit increases the Micro finance cost structure, discourages other clients and reduces prospect for sustainability. A rising exit rate may be indicative of major problems for an MFI and even threaten its survival. Users may be unhappy with the terms and conditions, or may have poor relations with staff. They may be switching to competitors, or overall demand may be falling due to a change in the economic climate. According to Copestake (2002), a key determinant of commercial viability is staff productivity and high exit rates are likely to reduce this because of fixed costs associated with induction and screening of new members.

2.10.2 Causes of Clients Exit

Microfinance practitioners are concerned about higher client exit in microfinance for several reasons. First, Micro finance and clients have much to gain from a quality, long - term banking relationship. As the relationship matures, the lender benefits from lower screening and monitoring costs, increased revenue, assuming loan balances grow overtime and improved lending decisions given that risk decreases as more information about the borrower is revealed. Benefits to the clients include a continued and often expanded access to credit, cost reduction in capital as terms and conditions improve over the long-run and an opportunity to establish a valuable reputation as a trustworthy borrower. Second, if clients leave after using microfinance services for a short time, fulfillment of social goals is jeopardized for the impact to be felt, this needs time, and by leaving the program, the existing clients are moving beyond the MFI‘s development reach (Copestake et al, 2005).

2.10.3 Effects of Clients Exit

Hulme (1999) emphasized that, in the longer-term, increase in exit rates also affects reputation and goodwill. Leavers may spread stories that deter others. High exit rates associated with adverse welfare effects on users may also scare away potential investors (from the private sector as well as donors) who are mindful of their reputations. This may raise the cost of capital and possibly also costs of compliance with regulation. An increase in exit rates may also be a lead indicator of a more widespread loss of goodwill among users, which may subsequently lead to contract enforcement problems. Client exit does not only affect the individual Micro finance but also the entire industry. It is believed that there is now more MFI dropout in East Africa than there are active MFI clients. The danger posed by exit clients in the microfinance industry is that it leads to a growing cohort of people who discourage friends and relatives from joining Micro finance.

2.11 Impacts of Contribution on Liquidity

Craigwell and Rock (2004) in their studies showed that saving positively depends on revenue growth and lower dependency load; and negatively depends on real interest rate. Uremadu (2007) in an article investigated the main factors affecting the savings of Nigeria. His studies show that GDP growth, per capita income, pseudo-money, and payment coefficient of loan installment has a positive effect; and real interest rate and domestic inflation rate has a negative effect on savings Bebezuk and Musalem (2006) based on a sample including 48 developing countries within the period 1980 -2004 concluded that the dependency rate during oldness period and urbanism have negative correlation with saving. Whereas GDP growth rate, inflation rate, business conditions have had a positive effect on national saving. Woonam (1990), in their study in South Korea, found that economic growth performance, is the main factor of a rapid increase in the savings rate and the inflation rate is not so effective.

Jappelli and Pagano (1994) carried out an experimental research on saving, growth and limitation of liquidity; they performed regression analysis for 22 Organization for States Economic Cooperation and Development from 1960 to 1987 and found that high rates of savings due to the limited liquidity leads to higher economic growth.

Aghion et al. (2006) argued that higher domestic saving in poorer countries provides much more help to economic growth comparing to relatively richer countries. Karami (2008) studied the effect of liquidity growth on national savings rate of Iran, concluded that the effect of economic growth on savings rate is positive both in short term and long term periods; and the effect of liquidity growth on national savings rate is negative in short term period, and is positive, in a long term period. Rashidi (1997) in his study, showed that that increase in disposable income, per-capita income, balance of payments and real interest rate depends positively on revenue growth; and the lower dependency load depends negatively on real interest rate. Komeijani and Teimour (1993) performed a study regarding the investigation of saving behavior in Iran and showed national saving rate has a positive relationship with the growth of per-capita GDP and the ratio of employed population to the total population and has a negative relationship with the ratio of services sector value added to per-capita GDP and inflation rate. Mohan (2006) paid attention to the relationship between domestic saving and economic growth in various economies with different income levels so and found that in many developing countries (Pakistan, Mexico, and India) economic growth causes the growth in internal savings; while, in developed countries(United States of America), saving growth leads to economic growth. Schmith (1994) in their research shows that income and wealth in the form of private savings to play the main role. The main limitations of borrowing factors determinants of household savings, and it seems that consumers in addition to the limitation of domestic liquidity in the case of the use of foreign savings have also faced with limitations.

Schmith (1994) in his research shows that income and wealth play the main role in formation of private savings. The borrowing limitations are also among main determinant factors of household savings; and it seems that consumers in addition to domestic liquidity limitation are also facing with limitations regarding the use of foreign savings.

Since the amount of available reserves influences the incentives to send payments promptly, it is important to consider the sources of reserves. In general, the level of overnight balances is determined by a combination of reserve requirements, the desire of banks to hold additional buffers of readily available funds, and the degree to which the central bank manages the supply of reserves day-to-day, for example to offset the reserves impact of so-called autonomous factors.

When holding overnight balances at the central bank implies that banks must forego higher (risk adjusted) returns elsewhere, banks will tend to operate with only small buffers of reserves on top of the required minima. However, as uncertainty mounts, as it did during the financial crisis, banks may seek to expand their buffers of readily available funds. Moreover, as seen with the unconventional monetary policies enacted in several countries (or currency areas) during the crisis, central banks canimpose additional reserve holdings on the banking systems by buying assets, such as government bonds, from the private sector (see Keister and McAndrews (2009)).8 In contrast, intraday credit extensions or daylight overdrafts are, in general, used to accommodate residual demand for funds for payments purposes. As is the case with most central banks, the Federal Reserve provides intraday overdrafts to banks at no fee against collateral. The Fed also provides intraday overdrafts on an uncollateralised basis at a fee.

The stock of funds available from the settlement institution (typically the central bank) is not the entire picture in terms of settlement liquidity. One way to classify the different sources of funds for settlement is inside and outside liquidity where the former represents liquidity generated within the system itself and the latter represents funds supplied from the outside. Inside liquidity is determined by the speed by which the settlement asset (ie reserves) is being circulated by participants as well as the degree to which credit is extended among participants. In other words, for an individual institution there are, in addition to overnight balances and intraday credit, two other sources of funds in an RTGS system: interbank loans and incoming payments from other banks (see McAndrews and Rajan (2000) for a discussion of the funding sources for Fedwire transfers). These two sources do not add reserves to the system but rather serve to redistribute them among participants. Consequently, the liquidity of a payment system depends importantly on the actions of participants. For example, strategic payment delays, as discussed above, can reduce the liquidity and thus the efficiency of a system.

The monetary policy implementation framework used by most central banks before the crisis relied on excess reserves having an opportunity cost (see Keister et al (2008)). This provides a strong incentive for banks to economise on such reserves. With few overnight reserves available, daylight overdrafts are the main source of reserves for the system as a whole. Since the crisis, however, many central banks have increased the amount of excess reserves considerably. Since these central banks pay interest on these reserves, the opportunity cost of reserves has declined. This has led to a dramatic reduction in daylight overdrafts and earlier settlement of payments in a number of systems Bech et al (2012)). If financial liberalization improves the rate of return for savers, then knowledge of the interest elasticity of saving can help predict the long-term impact of liberalization on saving. However, because of the wealth and current income effects that will generally be present, there is no presumption as to the direction of the aggregate saving response to an exogenous interest rate change. Despite many studies, this remains an empirically controversial area - partly because of a surprising shortage of reliable and comparable crosscountry data on retail interest rates. Recent reviews by Balassa (1990), Srinivasan (1993), and Fry (1995) conclude that more studies have found a positive interest elasticity of savings than a negative one, but the coefficients have generally been small and often insignificant. Possibly of greater importance for aggregate saving may be the availability of a variety of alternative non-financial assets, the return on which may not be captured by deposit interest rates. While the use of real interest rates implicitly acknowledges that goods inventories are an alternative to financial assets, in principle it would be very useful to take explicit account of alternative investment opportunities, notably the rate of return on owner-occupied housing and other real estate investment. Many developing countries have experienced property booms, and household saving may have been very sensitive to the after-tax rate of return on investment in real estate (see for example, Koskela and Vir.n, 1994).

Unfortunately, in most cases data on such rates of return are not available for developing countries. Published interest rates may not reflect capital market realities if households and small enterprises are constrained from borrowing what they would wish because of financial repression or for other reasons. To the extent that liberalization reduces these borrowing constraints, saving ratios could be lowered (Jappelli and Pagano (1989), (1994)). There are two mechanisms at work here. First, when the borrowing constraint binds, it induces the individual to consume less. Second, even when the constraints are not binding in the current period, the expectation that they may bind in the future reduces today consumption.

A very large literature, in response to Hall (1978) original contribution, has attempted to gauge the importance of borrowing constraints by inferring that any dependence of the change in consumption on income might reflect the inability of households to smooth the intertemporal pattern of their consumption through borrowing (see for instance, Campbell and Mankiw, 1989, 1991; Zeldes, 1989).5 The developing country literature here generally confirms the importance of such dependence - with some indication that it has been higher for developing countries (see for instance, Rossi, 1988, Haque and Montiel, 1989, Corbo and Schmidt-Hebbel, 1991).

2.12 Explore Ways to Grow Their Contribution to Total Savings Mobilisation

Saving is common to all human societies, even if savings practices differ from one to another. Motivations also vary depending on caution, social pressures and ambitions for future consumption are the key drivers encouraging people to save (Keynes, 1936 and Friedman, 1957). Yet, the experience of industrialized countries in the early stages of development showed that people of lower income levels were precluded from depositing their savings at commercial banks. The focus of commercial banks on industry, trade and the wealthier classes led to a division in society between those who had access to financial services and those who had not

(Vittas 1994 and Wysock et al, 1996). However motivators for savings are motivator‘s for saving in cash form and non-cash form.

People who save in cash do so mainly for paying school fees (Investment in human resources). People also save for old age where one expects that when their children grow up, they will contribute to their up keep in old age. Non cash forms of saving are more popular especially among rural communities because of cultural tendency, the returns are much higher than the interests one would earn from deposits and such savings can be readily converted to cash any time whereas access to bank savings as time limitations and inherent problems (Ddumba and Obwona, 1998). He further identified additional factors such as salary or wage paid through the banks, lack of other saving facilities, stay near banks, advice through radio programmer, for safe custody, to earn interest, to acquire a loan, good client bank relations. The motivators for saving in non-cash forms; people do so because no cash savings facilities around, no faith or confidence financial intuitions, minimum requirement too high, bank interest rate too low, difficult to secure bank loans, poor customer service at the banks, banking hours too restrictive (Ddumba and Obwona, 1998).

According to study by Obwoma and Ssentamu (1998), three factors were found to be determinants of the savings of households in Kenya. First is the ability to save which in turn depends on a household‘s disposable income and expenditure. The second is the propensity or willingness to save as influenced by socio-cultural and economic factors like the family obligation to educate children. Lastly, is the opportunity to save and returns on savings. Most efforts to save are voluntary but there are some which are compulsory like social security fund contributions. In addition, access to financial institutions and the type of savings were found to determine the decision on the form of savings held, access and security are most important priorities for both rural and urban savers. Further, still while most efforts to save are voluntary there are some which are compulsory. An example here is the case of social security fund contributions. In the banking industry while the holding of a saving account is voluntary in some cases the holding of saving account is compulsory especially for those who must access the loans.

2.12.1 Extrinsic Motivation of CMO's

According to Sansone & Harackiewicz (2000), extrinsic motivation results from the attainment of externally administered rewards, including pay, material possessions, prestige, and positive evaluations from others. Some forms of extrinsic motivation include externally administered rewards like salary, free accommodation, free meals, weekly duty and extra allowances, advance payments in case of financial problems, leave of absence and free medical care among others. Extrinsic motivation is related to tangible rewards such as salary and fringe benefits, security, promotion, contract of service, the work environment and conditions of work.

2.12.2 Intrinsic motivation of CMO's

Intrinsic motivation is an inducement derived from within the person or from the activity itself and, positively affects behavior, performance, and wellbeing (Ryan & Deci, 2000). In contrast to extrinsic motivation, intrinsic motivation is said to exist when behavior is performed for its own sake rather than to obtain material or social reinforcers. some forms of intrinsic motivation include job satisfaction of derived from teaching, enjoyment of teaching, the challenging and competitive nature of teaching, recognition, career development, control over others and, teaching as one_s goal in life. Intrinsic motivation is related to _psychological' rewards such as the opportunity to use one's ability, a sense of challenge and achievement, receiving appreciation, positive recognition and being treated in a caring and considerate manner.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter deals with the methods and techniques used in gathering data for the study. It discusses the research design, the population sample and sampling technique, instrumentation, data collection procedure and methods of data analysis.

3.2 Research Design

The study adopted both qualitative and quantitative approach using a descriptive survey design. Quantitative research is the systematic scientific investigation of quantitative properties and phenomena and their relationships. The objective of quantitative research is to develop and use mathematical models, theories and/or hypotheses pertaining to natural phenomena. Fraenkel and Wallen (1993) describe descriptive analysis as that method that involves asking a large group of people questions about a particular issue. Information is obtained from a sample rather than the entire population at one point in time which may range from one day to a few weeks. According to Amin (2005) this is one of the most commonly used research method in social sciences and is used to gather data from a sample of a population at a particular time. Descriptive survey designs are used in preliminary and exploratory studies (Peter 1981) to allow the researcher to gather information, summarize, present and interpret for the purpose of clarification. In the study, both quantitative and qualitative techniques were employed in the data collection process, analysis, presentation and discussion of findings.

3.2.1 Case Study

The study employed a case study design, focusing on Adom microfinanace in Kumasi. A case study survey method was selected for this research as it focuses on the topic, and accommodates several data-gathering techniques. A case study is an in-depth study of a particular situation rather than a sweeping statistical survey (De Looff, 1996). It is a method used to narrow down a very broad field of research into one easily researchable topic. Case study is an ideal methodology when a holistic, in-depth investigation is needed (Feagin, Orum, and Sjoberg, 1991). Case studies have been used in varied investigations, particularly in sociological studies, but increasingly, in instruction. The strengths of the case study approach are in the degree of breadth and depth that can be obtained in complex real-world situations (Galliers, 1992; Shanks, et al., 1993). The strength of the case study is also in its use for examining natural situations and the opportunity it provides for deep and comprehensive analysis (Avison, 1993). Guba (1981) suggests the validity of this type of research is increased when different research methods are pitted against each other in order to cross-check data and interpretations.

3.3 Population of the Study

The target population for the research comprised cash mobilizing officers and manager in the Adom microfinance. The microfinance was chosen as it is closer to the place of work of the researcher; therefore, gathering data would be relatively easier and more organized in terms of collection and collating. The Adom microfinance was chosen because it represents the place where the researcher discovered the relevance of researching into the assessing the contribution of cash mobilizing officers in microfinance industry.

3.4 Sample and Sampling Technique

Polit and Beck (2006) describe sampling ―as a process of selecting a portion that represents the entire study population‖. The study used simple purposive random sampling to sample 20 students and teachers of the selected schools from which 145 teachers and students were sampled randomly. To obtain the sample size, the researcher used the _'fishbowl draw" method (Kumar,1999, p.155) of purposive and random sampling to pick the required number of Adom microfiance from which the number of management respondents and Cash mobilizing officer (mobile bankers) were picked.

The table below shows how respondents were selected

Table 1 sampling techniques of the respondents

Selected Company	Respondents	Sample	Sampling Technique	Data collection Procedure
Adom microfinance	Management	1	Purposive	Questionnaire
	Cash mobilizing officer (mobile bankers)	39	Random	Questionnaire
Total		**40**		

Source: Researcher's Constructs

Table 1 shows the sample techniques and data collection procedure of the respondents. From the table the researcher selected one (1) from management level and thirty-nine (39) from the Cash mobilizing officer (mobile bankers).

3.5 Sources of Data Collection

The data collected for the study comprised of primary data. The type of data, their sources and the instruments used in gathering them are discussed as follows:

3.5.1 Primary Data

3.5.1.1 Questionnaire

A structured questionnaire was designed and administered in the form of interviews and selfreporting responses. These gave flexibility to respondents to answer the questions at their own time and convenience. Respondents who required further explanations were guided in completing the questionnaires. The questionnaire was made to collect demographic data and information related to the research objectives. The questionnaire sheet was short in order to encourage participation, ensuring that it would not take more then 5-7 minutes to answer. The questionnaire included a paragraph explaining the purpose of the study.

3.6 Instrumentation

A structured questionnaire was used in collecting data. This questionnaire was constructed by the researcher with guidance from his academic supervisor and pretested on a sizeable number of respondents. The questionnaire was a self- administered tool designed by the researcher. It was a 5-point Likert scale (1= Strongly Disagree, 2 = Disagree, 3 = Uncertain, 4= Agree, and 5 = Strongly Agree) in which higher score indicate more perceived positive responses.

3.7 Pre-test of the Study Instrument

A pilot test was conducted with a small group representative of the population to assess the face validity of the questionnaires. The questionnaire was pretested with f ten (5) Cash mobilizing officer (mobile bankers) at the Adom microfiance. Respondents were conveniently selected as statistical conditions are not necessary in the pilot study (Cooper and Schindler, 2003). Respondents were asked to fill out the questionnaire accompanied by interviews in order to refine the meaning, understanding, wording and formatting of the questionnaire. During the individual pretest, the researcher and each of the respondents went through each question to determine what they (respondents) think the questions are trying to ask. Likewise, a list of questions was used to check on pertinent issues related to the pretest questionnaire. Revisions were made based on the feedback, comments and recommendations from the respondents.

Therefore, respondents in the large survey will have no difficulty in answering the questions.

3.8 Data Analysis Procedure

After sorting out the questionnaires, the data is computed and analyzed using Microsoft Excel and the Statistical Package of Social Sciences (SPSS) version 17.0.

2.7 Ethical Considerations

Since this study involves human subjects, ethical issues may arise, especially when assessing the contribution of deposit mobilisation officers to MFI'S; a case study of adom microfinance. The ultimate purpose of the ethical process is to protect the human dignity of the participants in the study. Prior to conducting this study, an application for the approval of research protocol was submitted to the Adom microfinance and the study was conducted, subject to approval. To protect the identity of the Adom microfinance managers and staff as well as the clients or customers, no names was included in the questionnaire used. All respondents involved in the study were assured of strict confidentiality. In addition to the above, no respondent was coerced to fill the questionnaire to be administered and each questionnaire was self-administered and self-filled by the participant to the study.

3.7 Profile of Adom Microfinance Company

The research would be conducted in Kumasi metropolis. Incidentally, Adom microfinance institution Head Office in Kumasi. The Kumasi metropolis covers an area of about 254 square kilometres and has businesses scattered all over the metropolis. The Head Office in Kumasi is located in the Tafo Market. Adom Microfinance Company Limited was incorporated under the Companies Codes 1963 (Act179) and issues with a certificate to commence business on 24th March 2011.

Through good customer relations and the provision of quality product and service, Adom micro finance currently can boast of 3 active branches, The Company has over 35 staffs. With the initial focus on the informal sector Adom Microfinance over the past 5 months has extended its operations to cover the informal sector providing loans and also financing SMES. The customers who are under consideration for loans need not have a collateral but guarantor. Plus, timely delivery of financing is assured.

Adom microfinance objective is to engage in the ordinary business of banking through effective and efficient mobilization of savings. This is to make funds available to support viable economic ventures as a way of promoting economic growth and improving the living standard of clients.

Adom microfinance‘s product include Adom Business (a current account with very low charges for all businesses). Adom Nkosuo a Susu and loans product with 3% Interest with this product, the monthly interest on principal can be withdrawn by the client. There is also the Adom foundation by which customers can save with any amount for the future; Adom Emergency loan accessible within a short time for people to do their business and pay over a month later. Another product is the Adom housing loan which patrons are made to pay an initial sum of the cost and asked to pay the rest in instalment. The super Adom is a fine investment account for 6months with more interest for business men and women.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter sought to analyze data collected from respondents. A sample size of forty (40 was chosen, made up of one (1) microfinance officials and thirty – nine (39) cash Mobilisation officers at Adom micro finance were used to present the data for the study.

4.2 Demographic Characteristics of Respondents

The study sought to distribute respondents by their demographic characteristics to determine the qualification of selected respondents to respond to the questionnaire instruments and also to determine if demographics had any influence on the findings of the study.

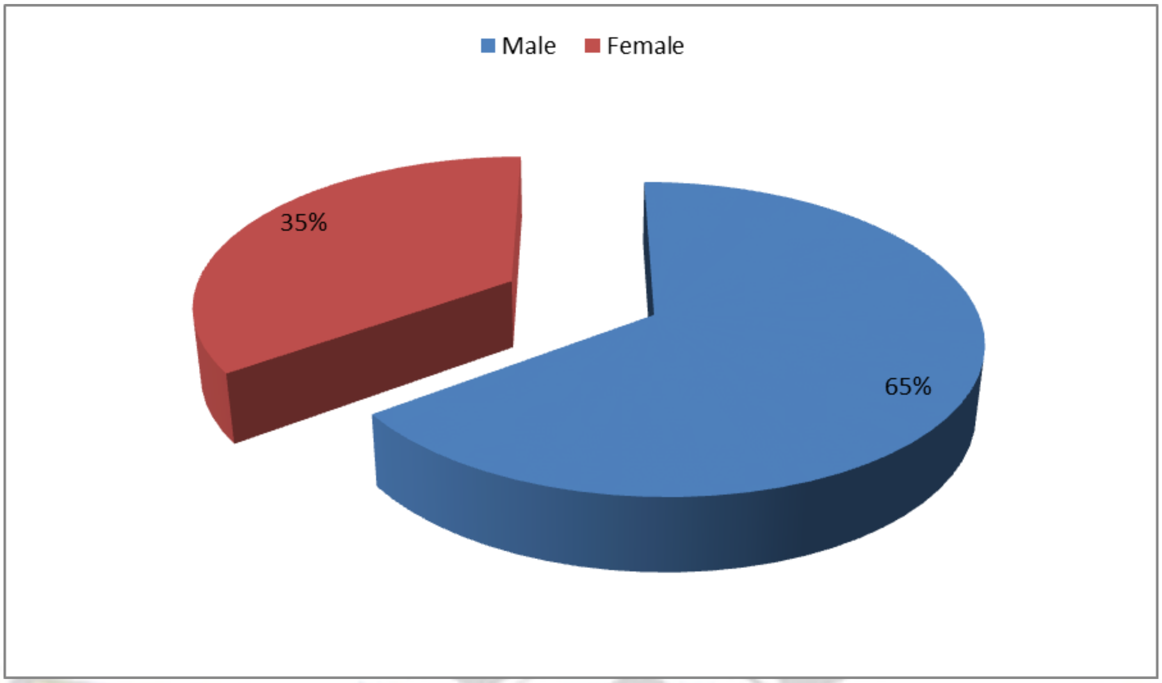
Table 2. Distributions of Respondents by age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25	10	25.6	25.6	25.6
	26-35	14	35.9	35.9	61.5
	36-45	10	25.6	25.6	87.2
	46-55	5	12.8	12.8	100.0
	Total	39	100.0	100.0	

Source: Field Survey, August 2015

Tabe 2 indicates the age distribution of the study respondents. This study shows that majority representing 35.9% of cash mobisation officers were aged 26 to 35 years ,25.6% were aged below 25 year, 25.6% were aged between 36 to 45 years, and the significant 12.8% were aged between 46 to 55 years. The findings show that, the respondents were matured enough to contribute positive in cash mobilization of the micro finance institutions.

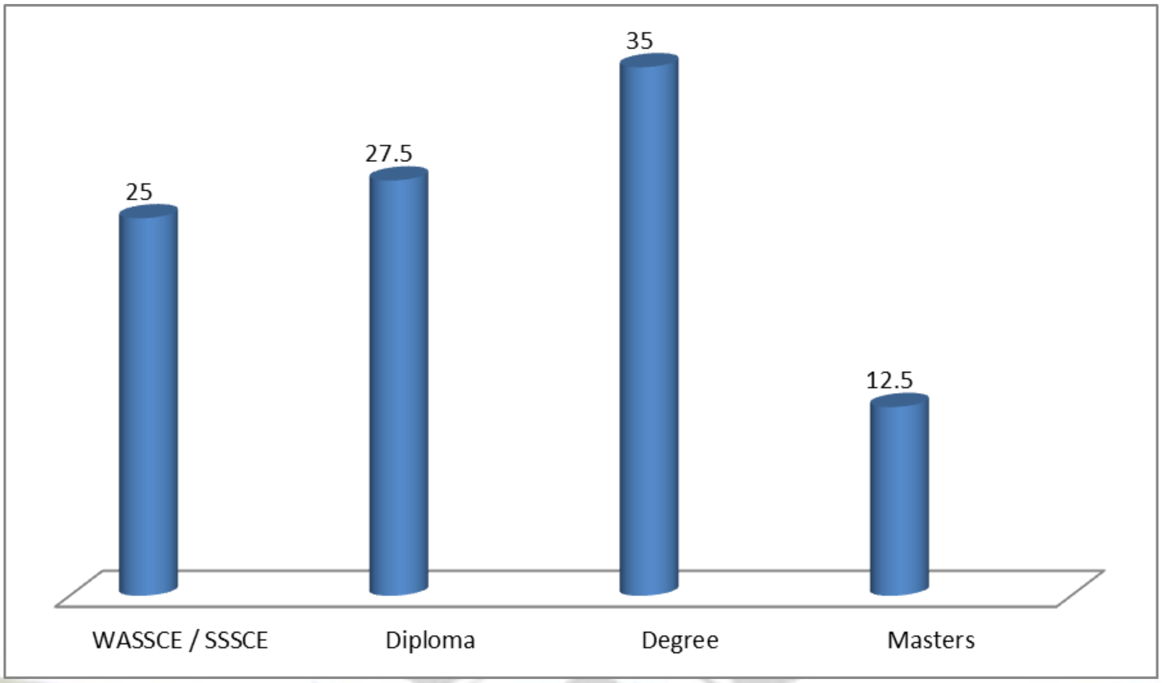
Figure 2 Distributions of respondents by gender



Source: Field Survey, August 2015

Figure 1 shows the gender distribution of Respondents in this study. The data reveals that out of a sample size of forty (40) respondents, the study showed that males formed two thirds (65%) whilst females were only one third (35%) of the sample size. From the perspective of this study, this finding not only shows that, male banker more than females in the micro finance institutions at the Adom micro finance of Ashanti.

Figure 3 Distributions of respondents by academic qualification



Source: Field Survey, August 2015

Figure 6 shows academic qualification of respondents used for study. The study shows that most individuals who responded to the questionnaire representing (35%) have had some form of Bachelor degree, 27.5% have had diploma, 25% have completed Senior High School and the remaining 12.5% have had post graduate education that is masters. The findings demonstrate that, majority of the representing 75% have had tertiary education.

Table 3 Distributions of Respondents by working experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 years	4	10.3	10.3	10.3

6-10 years	15	38.5	38.5	48.7
11-15 years	18	46.2	46.2	94.9
16-20 years	2	5.1	5.1	100.0
Total	39	100.0	100.0	

Source: Field Survey, August 2015

The study further sought information on the working experience in banking or micro financing. This is because it was in the knowledge of the researcher that people who were directly involve in micro finance are the most important pillars in supporting contributions of the deposit mobilisation officers affect the growth of Microfinance Institution. The findings are presented in figure 4 indicates that, experience of respondents were spread over all ages, but most respondents (87.5%) had over 6 years‘ experience. This was a positive gesture in that most of the respondents were experienced enough to provide effective contribution to contributions of the deposit mobilisation officers affect the growth of Microfinance Institution.

Table 2 account do your customers normally open

		Frequency	Percent	Valid Percent
Valid	Current Account	3	7.5	7.5
	Savings Account	15	37.5	37.5

Fixed Deposit	4	10.0	10.0
Susu Account	7	17.5	17.5
Daakye Nti Account	2	5.0	5.0
Micro Finance	9	22.5	22.5
Total	40	100.0	100.0

Source: Field Survey, August 2015

Table 2 shows the account do your customers normally open. The type of accounts a customer operate to enable deposit mobilisation officers fetch customers to generate income for Microfinance Institution. The study shows that, majority of the customers representing 37.5% operate savings accounts, 22.5% of the customers operate Micro Finance accounts, 17.5% of the customers operate Susu accounts, 10% of customers operate fixed deposit accounts, 7.5 % operate current accounts and the remaining 5 % of the customers operate Daakye Nti accounts.

4.3 Total Contribution of the Cash Mobilisation Officers Relative to Total Annual Deposit

Research question one sought to identify the total contribution of the savings mobilisation officers relative to total annual deposit mobilisation. The study first sought to know in terms of deposit mobilization, how much was their contribution relative annual deposits in percentage.

Table 3 estimated daily sales for the past three years.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	100 - 500 Ghc	12	30.8	30.8	30.8

600-1000 Ghc	21	53.8	53.8	84.6
1100-1500 Ghc	6	15.4	15.4	100.0
Total	39	100.0	100.0	

Source: Field Survey, August 2015

Figure 3 shows responses to questionnaire item on the estimated amount money of cash mobilisation officers were able to mobilise daily for the past three years. The study shows that majority representing 53.8% of the cash mobilisation officers (CMO‘s) were able to mobilise an estimated amount of Ghc 600-1000 daily. Furthermore, 30.8% of the cash mobilisation officers were able to collect or mobilised an estimated amount of Ghc 100 - 500 daily. Finally, a significant 15.4% of the cash mobilization officers were able to generate an estimated amount of Ghc 1100-1500 daily. The management of the microfinance attested that, cash mobilization officers (CMO‘s) team get to customers at their business locations for the deposit.

The management confirmed in the research question how do managers rate the contribution of the cash mobilisation officers (CMO‘s) for the past three years; the response was high which shows that, cash mobilisation officers contribute massively to microfinance in terms deposit.

Diagne and Zeller (2001), according to them Mobile bankers‘ activity consists of making regular - often daily -visits to market vendors and collecting their deposits from them. The fee usually amounts to one deposit per time period (one month, for example) at the end of which the lump sum less the fee is returned to the depositor. Mobile bankers also extend credit; some of the larger traders, for instance, may get advances of up to six times their deposits. Mobile bankers frequently carry out deposit and credit operations amongst vendors. In fact, mobile bankers are often agents for large businessmen, moneylenders, or other economically powerful individuals (Diagne and Zeller, 2001)

Table 4 number of customers who join Adom microfinance daily

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 – 5 customers	5	12.8	12.8	12.8
	6 – 10 customers	13	33.3	33.3	46.2
	11 – 15 customers	17	43.6	43.6	89.7
	16 and above customers	4	10.3	10.3	100.0
	Total	39	100.0	100.0	

Source: Field Survey, August 2015

Table 4 shows responses to the questionnaire instrument on how many customers did cash mobilisation officers have been able to bring to the institution monthly. The study shows that 43.6% of cash mobilisation officers were able to bring 11 – 15 customers. While 33.3% were able to bring 6 – 10 customers, 12.8% were able to bring 1 – 5 customers and significant 10.3% were able to bring 16 and above customers. The fundamental goal of any microfinance business is to increase sales by effectively targeting customers.

Again, management were specifically asked, relative to total annual deposits, what is the annual average deposit mobilized by the cash mobilisation officers (CMO‘s) in percentile to total deposits for the past three years. The response was that, cash mobilisation officers mobilise 31% - 40% of the total deposit.

Fellow up question was as asked, concerning how much it costs your institution annually to maintain the CMO‘s in terms of percentage to operating profit. The finding shows that, it cost the institution 31% - 40% of operating profit in order to maintain the cash mobilisation officers.

Finally, responses to the questionnaire instrument how managers describe the relationship between them and cash mobilisation officers. The managers attested that, there was an excellent relationship between management and the cash mobilising officers. This finding was in line with, assertion by many researchers microfinance have bad experience from the past couple of decades which demonstrated, most customers in the rural communities, are giving opportunity of savings services, the customers initially save small amount of money and sooner withdraw all of the amount from the bank. The reason is to test whether the microfinances is established to stay in the system or not.

Ashe et all (2001) opined that, microfinance always come out with product in the form of top – dowm fashion instead of customized the product to meet the needs of different target groups of customers or clients. The researchers went further to argue that, the microfinance institutions do not conduct thorough market research before Product development. The field research clearly indicated that there are real opportunities to design demand-based products to different target groups, including those that can help households manage money on a day-to-day basis (‗Susu‘ type, charging fee where applicable), as well as building savings over the medium to long term (Planned Time Deposits). Only some Micro finance (especially state-owned ones) occasionally conduct ―customer consultative groups‖ meetings to gain insight about their performance in meeting client needs. This process should be strengthened

4.4 The challenges the microfinance and CMO's face in their operations

Research question three sought to know the challenges the CMO's and micro finance face in their operations.

4.4.1 Challenges the microfinance management faces in their operations

First management of the microfinance were asked to identify the major challenge that affect to the microfinance. To able to determine the challenges, variable such as the client exit, panic withdrawal of money, embezzlement of funds by cash mobilisationn officers (CMO's), officers absconding with depositors' funds, Customers located far away from the bank premises, cash mobilisation officers (CMO's) bonded by, organization before employing and inadequate capital were seen as the major challenges face by the management of the microfinance. The study revealed that, management encounter two major challenges such as panic withdrawal and client exit in their operation. A follow up question was asked about the other challenges you face as an institution as far as the cash mobilisation is concerned. The study revealed some of the cash mobilisation officers absconding with depositors' funds.

Pawlak and Matul (2004) in their study stated that client exit (drop out) undermines Micro finance effort to maintain long term banking relationship is necessary for its successful performance. Clients exit increases the Micro finance cost structure, discourages other clients and reduces prospect for sustainability. A rising exit rate may be indicative of major problems for an MFI and even threaten its survival. Users may be unhappy with the terms and conditions, or may have poor relations with staff. They may be switching to competitors, or overall demand may be falling due to a change in the economic climate. According to Copestake (2002), a key determinant of commercial viability is staff productivity and high exit rates are likely to reduce this because of fixed costs associated with induction and screening of new members

4.4.2 The challenges cash mobilisation officer faces in their operations

Research question was sought to identify challenges cash mobilisation officer faces in their operations.

Table 5 Descriptive Statistics, challenges of cash mobilization officers

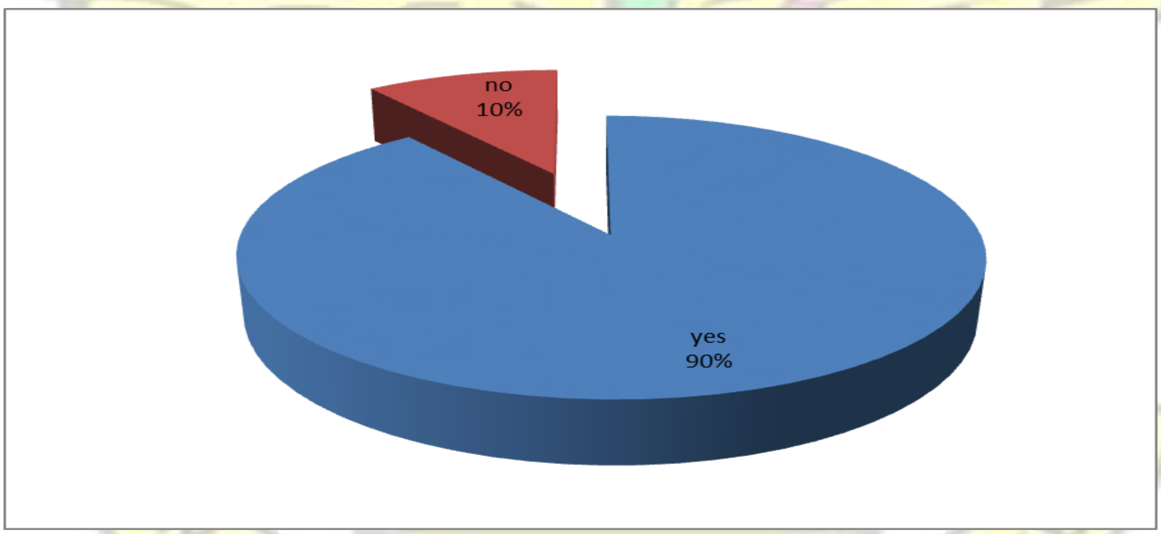
	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
Unattractive salaries	39	4.10	.136	.852
Lack of clothing allowances	39	3.90	.194	1.209
CMO‘s bear transportation cost	39	3.85	.193	1.204
Robbery and theft	39	3.79	.188	1.174
Valid N (listwise)	39			

Source: Field Survey, August 2015

Table 5 shows responses to the questionnaire instrument challenges the CMO‘s face in their operations. The study conducted the mean analysis to identify the central location of the data (average). Standard deviation on the other hand was conducted to measure variability and the spread of the data set and the relationship of the mean to the rest of the data. The study calculated the relation of the standard deviation to the mean, otherwise known as the coefficient of variation (CV). The test was meant to identify whether the mean for one challenge and that of another differ or not. The mean of the variable Unattractive salaries was 4.10, which was statistically significantly different from that of all the others. The results indicate that there was significant difference from unattractive salaries (CMO‘s) (M =4.10, SD =.852), Lack of clothing allowances (M =3.90, SD =1.209), CMO‘s bear transportation cost (M =3.85, SD =1.204) and Robbery and theft \ (M =3.79, SD =1.174).

A follow up questionnaire instrument were asked on what extent was the challenges. The study shows that 70% of cash mobilizations officers attested that, the challenges resulted to panic withdrawal by client which results in extent of collapsing the business. Furthermore, the study also revealed that, the same 70% of the cash mobilization officers confirmed that, clients close their accounts from the microfinance institution which have negative effects on the progress of the business.

Figure 5 difficulties in challenges



Source: Field Survey, August 2015

Figure 5 show responses to the questionnaire instrument on were the challenges causing difficulty in terms of operational growth and improvements in the microfinance activities. The study revealed that 90% of cash mobilizations officers responded yes, and only 10% responded no. The findings revealed that, challenges were causing difficulty in terms of operational growth and improvements in the microfinance activities.

A follow up research question instruments on how the challenges affect the operations of the CMO's. The study show that 90% of the cash mobilization officers responded that, challenges do not motivate them to give their maximum contribution toward productivity and reduces the customer base of the company since majority of the customer lacks confidence in the microfinance sector.

4.5 Examine Ways to Grow Their Contribution to Total Cash Mobilisation

Research question four sought to examine ways to grow their contribution to total cash mobilisation. In determining way to, increase interest rate on savings, in this analysis response from management was used. The management of the microfinance were asked to use 5 likert scale to rate variables such as best customer care service, introduction of innovative marketing strategy, increase interest rate on savings, increase interest rate on savings and provision of flexible loans to customer. The finding shows that, the management strongly agree that, increase interest rate on savings were the effect mechanism of increasing total cash mobilisation.

Table 7 Outreaching rural customers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	2	5.1	5.1	5.1
	uncertain	6	15.4	15.4	20.5
	agree	16	41.0	41.0	61.5
	strongly agree	15	38.5	38.5	100.0
	Total	39	100.0	100.0	

Source: Field Survey, August 2015

Table 7 shows responses to the questionnaire instrument on of increasing total cash mobilisation. The study shows that 41% of respondents agree that outreaching rural customers was effective mechanism of increasing total cash mobilisation. However, 38.5 % strongly agree and 15.4% were uncertain and 5.1% disagrees. The revealed that, for microfinance increase total cash mobilization one effective way was to outreach rural customers. Colombet (2001) define microfinance as ―the attempt to improve access to small deposits and small loans for poor households neglected by banks.‖ Therefore, microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector.

Table 8 Regaining confidence in microfinance sector

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	2.6	2.6	2.6
	disagree	3	7.7	7.7	10.3
	uncertain	7	17.9	17.9	28.2
	agree	15	38.5	38.5	66.7
	strongly agree	13	33.3	33.3	100.0
	Total	39	100.0	100.0	

Source: Field Survey, August 2015

Table 8 shows responses to the questionnaire instrument on increasing total cash mobilisation. The study shows that 38.5% of respondents agree that regaining confidence in microfinance sector was effective way of increasing total cash mobilisation. 33.3% strongly agreed and 17.9% were uncertain. However, 7.7 % disagreed whilst a further 2.6% strongly disagreed. Ashe et all (2001) opined that staff lack confidence promoting to potential clients or forums of potential net savers. Comprehensive marketing materials need to be designed, with clear, simple and compelling messages, so staff can confidently adapt their marketing message. These can include a list of Frequently Asked Questions (FAQs) so staff can answer typical questions raised by potential clients in the field. Some institutions also use case studies of successful clients (sometimes such clients can also demonstrate as _role models') to convince locals of the advantages of institutional saving.

Table 9 Attractive marketing strategy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	3	7.7	7.7	7.7
	disagree	2	5.1	5.1	12.8
	uncertain	7	17.9	17.9	30.8
	agree	13	33.3	33.3	64.1
	strongly agree	14	35.9	35.9	100.0
	Total	39	100.0	100.0	

Source: Field Survey, August 2015

Table 9 shows responses to the questionnaire instrument on increasing total cash mobilisation. The study shows that 35.9% of respondents strongly agreed that Attractive marketing strategy was effective way of increasing total cash mobilisation, 33.3% agreed and 17.9% are uncertain. However, 5.1% disagrees whilst a further 7.7% strongly disagreed

Table 10 motivation of CMO's play crucial role in maximizing cash mobilization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	5.1	5.1	5.1
	Disagree	2	5.1	5.1	10.3
	Uncertain	5	12.8	12.8	23.1
	Agree	16	41.0	41.0	64.1
	Strongly agree	14	35.9	35.9	100.0
	Total	39	100.0	100.0	

Source: Field Survey, August 2015

Table 10 shows responses to questionnaire item on do cash mobilizing officers think motivation of CMO‘s play crucial role in maximizing cash mobilization. The study shows that motivation of CMO‘s play crucial role in maximizing cash mobilization. This was attested to 76.9% of respondents. This finding shows that motivation of CMO‘s play crucial role in maximizing cash mobilization. According to Sansone & Harackiewicz (2000), extrinsic motivation results from the attainment of externally administered rewards, including pay, material possessions, prestige, and positive evaluations from others. Some forms of extrinsic motivation include externally administered rewards like salary, free accommodation, free meals, weekly duty and extra allowances, advance payments in case of financial problems, leave of absence and free medical care among others

CHAPTER FIVE

SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

This chapter presents the summary of the research findings, and conclusions from the results and finally the implications and recommendations for further studies.

5.2 Summary of Findings

The purpose of the study is to assessing the contribution of cash mobilizing officers in microfinance industry, a study at Adom microfinance.the summary of the findings are as follows:

Research question one sought to identify the total contribution of the savings mobilisation officers relative to total annual deposit mobilisation. The study shows that majority representing 53.8% of the cash mobilisation officers (CMO's) were able to mobilise an estimated amount of Ghc 600-1000 daily. The management of the microfinance attested that, cash mobilization officers (CMO's) team get to customers at their business locations for the deposit. The management confirmed in the research question how do managers rate the contribution of the cash mobilisation officers (CMO's) for the past three years; the response was high which shows that, cash mobilisation officers contribute massively to microfinance in terms deposit. The study shows that 43.6% of cash mobilisation officers were able to bring 11 – 15 customers. The finding shows that, it cost the institution 31% - 40% of operating profit in order to maintain the cash mobilisation officers.

Finally, responses to the questionnaire instrument how managers describe the relationship between them and cash mobilisation officers. The managers attested that, there was an excellent relationship between management and the cash mobilising officers. This finding was in line with, assertion by many researchers microfinance have bad experience from the past couple of decades which demonstrated, most customers in the rural communities, are giving opportunity of savings services, the customers initially save small amount of money and sooner withdraw all of the amount from the bank. The reason is to test whether the microfinances is established to stay in the system or not.

Research question three sought to know the challenges the CMO‘s and micro finance face in their operations. The study revealed that, management encounter two major challenges such as panic withdrawal and client exit in their operation. A follow up question was asked about the other challenges you face as an institution as far as the cash mobilisation is concerned. The study revealed some of the cash mobilisation officers absconding with depositors‘ funds. The mean of the variable unattractive salaries was 4.10, which was statistically significantly different from that of all the others. The results indicate that there was significant difference from unattractive salaries (CMO‘s) (M =4.10, SD =.852), Lack of clothing allowances (M =3.90, SD =1.209),
CMO‘s bear transportation cost (M =3.85, SD =1.204) and Robbery and theft \ (M =3.79, SD =1.174).

The study shows that 43.6% of cash mobilizations officers responded high which means, the challenges have effects on the microfinance. Finally, the study revealed that, challenges were causing difficulty in terms of operational growth and improvements in the microfinance activities Research question four sought to examine ways to grow their contribution to total cash mobilisation. The management of the microfinance were asked to use 5 likert scale to rate variables such as best customer care service, introduction of innovative marketing strategy, increase interest rate on savings, increase interest rate on savings and provision of flexible loans to customer. The finding shows that, the management strongly agree that, increase interest rate on savings were the effect mechanism of increasing total cash mobilisation. Finally, the study revealed that, in order to increase total cash mobilization one of the effective way was to outreaching rural customers.

5.4 Recommendations

Basing on the findings and conclusions of the study, the following recommendations are made: Management must ensure that the microfinance work within advances to deposit ratio set by Bank of Ghana to be able to solve liquidity problems.

Management need to motivate cash mobilization officer to encourage them to give their maximum to increasing total cash mobilisation.

Management of the microfinance need to provide transportation for cash mobilisation officers enable them to extent their service to the rural communities.

5.4 Suggestion(s) for Further Research

The limitations of this study offer opportunities for future research. The ability to generalize the results of this study could be emphasized further by replicating the study using a broader sample and employing other complex methodology that allays suspicion or fear. Focus group discussions, participant observation method and in-depth assessment of various documents could be used.

5.5 Conclusion

There are many ways to assessing the contribution of cash mobilizing officers in microfinance industry, a study at Adom microfinance this study was thorough research into outline the total contribution of the savings mobilisation officers relative to total annual deposit mobilisation of

Adom microfinance, determine how their contribution impacts on the liquidity of the Adom Microfinance , what are the challenges the DMO's face in their operations and determine ways to grow their contribution to total savings mobilisation. The researcher recommends the full adoption of the findings of this study.

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Appendix A

Kwame Nkrumah University of Science and Technology, Kumasi

School of business

Topic: assessing the contribution of cash mobilisation officers to MFI'S; a study of Adom

microfinance

(Questionnaire to management)

This questionnaire is part of a study being conducted by a student of Kwame Nkrumah University of Science Technology, on assessing the contribution of deposit mobilisation officers to MFI‘S; a case study of Adom microfinance You are, therefore, respectfully required to read this instruction and co-operate by providing the answers. You are assured that your responses will be treated as strictly confidentiality as possible. Please do not write your name.

SECTION A

Respondent's Background Information

1. What account do your customers normally open?

   a. Current Account [ ]

   b. Savings Account [ ]

   c. Fixed Deposit [ ]

   d. Susu Account [ ]

   e. Daakye Nti Account [ ]

   f. Micro Finance [

SECTION B

Examine the total contribution of the savings mobilisation officers relative to total annual deposit mobilisation of Adom microfinance

2. Which of the following is the best strategy for deposit?

   a. CMO‘s team get to customers at their business locations ( )

   b. Waiting for customers to come into the banking halls ( )

3. How do you rate the contribution of the CMO‘s for the past three years?

High ( ) Moderate ( ) Low ( )

4. Relative to total annual deposits, what is the annual average deposit mobilized by the CMO‘s in percentile to total deposits for the past three years?

(Please tick the appropriate box)

A	**B**	**C**	**D**	**E**
1% -10%	11%-20%	21% - 30%	31% - 40%	41% and above

5. How much does it cost your institution annually to maintain the CMO‘s in terms of percentage to operating profit?

(Please tick the appropriate box)

A	**B**	**C**	**D**	**E**
1% -10%	11%-20%	21% - 30%	31% - 40%	41% and above

6. How would you describe the relationship between you and the mobile bankers?

Bad	Normal	Good	Excellent

SECTION D

Examine the challenges the CMO's face in their operations 7.

Which of the following the management see as a major challenge that affect to the microfinance

a. Clients exit ( )

b. Panic withdrawal of money ( )

c. Inadequate capital ( )

14. What are the other challenges you face as an institution as far as the cash mobilisation is concerned?

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15. What are the measures put in place by management of the institution to help reduce the challenges?

a.………………………………………………………………………………………………

b.………………………………………………………………………………………………

c.………………………………………………………………………………………………

d……………………………………………………………………………………………

SECTION E

Explore ways to grow their contribution to total cash mobilisation

Please indicate ways to grow their contribution total cash mobilisation 1= strongly disagree = disagree, 3= uncertain; 4= a; agree= very agree

No	**Way to increase total cash mobilization**	**1**	**2**	**3**	**4**	**5**
13	Best customer care service	1	2	3	4	5
14	Introduction of innovative marketing strategy	1	2	3	4	5
15	Increase interest rate on savings	1	2	3	4	5
16	Provision of flexible loans to customer	1	2	3	4	5

17. If any state them …………………………………………………………………

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……………………………………………………………………………………………

Appendix B

Kwame Nkrumah University of Science and Technology, Kumasi

School of business

Topic: assessing the contribution of cash mobilisation officers to MFI'S; a case study of Adom microfinance

(Questionnaire for Cash mobilizing officer (mobile bankers))

This questionnaire is part of a study being conducted by a student of Kwame Nkrumah University of Science Technology, on assessing the contribution of deposit mobilisation officers to MFI'S; a case study of Adom microfinance You are, therefore, respectfully required to read this instruction and co-operate by providing the answers. You are assured that your responses will be treated as strictly confidentiality as possible. Please do not write your name.

SECTION A

Respondent's Background Information

1. Age: Below 25 [ ] 26-35 [ ] 36-45 [ ] 46-55 [ ] Above 55 [ ]
2. gender Male [ ] Female [ ]
3. Qualification: WASSCE / SSSCE [ ] Diploma [ ] Degree [ ] Masters [ ]
4. Your working experience:

   1-5 years ( ) 6-10 years ( ) 11-15 years ( ) 16-20 years ( ) 20 years and above

5. What account do your customers normally open?

   g. Current Account [ ]

   h. Savings Account [ ]

i. Fixed Deposit [ ]

j. Susu Account [ ]

k. Daakye Nti Account [ ]

l. Micro Finance [ ]

SECTION B

Examine the total contribution of the savings mobilisation officers relativtotal annual deposit mobilisation of Adom microfinance

6. Which of the following is the estimated amount money of you were able to mobilised daily for the past three years.

   A. 100 - 500 Ghc [ ] B. 600-1000 Ghc [ ] C. 1100-1500 Ghc [ ]

   Other (Please state)……………

7. How many customers have you been able to bring to the institution monthly

   a. 1 – 5 customers, b. 6 – 10 customers, c. 11 – 15 customers, D. 16 and above customers

SECTION D

Examine the challenges the CMO's face in their operations

Please indicate the challenges the DMO's face in their operations?

1=strongly disagree; 2= disagree, 3= uncertain; 4= agree; 5= strongly agree

No	**Challenges of DMO's**	**1**	**2**	**3**	**4**	**5**
8	Unattractive salaries	**1**	**2**	**3**	**4**	**5**
9	Lack of clothing allowances	**1**	**2**	**3**	**4**	**5**
10	CMO's bear transportation cost	**1**	**2**	**3**	**4**	**5**

11	Robbery and theft	**1**	**2**	**3**	**4**	**5**

12. What extent is the challenge?

…………………………………………………………………………………………………

…………………………………………………………………………………………………

13. Is the problem causing difficulty in terms of operational growth and improvements in the microfinance activities? Yes [ ] No [ ]

14. How the challenges affect the operations of the CMO‘s?

…………………………………………………………………………………………………

…………………………………………………………………………………………………

SECTION E

Explore ways to grow their contribution to total cash mobilisation

15. What can be done to increase total cash mobilization in the institution?

No	**increase total cash mobilization**	**1**	**2**	**3**	**4**	**5**
8	Outreaching rural customers	**1**	**2**	**3**	**4**	**5**
9	Regaining confidence in microfinance sector	**1**	**2**	**3**	**4**	**5**
10	Attractive marketing strategy	**1**	**2**	**3**	**4**	**5**

16. Do you think motivation of CMO‘s play crucial role in maximizing cash mobilization?

Strongly disagree;	**disagree,**	**uncertain**	**agree**	**Strongly agree**
