THE EFFECT OF MICROFINANCE INSTITUTION SERVICESON THE GROWTH OF SMALL AND MEDIUM ENTERPRISES IN UGANDA

CASE STUDY OF UGAFODE MICROFINANCE UGANDA

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A RESEARCH DISSERTATION SUBMITTED TO THE FACULTY OF BUSINESS ADMINISTRAION AND MANAGEMENT IN PARTIAL FULLFILMENT OF REQUIREMENT FOR THE AWARD OF BACHELOR'S DEGREE IN BUSINESS ADMINISTRATION AND MANAGEMENT OF UGANDA MARYTRS UNIVERSITY

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DEDICATION

This is dedicated to my beloved guardians Mr. Daniel Lule and Mrs. Norah Namutebi and the rest of my family for their support and last but not least my friends Winfred Nalusiba and Victoria Nakiwu for their unfailing support.

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TABLE OF CONTENTS

LIST OF TABLES

IST OF FIGURES

ACRONYMS/ ABBREVIATIONS

MFIs:	Microfinance Institutions.
SMEs:	Small Medium Enterprises.
SHGs	Self Help Groups

ABSTRACT

This study was about ***The effect of Microfinance Institution Services on the Growth of Small Medium Enterprises in Uganda***, case study of UGAFODE microfinance limited and it intended to achieve the following objectives; To identify the effect of accessibility of loan services on the growth of SMEs, identify the effect of savings services on the growth of SMEs, assess the effect of non-financial services on the growth of SMEs and assess the effect of social intermediation on the growth of SMEs.

The research methodology adopted both descriptive and analytical research design based on semi-structured questionnaires to obtain an in-depth understanding of microfinance institution services and growth of small medium enterprises. Sample sizes of 80 respondents were randomly selected based on easy of access to them. The researcher used basically self administered questionnaires as the instrument for data collection. Data was collected from both primary with the help of questionnaires designed using likert scales and secondary data got from textbooks, internet, journals and newspaper articles.

The study revealed that microfinance services are important for the growth of SMEs through provision of loan services and savings for the growth of SMEs basing on the findings from the field, those the statistics show no significance between the services and the growth of SMEs.

UGAFODE microfinance services should put more emphasis on training its clients on how to productively use the borrowed money. In addition to this, it should listen to client's grievances in order to efficiently serve their interests and so achieve its target goals. The above measures if taken into consideration will strengthen the effectiveness of microfinance institution services towards achieving the set objectives and enhance growth of SMEs.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 INTRODUCTION

Microfinance fills a big gap within the financial services industry by offering small loans or microfinance to people unable to access conventional loan services. Access to financial services enables existing business to grow and provides the starting capital for starter businesses (Jeanty, 2014).

This chapter discusses the effect of microfinance services on the growth of Small and Medium Enterprises (SMEs). Therefore with this, it referred to the work of (Otero, 1999) that microfinance services are provided to people who have low incomes such as consumers and the self-employed, who find it hard to avail themselves with these services from banks and other financial institutions. People can use loans and other microfinance services to develop SMEs based on their existing talents and skills sets.

Microfinance provides a variety of financial services which are used as a tool for growth. These include loan services, savings services, social intermediation and non-financial services. Microfinance entrepreneurs, peasants, carpenters and other informal sectors need those services as a source of capital and management of their activities and growth for their SMEs. (Kiiru, 2007).

1.1 BACK GROUND OF THE STUDY

Microfinance industry worldwide has been recognized as an instrument tool for the eradication of poverty and economic growth especially for the developing countries such as Uganda (Zeller and Sharma1998). The major role of the microfinance is to help foster the growth and development of SMEs in the world by providing start up and business expansion capital and other financial services. Microfinance services refer mainly to small loans, savings and non-financial services extended to poor people to enable them undertake self-employment projects that generate income (Ondoro and Omena, 2012).

Historically, microfinance services have evolved from credit and lending co-operatives. However, the piloting of modern microfinance is often credited to Dr. Mohammad Yunus, who began experimenting by lending out his money to the poor women in the village of jobra, Bangladesh during his time of service as a professor of economics at Chittagong University in the 1970s. He found the Grameen Bank in 1983 and in 2006 he won the Nobel Prize. Since then, innovation in microfinance had continued and providers of financial services to the poor continue to evolve. Today, the World Bank estimates that about 160 million people in developing countries are served by microfinance (Kiva 2014).

Jamal(2008) explained that microfinance has entirely flexible structures and processes by which financial services are delivered to micro-entrepreneurs, as well as the poor and low income population on a suitable basis. Africa remains one of the least developed and the most under-banked continent and this is not a coincidence, and this reflects the importance of banking as an engine for economic growth and development, interest in microfinance has soared in the recent decade and the instrument is now seen as one of the most promising tool to handle the issue of poverty in the developing countries such as Uganda for this case.

Microfinance gives people new opportunities by helping them get and secure finances so as to equalize the chances and make them responsible for their own future, this improvement is a nutshell to alleviate poverty and boost production, in regards to this study, it will be seen from the point of the development of SMEs most in the rural areas in Uganda, this comes in at the point where Uganda is generally seen as the country with the most vibrant and successful microfinance industry in Africa having microfinance with a considerable number of clients of about 25000 to 45000 clients and close to financial sustainability or already surpassed it(Mwaniki 2006).

According to Ayyagari et al (2007), SMEs play a major role in economic development in every country; studies indicate that in both advanced economies and developing countries, SMEs contribute an average of 60% of total formal employment in the manufacturing sector. The Uganda Investment Authority (UIA, 2003) states that SMEs contribute 90% of the private sector production. Therefore they are the prime source of new jobs and play a crucial role in income generation. Furthermore Waswa, B (2010) explains that SMEs worldwide have been recognized as engines of growth and development.

According to the policy paper on SMEs Development Uganda (1999), for developing countries small-scale enterprises would generally mean enterprises with less than 50 workers and medium sized enterprises would usually mean those that have 50-99 workers. In Uganda a small scale enterprise is defined as an enterprise employing maximum of 50 people. And medium enterprise employing more than 50 people.

Microfinance institutions in Uganda consist of money lenders, microfinance agencies, Non-Government Organizations(NGOs), rural farmers' schemes and savings societies that provide savings and credit facilities to micro and small scale business people who have experienced difficulties in obtaining such services from the formal financial institutions therefore the activities that are carried out include deposit tanking, savings schemes, small-scale enterprises, agriculture, real estates, group lending, retail financial services, giving advice on financial matters and training in business management.

1.1.1 Back Ground To The Case Study

Uganda Agency for Development Limited (UGAFODE) microfinance is an institution that provides financial services with a vision that states that '***To be the preferred microfinance institution in the provision of financial services that yield improved income in every household served'.*** The mission states that' ***To transform the lives and livelihoods of our people economically and socially by availing to them inclusive financial services that meet their expectations'.*** UGAFODE's head offices are located at Silva Arcade, Plot 62, Bombo Road.

1.2 STATEMENT OF PROBLEM

Microfinance industry has become increasingly an important aspect worldwide as a strategy for poverty eradication and growth of SMEs. Holcombe (1995) and Otero (1994) argue that microfinance has many positive impacts such as provision of a platform for the growth of SMEs and fight against poverty. However Yasin (2013) adapted a study of microfinance services relevance to the growth of SMEs in Mogadishu and Somalia. This results show that SMEs are facing challenges to access loans from the MFIs, as a result many SMEs to demise soon due to lack of ability to overcome the challenges. In his findings he also pointed out lack of requirements by SMEs owners to get loans from MFIs.

In Uganda, the microfinance industry plays a critical role in providing range of financial and non-financial services to both urban and rural communities, although these services are meant to help the poor, still there are problems on provision of financial services to low income earners. This leaves questions as to whether the services rendered by the MFIs have any effect on the growth of SMEs. The problem of this study is to answer the question, what is the effect of microfinance services on the growth of small and medium enterprises.

1.3 OBJECTIVES TO THE STUDY

1.3.1 General Objective To The Study

To find out the effect of microfinance institution services on the growth of small medium enterprises.

1.3.2 Specific Objective To The Study

To identify the effect of accessibility of loan services on the growth of SMEs.

To identify the effect that savings services on the growth of SMEs.

To assess the effect of non-financial services on the growth of SMEs.

To assess the effect of social intermediation on the growth of SMEs.

1.4 RESEARCH QUESTIONS

What is the effect of accessibility loan services on the growth of SMEs?

What is the effect of savings services on the growth of SMEs?

What is the effect of non-financial services on the growth of SMEs?

What is the effect of social intermediation on the growth of SMEs?

1.5 THE SCOPE OF THE STUDY

1.5.1 Geographical Scope

This study is going to be carried out in UGAFODE microfinance located at Plot 62, Bombo Road, Kampala, Uganda at Silva Arcade.

1.5.2 Time Scope

The study will consider the key literature and scenarios within 5 years; this will be enough to acquire the necessary information and feedback for reliability and validity for the presented findings. The researcher hoped that data needed in the organization will still be available to support the study.

1.5.3 Content Scope

The researcher intends to study the effect of microfinance institutions on the growth of SMEs in UGAFODE microfinance Limited. The study intends to examine different aspects of microfinance institutions and their impact on the growth of SMEs.

1.6 SIGNIFICANCE OF THE STUDY

This study provide better understanding of microfinance institutions in Uganda and their impact on the growth of SMEs which have been neglected by the banks and further this study shows how microfinance institutions programs can contribute to the growth of small and medium enterprises.

With this study microfinance institution, the government and entrepreneurs will get to know how well they can relate and get to know their role to play in order to lead to growth and development of SMEs because in order to attain effective growth in businesses, the three participants have a role to play.

The study will create awareness for the need of the government to intervene to make sure that credit is accessible from the MFIs by the SMEs and as well put in place the policies that protect both the MFIs and the SMEs to make it a smooth avenue for transfer of loans to these SMEs with assurance that incase of failure for payment something can be done.

The results from this study can be used by students to enrich on the literature available on microfinance and their effects on growth of SMEs.

1.7 JUSTIFICATION

This study is important because it will help many people to get to know how microfinance institutions services impact on the growth on SMEs.

The study will help to show the impact of loan services from MFIs on the growth of SMEs in Uganda, which will be helpful to the business men and entrepreneurs.

Lack of desirable financial services leads to delay in growth of SMEs (Mbonyane, 2013). These factors are the real setback of SMEs and it is from this ground the researcher studied the effect of microfinance services on the growth of SMEs.

SMEs encounter a series of constraints that hinder their business activities apart from the microfinance services. These constraints include lack of management skills which result into poor management actions and poor infrastructure. Therefore with this the researcher decided to take up the study on the effect of microfinance services on the growth of SMEs.

1.8 DEFINITION OF KEY TERMS.

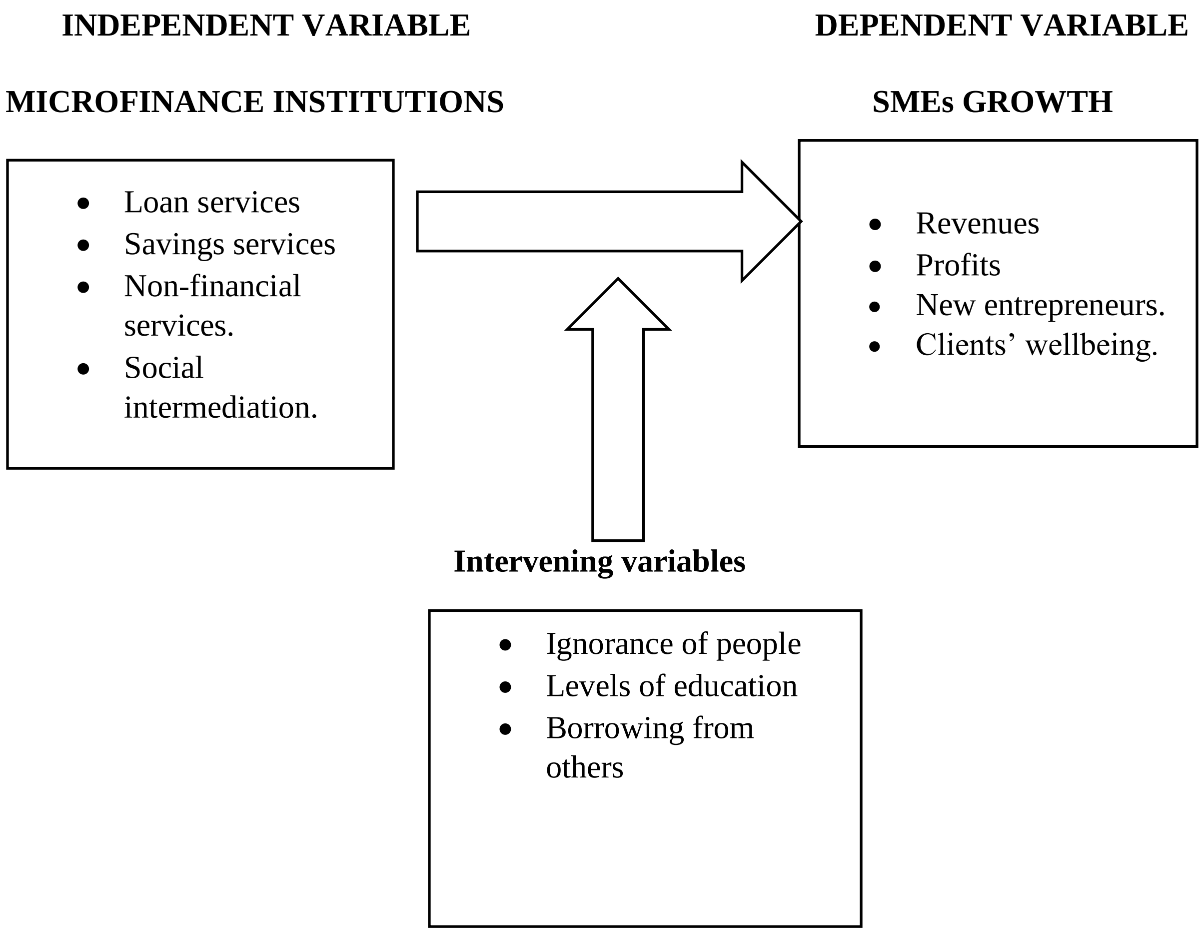
Schreiner and Colombet (2001, p339) defines microfinance as the attempt to improve access to small deposits and small loans for poor households neglected by banks, therefore microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings, unable to obtain such services from formal financial sector such as banks.

Therefore microfinance is a general term to describe financial services that are provided to low-income individuals or to those who do not have access to typical banking services.

Pasanen (2003) argues that one of the typical measurement of growth in the context of SMEs is the change or increase in the number of employees that are employed in the enterprise therefore it's an indicator of growth, however growth can also be reflected in the increase in profitability, achieving economies of scale, new business opportunities and enterprise's credibility in the market. According to Stewart (1991) profitability is a measure of growth of SMEs, it is one of the important measure of growth of SMEs that must be considered when it comes to growth of SMEs because when it comes to defining growth of SMEs its unlikely that growth of an enterprise can be sustained without profits being available or realized for reinvestment in the enterprise.

1.9 CONCEPTUAL FRAMEWORK

Figure 1. CONCEPTUAL FRAMEWORK



Sources: Mohd, S, R et al: The role of microfinance on the wellbeing of poor people cases studies of Malaysia and Yemen. 2013

According to the conceptual framework above, the independent variable (microfinance institutions) consists of four variables that is loan services, savings services, non-financial services and social intermediations. These are believed to have influence on the growth of SMEs positively in terms of revenues, profits, new entrepreneurs and clients' wellbeing as exhibited by the dependent variable (SMEs growth).

The loan services enable clients (SMEs) to be able to re-invest in their enterprises by increasing on the stock levels in their businesses, therefore leading to increased revenues thus growth of SMEs. On the other hand the savings services have enabled clients to improve on their lives at personal levels, business performance and individual empowerment. Furthermore the non-financial services such as business development, entrepreneurial trainings and skills acquisition attract new entrepreneurs into the industry. Last but not least the social intermediation services such as formation of groups, meetings with clients and monitoring of clients. Therefore with all these services provided by microfinance institutions influence the growth of SMEs positively.

However the study appreciated that there are some intervening variables that may intervene in the operation of the two variables negatively such as ignorance of people, levels of education, borrowing from others such as family members and friends. With ignorance of people about microfinance institutions, this in one or another affects the operations of microfinance institution because their services will not be utilized. And with the low levels of education among the people, a lot of time is spent on sensitization of than providing the services available. Furthermore, the issue of clients borrowing from others like family members and friends, this impacts on the clients' loan repayment ability because of multiple borrowing thus affecting both the microfinance institutions and the growth of SMEs.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This study aims at establishing the relationship between microfinance services and the growth of SMEs in Uganda. The key concepts in the study problem are therefore microfinance services and growth of SMEs. While there may be common beliefs that growth of SMEs is associated with the microfinance services, there is need to make reference to other studies conducted in areas related to the concepts specifically, and the study problem in general. This chapter comprises the theoretical framework, descriptions of microfinance services and growth of SMEs, actual review and the conclusion. The researcher is expected to follow that order in order to find out the effect of microfinance services on the growth of SMEs.

2.1 MICROFINANCE SERVICES.

Microfinance is defined as a development tool that grants financial services and products as very small loans, savings, micro-leasing, micro-insurance and money transfer to assist the poor in expanding their business. It is considered as a tool for development and growth of people within the society(Kiva,2005) It is mostly used in developing economies where SMEs do not have access to other sources of financial assistance(Robinson,1998). In addition to financial intermediation some MFIs provide social intermediation services such as the formation of groups, development of self-confidence and the training of members in that group about financial literacy and management (Ledger wood, 1999). There are different providers of microfinance services some of them are non-governmental organizations, savings and loans co-operatives, credit unions.

2.2 GROWTH OF SMES.

The purpose or goal of any firm is to make profits and growth. The term growth in this context can be defined as an increase in size or other objects, that can be quantified or a process of improvements (Penrose, 1995). The growth of a firm can be determined by supply of capital, labor and appropriate management and opportunities for investments that are profitable (Ghoshal, Halm and Moran, 2002). SME growth is often closely associated with firm's overall success and survival (Barringer et al, 2005).Growth is the most appropriate indicator of performance for surviving small firms. Moreover growth is an important precondition for the achievement of other financial goals of business (Delmer et al. 2003).

The contribution made by SMEs does vary widely between countries and regions. Nevertheless, although SMEs play a critical role in the developed countries, SMEs are also important to low-income countries, making significant contributions to both GDP and employment. As noted SMEs tend to be more labor intensive at a macro level, therefore providing a substantial contribution to employment. A World Bank survey of 47,745 businesses across 99 countries revealed that firms with between 5-250 employees accounted for 67% of the permanent and full time employment (Ayyagari et al.2011).

2.2 EFFECT OF LOAN SERVICE ACCESSIBILITY ON THE GROWTH OF SMES.

According to Yaron (1997) in his study that he conducted he found out that, poor access to loans and finance is the main cause limiting the growth of SMEs. Accessing loans is considered to be an important factor in increasing the growth of SMEs. Loans form MFIs contribute to the income levels, increase employment and thereby alleviating poverty because with these loans, poor people can overcome their liquidity constraints and undertake investments, thus leading to growth (Hiedhues, 1995). Access to loans further increases the SMEs risk- bearing abilities for instance improve on risk copying strategies (Diagne and Zeller, 2001). With this argument it is believed that microfinance services improve the welfare of the poor and contribute on the growth of SMEs.

In addition, Lack of access to loans is a major constraint hindering the growth of SMEs sector. The issues and problems limiting SMEs acquisition of financial services include lack of tangible security coupled with inappropriate legal and regulatory framework (Wangwe and Semboja, 1997). Therefore with the limited access to formal finance by SMEs has hindered their growth and expansion, this is because financial institutions perceive them to be unviable, as a result a few SMEs can access loans from formal financial institutions(Institute ofEconomic Affairs and Society for Economic Development,2001).

In Uganda, finance and financial management represent one of the greatest constraints to effective operations and growth of SMEs'. There are a few financial products available to Ugandans other than bank loans, therefore SMEs find it extremely difficult to get a bank loan since the requirements are many such as collateral security, business plans, financial records which SMEs may not have (Auren and Krassowska, 2004).

Uganda Investment Authority (UIA) reports that the Uganda economy is supported mainly by SMEs contributing about 90% of the private sector production.SMEs are the prime source of new jobs and play a crucial role in income generation, especially for the poor. However due to limitation in their size and resources are highly dependent on the Business (Bitature, P. 2008).

Mosley (2009) assessed the impact of loans (credits) on the growth of SMEs. The study was conducted using a sample of four microfinance institutions, two urban and two rural, focusing on a range of growth concepts such as income, asset holdings, and various measures of vulnerability. The results revealed positive impacts on the growth of SMEs.

2.3 EFFECT OF SAVINGS SERVICES ON THE GROWTH OF SMES.

According to Mwajuma (2012), access to safe and flexible savings services can play an important role in poor people's strategies to minimize risks, mitigate income fluctuations, as a result of unexpected expenditures and emergencies. Better availability of safe savings facilities increases self- financing capacity leading to reduced need to borrow, and its inherent risks.

Savings are defined as income not spent of deferred consumption (Price, 2011). According to Suberu, Aremu and Popoola, 2011: Kalala and Ouedrogo, 2001), they say that any service provided by financial institutions for the purpose of increasing clients' income and subsequently used by clients is referred to as a savings service. These services are offered by microfinance institutions, and are usually intended for low-income earners and SMEs, that cannot afford commercial banking terms (Anyanwu, 2004: Pickens, 2004: Kalala and Ouedrogo, 2001). Such services can help clients to deal with severe business crisis, deal with shocks and to reduce vulnerability (Matovu, 2006). The Asian Development Bank (2014) adds that these services have potential to enable SMEs to accumulate capital needed to pursue desired growth in the business.

In addition Idowu (2011) says that accessing microfinance savings services is one of the key elements that unlock the ability and drive of SMEs to grow their sales revenue, profitability and product range, thus SMEs growth. Using savings services is the best way of avoiding the cost of capital associated with other types of financing, which many SMEs find it hard to attain also adversed to attainment of their business goals (Whonderr-arthur, 2009). Furthermore(Sohnke, Gregory and Waller, 2013) go on to say that, with savings services, capital is accumulated without incurring interest expenses and loan repayments based on strict schedules hat tend to weigh the SMEs down, therefore making them fail to realize their business goals.

These savings services include a range of savings products that they offer to their clients such as profit savings, entrepreneur savings for example current savings (Kalala and Ouedrogo, 2001). The profit savings may be used as collateral to obtain a loan. The entrepreneur can secure a loan using savings made during the life of the loan (Graham and Marguerita, 2009). The amount of loan provided depends on the amount of profit savings made in a specified period representing 10% its value in terms of repayment and servicing (wright, 2000). Profit savings services are provided to clients aiming at expanding their businesses or establishing future projects (Kapoor, 2009).

The current savings services are offered to all clients in form of facilitating deposits and withdrawals, this is to keep clients' money in safe custody, thereby preventing me from theft, fire and the temptation for unnecessary expenditures (Rutherford, 2000). Clients are allowed to deposit any amount of money without a set minimum amount, this service bears no interest, and the money is available to clients at all the time (Sherraden, 2005). Transactions under this service can be free of fees or charged a constant fee within a defined period of time, usually a year (Rutherford, 2000). Therefore with this clients are free to deposit or withdraw money at any time.

Microfinance institutions provide linked savings, blocked savings services for the purpose of encouraging clients to obtain and to repay it by saving a certain proportion of it within a specified period of time. The institution can require clients to make savings worth 10% of their loan every one, two or three months depending on the terms and the conditions that may have been agreed upon with the clients. The clients are not to access the savings until the loan is paid off and in this case no interest is received (Madhurantika, 2009). Contractual savings agreements are other services rendered to savings clients, those who earn wages either from SMEs or large scale enterprises in the public or private or informal sector. The deposit period may be monthly, and on maturity the principal is returned with interest in single lump sum payment (Graham, Christen and Imran, 2009).

2.4 EFFECT OF NON-FINANCIAL SERVICES ON THE GROWTH OF SMES

The financial services that are provided by MFIs are important sources for job creation, new business formation and livelihood improvement. However, these services alone are not enough to contribute to the growth of SMEs and enhance their sustainability thus the necessity of non-financial services such as Business Development Services and the entrepreneurial training Ledgerwood (1999).

2.4.1 Business Development Services

Business Development services (BDS) is one of the non-financial services that are provided by microfinance institutions. Businesses need an enormous range of services. Most of these are provided through informal social contacts or by other businesses, large and small, such as banks, merchants, wholesalers and other producers and manufacturers (Harper, 2009). BDS aim at improving the competitiveness of SMEs through higher productivity, improved service delivery (Sievers and Vandenberg, 2007). They comprises of a variety of services that are not financial such as vocational skills and training, marketing and technical assistance, and access to various information about standards, regulations, or ideas in an enterprise filed(Henry,2013).

Microfinance offer training about MFIs to their clients. This training is always closely linked to the activities in MFIs. Training in business management for instance might make a loan more meaningful to the borrower and also enhance chances of repayment. Sometimes MFIs provide other services such as health awareness (Hardy, Holden, and Prokopenko, 2002).

Therefore provision of financial services coupled by training is beneficial for the growth of SMEs. Training programs leads to varying degrees of success, ranging from personal growth and positive attitude changes to business growth in terms of sales and income gains. Due to training many clients can hire other employees and pay them a minimum wage(Schidt, et al.2006). In addition, Swain and Varghese (2012) when evaluating the impact of training provided by facilitators of Self Help Groups (SHGs) revealed that training does not aid in asset accumulation, however can reverse the negative impact of credit on income.

Ganga, Tilakaratna and Wickramasinghe (2005) said that microfinance services in SriLanka have a wide geographical outreach but the extent of outreach of private operators including NGOs and commercial banks in rural areas is rather limited. Although microfinance institutions have reached the poor and the poorest groups, a significant proportion of their clientele seems to be from the non-poor groups. Microfinance had helped households in middle quintiles to increase their incomes and assets, helped the very poor to increase consumption expenditure, had worked as an instrument of consumption smoothening among almost all income groups and helped women to increase their social status and improved the economic conditions.

Kithae, Maganjo and Kavinda(2013) reveal that the entrepreneurial training skills helped the beneficiaries to solve their customer complaints as well as retaining them quite well. Most beneficiaries were of the opinion that the training program helps them very much in calculating their profits, keeping their business records, distinguishing business resources from personal resources, cope with market competition as well as incorporate innovation and differentiation in their products. This indicates the contribution of BDS to the growth of SMEs.

2.4.2 Entrepreneurial Training

According to Armyx (2005) it is generally recognized that SMEs face unique challenges, which affect their growth and profitability. Among the challenges is the lack of managerial training and experience (Wanjohi, 2007). Therefore management of SMEs is a likely intervention that microfinance institutions are expected to offer in a bid to provide solution to the many inadequacies that SMEs face.

Good entrepreneurship skills mostly to turn ideas into training refer to an individual’s ability to turn ideas into action. It includes creativity, sense of initiative, innovation and risk-taking, as well as the ability to plan and manage projects in order to achieve objectives (Ellsorts, 1997). Therefore managerial weakness may be at the heart of SMEs failure. According to Porteous (2004) managers or owners of SMEs are generally less well educated than those working in big firms, therefore are likely to be less trained, the inference is that SMEs managers need training. This implies that, if training was provided managerial skills would be improved thus leading to growth of SMEs. The untrained managers of SMEs do not have the experience, knowledge or vision to run their businesses (Ferreand, Gibson and Scot, 2004).

According to the storey (2009) study on high growth of SMEs, good management is vital for better performance, there is a relationship between the degree of management training and the bottom-line growth of SMEs. According to, (Wood, 2009) the performance or growth of SMEs is expressed in terms of survival and it's reflected in higher profits and increase in the number of employees.

In the United States, there is a clear relationship between firm size and the provision of formal external training studies show that managers in large firms spent an average of 0.29 hours in formal training per week, compared with 0.18 for managers of SMEs (Husaelid, 1995). A study of formal training provision in Canadian workplaces(Gonzalez,,2010), also found positive outcomes for firms which trained, organization with training program had more favorable performance trends in a number of areas including revenues, profitability, employee relations, quality and productivity, which are indicators of growth.

Upgrading of the human skills can make SMEs remain competitive (Bennett, 2007). A survey report by Organization for Economic Co-operation and Development (OECD) for determine the relationship between the training and SMEs competitiveness and productivity shows that the nature and impact of training and skills development in firms is viewed by firm managers as being an important contributor for firm's development or growth (Henriken and Svoldal, 2010). According to Bennett (2004) also adds that the clients need to be trained so as to have the skills for specific production and business management as well as better access to market so as to make profitable use of the financial resource that they receive.

2.5 EFFECT OF SOCIAL INTERMEDIATION ON THE GROWTH OF SMES.

Microfinance institutions provides several social services and these include group lending, individual lending, Self Help Groups(SHGs) and village banking all these services help in the growth of SMEs.

2.5.1 Group Lending

Grameen Bank is the world's first microfinance institution, which popularized group lending, in which loans were issued to individual members of small group. In case of default by one group member, all members were barred from further access to credit therefore this provided a strong incentive for the group to ensure repayment by each member (Roy, 2009).

Group lending is one of the social services that are provided by the MFIs, group lending refers to the kind of lending involving individuals without collateral, these come together to form a solidarity groups in order to obtain loans from MFIs (Armendariz and Morduch, 2005). Group lending is seen as the main key to solve the problem of imperfect credit market (Ghatak, 2000). Loans are made to individuals but the group members are held jointly liable in terms of payment and in case of repayment difficulties (Aghion, 2000). This method is most used by microfinance institutions which usually provide loans without collateral and here the interest charged is far lower than the interest charged in case of individual money lenders(Natarajan,2004). The repayment rate is high since each member is liable for the debt of a group member, therefore it is everyone's responsibility to make sure that the loan is paid back thus the high repayment rate (Stiglitz, 1990).

2.5.2 Individual Lending

This is the lending of loans to individuals with collateral. Besley and Coate(1995), say that despite the advantages associated with group lending, some members of the group may default to pay back therefore,Montgomery (1996) stresses that individual lending eliminates the costs of repayment pressure that is exerted to some group members.Carlton et al. (2001) found out that individual and group methods of lending both require different operational and financial structures. Therefore because of that individual and group lending have different cost structures. For instance because of the increase in the due diligence and monitoring costs, in the case of individual lending costs on individual lending might increase. Therefore it requires careful analysis on behalf of the lending institution prior to fund disbursement (Fotabong and Akanga, 2005). Individual lending may not necessarily mean increase in enterprise ownership in the short run but as time goes on it may lead to greater enterprise growth. Many MFIs provide individual loans to clients who have a track record and have improved their economic status, therefore because of this the provision of loans to first-time borrowers is not common. However regardless of the challenges for individual loans, the need for such a product seems to be higher amongst the mature clients (Fotabong and Akanga, 2005).

2.5.3 Self- Help Groups (SHGs).

The fundamental concept of SHGs is the creation and utilization of group savings and resource fund to make low cost loans to its members. SHGs consists of low income individuals who come together to address their common problems, including their need to access financial services (Swain, 2007). Usually SHGs are formed and supported by NGOS, Government Agencies, on the other hand can also be formed by the sole initiative of members in a community and MFIs (Kay, 2003). The main characteristic of SHGs is that they enable members to obtain loans on a regular basis, in that as soon as a member finishes the repayment for the previous loan can immediately apply for another loan this results into constant borrowing. Therefore with this it is possible to infer that the poor population served by SHGs is becoming reliant on a continuous flow of small loans (Swain, 2007). The members in the SHG sets dates where they contribute a constant and equal sum as savings, its these savings that are given out as loans to the members in need with a fixed interest rate (Bowman,1995).

SHGs provide its members not only financial intermediation services but also with other services like creating of awareness of health hazards, environmental problems, educating them but also with technical skills that enables them to engage in income generating activities like tailoring, bee keeping etc. SHGs are unregistered groups with about 10-20 members with a main priority of saving and credit in mind but have a bureaucratic approach of management that governs them (Ajai, 2005).

2.5.4 Village Banking

Village banking is a method of lending to individual members to have constant access to money for their Micro-enterprise daily transactions (Mk Nelly and Stock, 2008). Village banking is a microcredit organization designed to provide financial services to SMEs rather than formal financial institutions. Village banking has been brought about by MFIs as a way to control costs. Village banking offers several important services such as credit in the form of a loan to a group of approximately 15-30 individuals. Village bank provides members with an opportunity to save voluntarily, over and above the amounts the members are forced to save (Hatch and Hatch, 2008).

These deposit services are maintained even if internal account loans are discontinued. Village banks do reach remote households in rural areas (Mk Nelly and Stock, 2008).

Strengthening and expanding the operations of village banks in remote areas may work better than trying to lure urban commercial banks into the remote areas. The lack of rural lending experience of these banks may constitute of formidable barrier to their entry into rural markets. A number of village bankers show impressive levels of performance through loan recovery and sustainability as a result of microfinance activities (Nelson et al. 2006).

Borrowers are uplifted using village banking because they own SMEs that earn money sustainably. This enables them to acquire a larger loan sum which gives them higher profit when introduced into the business and of course the interest with this high sum is making the bank financially sustainable (Mk Nelly and Stock, 2008). Village banking as of 1990s gained grounds and certain adjustments were made to suit partner institutions (Nelson et al. 2006). Hatch and Hatch (2008) say that village banking loan and savings growth rate increases as the banks continue to exist.

2.6 CONCLUSION

The literature had proved that the existence of microfinance institutions had an effect on the growth of SMEs. Poorly administered financial services results into low growth rate of SMEs, however with improved administration of financial services there is high growth rate and development of SMEs. Therefore the gap left by commercial banks is then filled. Improvement in managerial skills is needed for providers and users of financial service in making viable the work of the giver and the receiver.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTION

In this chapter the research techniques that were used to gather the required data are highlighted. This chapter describes the research design, Area of Study, Study population, Sampling procedures, Sample size, Sampling techniques, Data Collection Methods, Data Management and Processing, Data analysis, Ethical considerations and Limitation to the study.

3.1 RESEARCH DESIGN

The study adapted a descriptive research Design where both quantitative and qualitative data was employed to gain an in-depth understanding of the impact of microfinance institutions on the growth of SMEs, a case study of UGAFODE microfinance. Descriptive study is concerned with determining the frequency with which something occurs or the relationship between the variables (Cooper and Schindler, 2003). The researcher applied descriptive methods to study the impact of microfinance institutions on the growth of SMEs, whereby both quantitative and qualitative approaches were used to analyze the data for effectiveness, efficiency and evaluate the facts from the field**.**

3.2 AREA OF STUDY

The study was limited to the clients of UGAFODE as representatives of other microfinance institutions. It focused on clients and staff members of UGAFODE in Kampala, Uganda.

3.3 STUDY POPULATION

According to Cooper and Schindler (2003), a population is the total collection of elements about which we wish to make some inferences. The study population was 200 people including both the officials of UGAFODE and its clients who use its services.

3.4 SAMPLING PROCEDURES.

3.4.1 Sample Size

Sampling refers to a method used in drawing samples from a population usually in such a manner that the sample facilitated determination of some hypothesis concerning the population (Chandran, 2004). The sample size deduced from study population with the help of stratified random sampling consisting of 100 respondents whose minimum sample size is 80 structures consists of the employees and the clients of UGAFODE microfinance to obtain relevant information. The sample size was derived using the table of Krejcie and Morgan (1970).

3.4.2. Sampling Techniques

Sampling is a process of selecting a number of individuals or objects from a population such that the selected group contains elements representative characteristics found in the entire group (Kombo and Tromp, 2006).

The researcher used probability random sampling techniques mainly simple random sampling where all individuals have equal and independent chances of being selected.

3.4.3 Data Collection Methods

The researcher used both primary and secondary data to accomplish the research objectives. Primary data was collected through questionnaires administered in UGAFODE microfinance. According to Chandran (2004), questionnaires provide a high degree of data standardization and adoption of generalized information amongst any population. Secondary data was gathered through the review of textbooks, journal articles and earlier research on the research problem.

3.5 DATA COLLECTION TOOLS.

3.5.1 Questionnaires

The researcher used questionnaires as tools for collecting primary data from the field targeting the SME owners and clients of UGAFODE microfinance. Questionnaire is a list of research questions asked to respondents, and designed to extract specific information (Business

Dictionary.com). Questionnaires were used because the respondents would feel comfortable since it was to just be written on paper and no one to question their response.

3.6 QUALITY CONTROL METHODS.

Validity

Validity refers to the extent to which the instrument measures what it appears to measure according to the researcher's subjective assessment (Nachmias, 1958). Validity establishes whether the results achieved meet all the requirements of the scientific research method, and in this case it was achieved by making analysis of the problems and ensuring that the research is relevant to the field of concern.

Reliability

Reliability is the extent to which an assessment tool produces stable and consistent results (Phelan and Wren, 2005).

The results were correlated in order to evaluate the consistency of results across alternate results. With the aid of the supervisor, the questions on the questionnaires were reviewed to ensure consistency and reliability.

3.7 DATA ANALYSIS

Data analysis involves organizing , accounting for and explaining that data; that is making sense out of data in terms of respondents definition of the situation noting patterns, themes, categories and regularities(Gay,1992). The data was analyzed in relation with the objectives of the study, this is to provide a good basis for conclusion hence proper and appropriate decision making.

3.8 ETHICAL CONSIDERATIONS

During the development of the proposal, data collection, analysis and final proposal write up, plagiarism was avoided as much as possible by citing relevant sources and authorities of secondary sources of information.

Human rights consideration, all respondents were treated with respect and dignity during the course of data collection.

Confidentiality, the data and information that was obtained from UGAFODE microfinance was kept confidential during the course and after the research.

The researcher did not influence respondents to give information that suits her expectations but endeavored to gather all data as objectively as possible.

3.9 LIMITATIONS TO THE STUDY

Financial constraints since research require money for printing and transport. This occurred when the actual expenditure exceed the budget.

Unfriendly respondents, some of the respondents were unfriendly in a way that they refused to fill the questionnaires and others delayed to fill the questionnaires.

3.10 CONCLUSION

The methodology used helped in collecting relevant and adequate data which were helpful in analysis of the study. UGAFODE microfinance was taken as the sample to represent the whole picture of microfinance institutions in Uganda.

CHAPTER FOUR

PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS

4.0 INTRODUCTION

This chapter provides for the study findings, the analysis of the findings and interpretation of the data collected from the field, these findings will be described by use of tables, graphs and charts. The findings presented in this chapter are in line with the study objectives;

i) To identify the effect of accessibility of loan services on the growth of SMEs.

ii) To identify the effect that services have on the growth of SMEs.

iii) To assess the effect of non-financial services impact on the growth of SMEs.

iv) To assess the effect of social intermediation on the growth of SMEs.

The study area was UGAFODE microfinance limited, the respondents that were used to collect data are clients of this microfinance institution therefore these provided the findings that are used in this chapter.

4.1 DEMOGRAPIC OF THE RESPONDENTS.

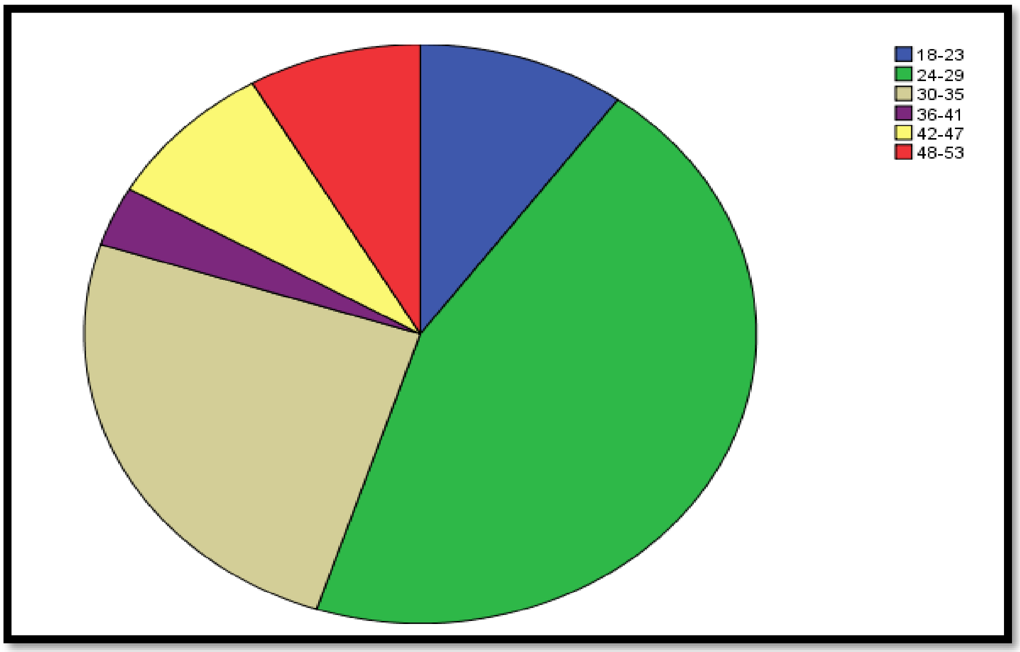
Out of the 80 questionnaires that were issued during data collection, 60 questionnaires were returned as filled and 13 questionnaires went missing giving a percentage response rate of 75%. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. It therefore goes that the study registered an excellent response rate. Therefore this means that the study had an active participation and gave the information which was enough for the study.

The respondents were required to state their sex, age group, education level, the period worked with the organization and the marital status. The background information was seen necessary because the researcher wanted to show that all respondents that provided the information have different backgrounds. This is proof that findings for the study were not for a specific group of respondents and the results are discussed below;

4.1.2 Age Bracket Of The Respondents.

The respondents were required to indicate their age by picking in the relevant age bracket as provided by the researcher; 18-23years, 24-29 years, 30-35years, 42-47 years and 48-53 years and the results are represented in the figure below;

Figure 2: Age Brackets Of Respondents.



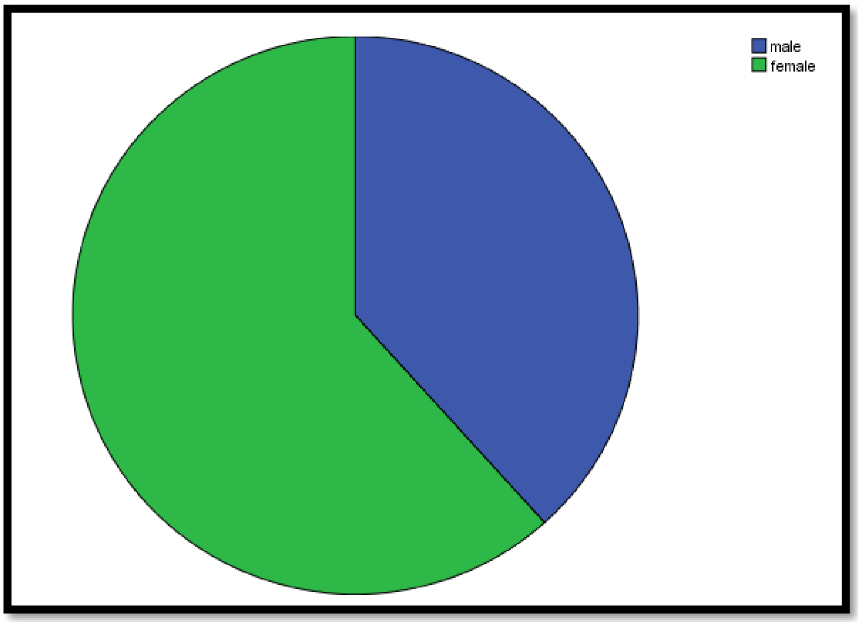
Source: Primary Data (2016)

Figure 2 shows that the biggest percentage of respondents were aged 24-29 years27(45%), followed by those between 30-35years15(15%), 18-23 years6(6%), 42-47 years5(8.3%), 48-53years5(8.3%) and 36-41years2(2%).Therefore indicating that 45% majority of the clients of UGAFODE microfinance limited are in the age bracket 24-29years, this shows that majority of the clients are youth. This possibly means that these are clients with a high level of innovativeness and entreprenurial practices that are practiced by these youth, these practices may require them to have start up capital therefore they resort to the microfinance institutions that will be able provide financial services with favourable terms and conditions unlike the other financial institutions.

4.1.3 Gender Of The Respondents

The figure below represents the findings that were obtained from the respondents in realtion to their gender. The reseacher required the respondents to indicate whether male or female and the results are illustrated in the figure below;

Figure 3: Gender Of Respondents.



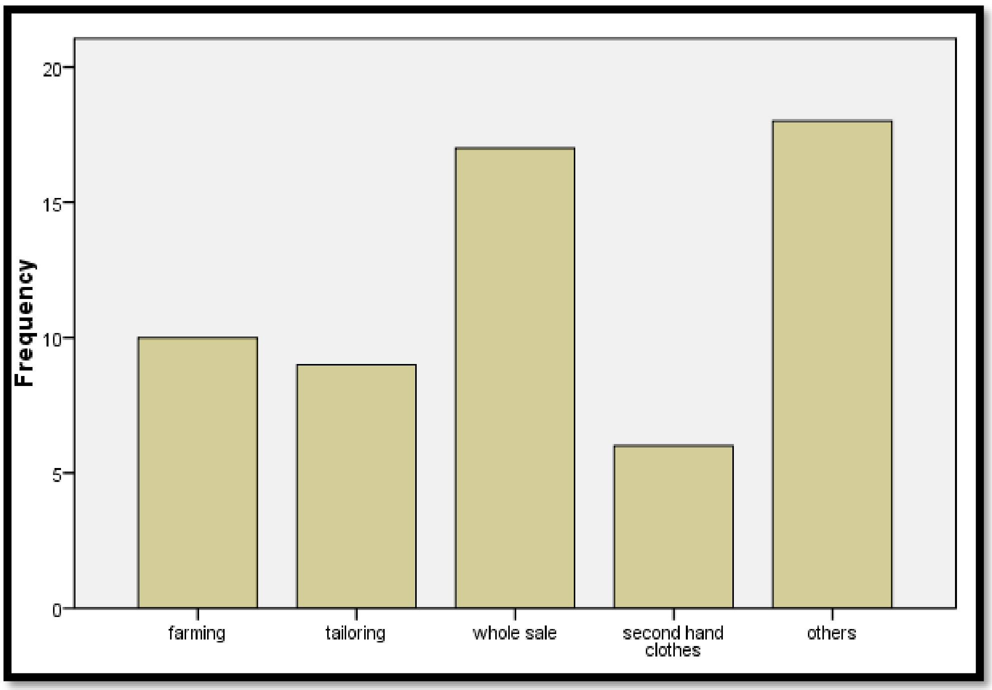
Source: Primary Data. (2016)

Out of the 60 respondents, gender distribution was as follows 37(61.7%) of the respondents were female and 23(38.3%) were male. This indicates that females are more engaged in the use of microfinance services than the male. This is possibly because of the social services that are provided by microfinance institutions to benefit the women such as Self Help Groups, Group lending which give women a chance to have their own businesses through loans accessibility, therefore resulting into the big number of females in microfinance institutions compared to the males since males do not engage in such.

4.1.3 Type Of Business Engaged In By The Respondents.

The researcher indicated some of the possible businesses that respondents may be engaged in and these included, farming, tailoring, wholesale, second hand clothes and others, these are necessary because the business engaged may determines how often the client uses the microfinance services, the findings are illustrated in the figure below;

Figure 4: Type Of Business Engaged In By The Respondents.



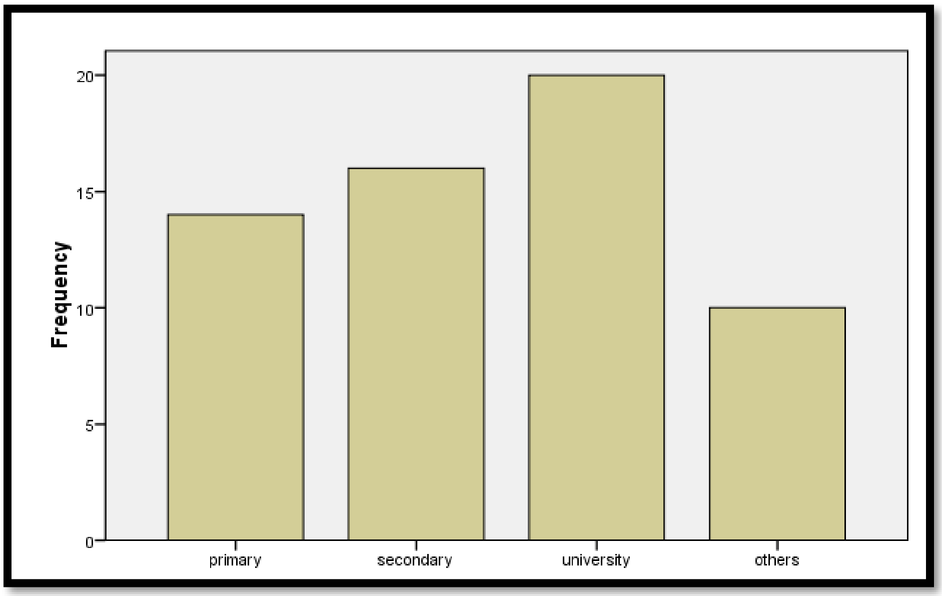
Source: Primary Data(2016)

Out of the 60 respondents, 18(30%) of the respondents are engaged in other businesses, 17(28.3%) are engaged in whole sale, 10(16.7%) are in farming, 9(15%) are in tailoring and lastly 6(10%) are engaged in second hand clothes. More people are more engaged in other businesses because of the stiff competition for the need to always introduce something new to the market by the small medium entrepreneurs. This implies that the micro-entrepreneurs are more of self employed than employed in other organizations.

4.1.4 Education Level Of Respondents.

During data collection in the field respondents were asked to indicate their levels of education, with this the researcher aimed at finding out the level of education for the respondents in the microfinance institution. And the findings are showed in the figure below;

Figure 5: Education Level Of Respondents.



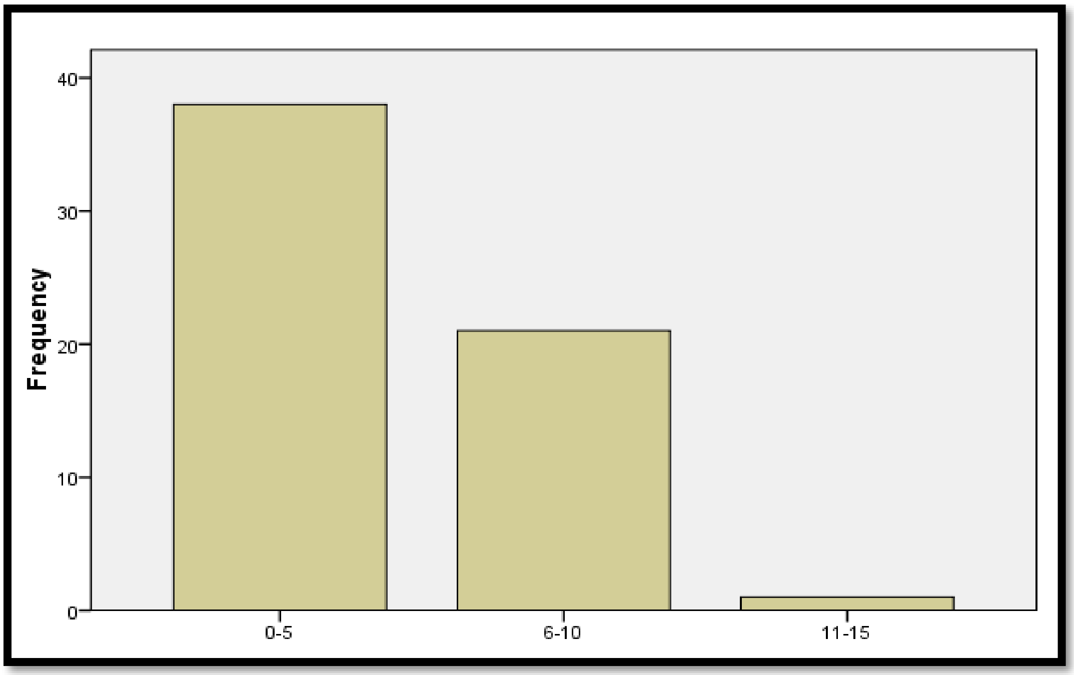
Source: Primary Data (2016)

The field data collected revealed that university clients were 20(33.3%), secondary were 16 (26.7%), and primary were 14 (23.3%) and others 10(16.7%). The data revealed that more of the clients are university material equipped with good managerial skills and knowledge to run their businesses, and this possibly indicates a new phenomena because back in time clients were more of the low education people, therefore the participation of university students in microfinance institutions services shows the need for financial services provided by these institutions; for instance the easy of acquiring loans, with affordable securities that are easily attainable that attract such clients so as to be able to invest in their businesses

4.1.5 The Years Clients Have Been With The Organization.

The Figure 6 below shows the numbers years the respondents have been using UGAFODE microfinance services, and the results are illustrated in the Figure 6 below;

Figure 6: Years Been With The Organisation.



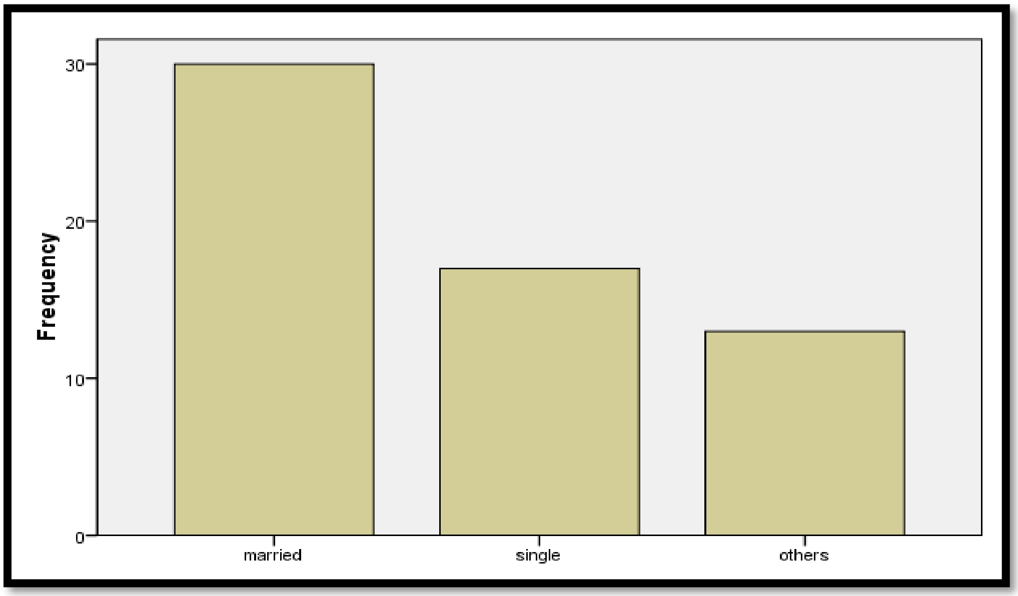
Source: **Primary Data (2016)**

From the data collected, it was revealed that 38 (63.3%) clients have been with the organization for 0-5 years, 21(35%) for 6-10 years. The findings indicate that 38(63.3%) of the respondents have been using UGAFODE microfinance services between the ranges of 0-5 years. This possibly means that 38(63.3%) of them are those that are using the services for the first time and those that have been using the services already. The possible reason for this could be that UGAFODE microfinance services are satisfactory to the clients.

4.1.6 Marital Status Of Respondents.

The figure below shows the marital status of the respondents and it was categories into married, single and others so the respondents had to respond with their marital status by selecting from the category and the findings are illustrated in the figure below;

Figure 7: Marital Status Of Respondents.



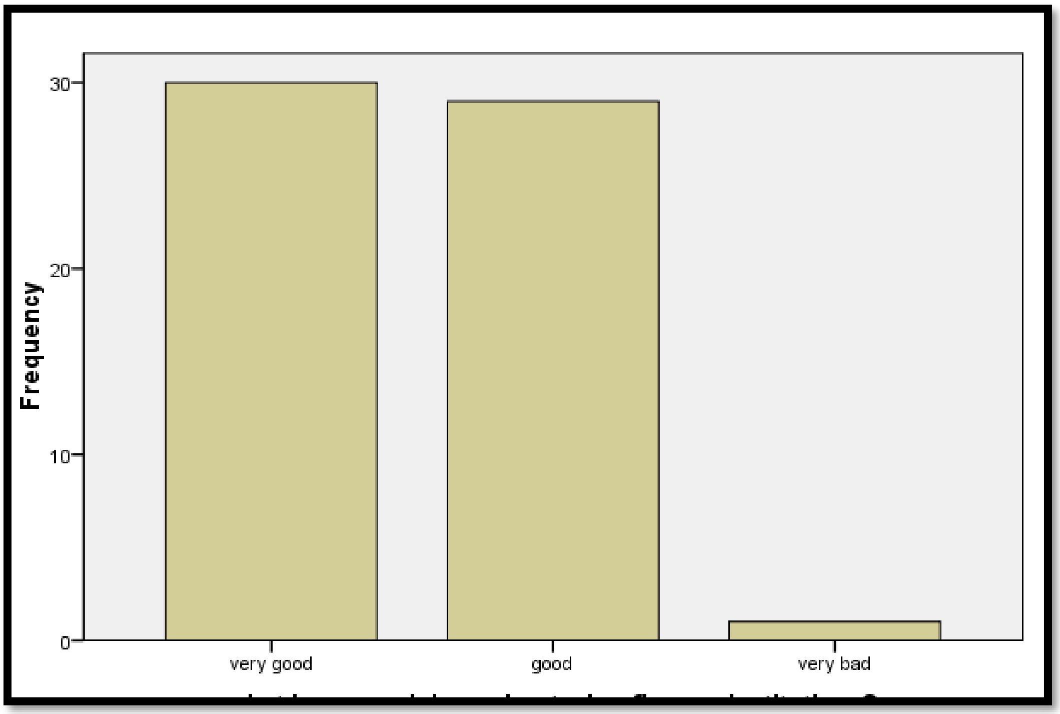
Source: Primary Data (2016)

From the data collected, it revealed that 30(50%) of the respondents are married, 17(28.3%) of the respondents are single and followed by 13(21.7%) of the respondents under others. This possibly indicates that the bigger percentage of the clients are married implying that they are possibly people with responsibilities at home and business wise therefore they people with the need of loans and other financial services to assist in financing their businesses, to improve their lives as well as their businesses.

4.1.7 Opinion Of Respondents About Microfinance Institutions.

The figure below illustrates the findings about the opinion of respondents about microfinance institutions. This was posed such that the researcher can know the general opinion about microfinance institutions and the results are illustrated in Figure 8 below;

Figure 8: Microfinance Institutions.



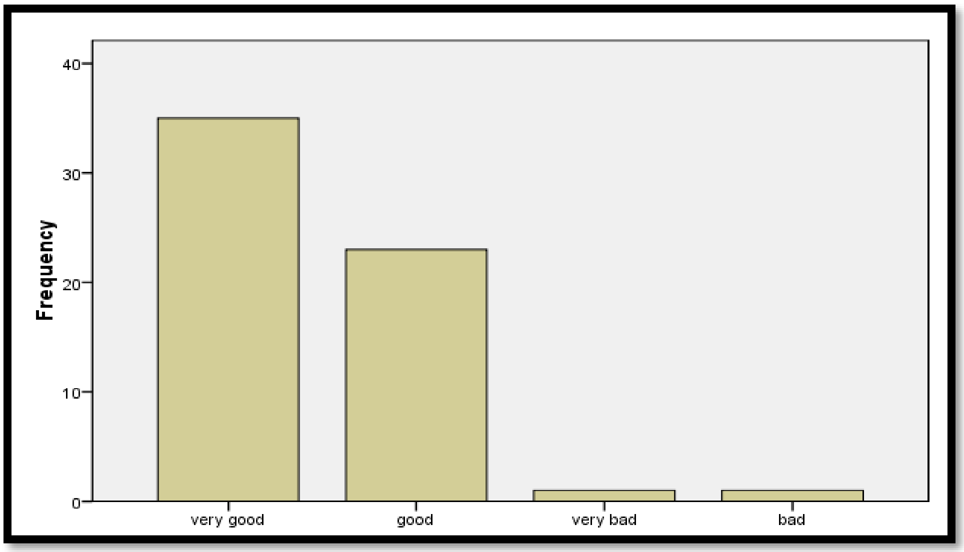
Source: Primary Data (2016)

The research posed a question that was meant to find out the opinion of the respondents about microfinance institution and the findings revealed that 30(50%) of the respondents appreciate the microfinance institutions and 29(48.3%) of the respondents are pleased with the microfinance institutions and only 1(1.7%) of the respondent disagrees with the microfinance institution. This indicates that most people appreciate the existence of microfinance institutions and that have benefited strongly from the services offered otherwise they would not have appreciated their existence they were not benefiting from their services.

4.1.8 Opinion Of Respondents About Small Medium Enterprises.

This was to represent the general opinion of the respondent before answering the following questions; therefore Figure 9 below illustrates the findings in relation to the responses from the various respondents about their opinion about SMEs

Figure 9: Small Medium Enterprises.



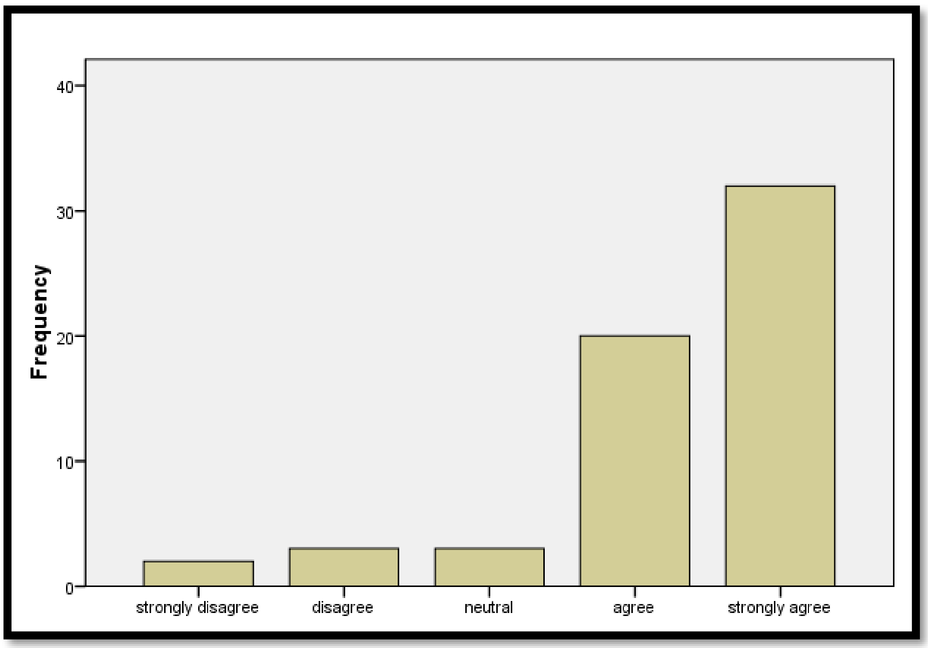
Source: Primary Data (2016)

The researcher posed a question that was meant to find out the opinion of people about the SMEs businesses and it was revealed that 35(58.3%) of the respondents appreciate the SMEs, 23 (38.3%) of the respondents are pleased with the SMEs and with only 1(1.7%) respondent who disagrees and followed by1 (1.7%) person who strongly disagrees. Therefore this possibly indicates that people have a strong opinion about the SMEs since majority support their existence, this means that there is still room for more people to engage in SMEs since those who are already there are thankful for the SMEs.

4.2 LOAN SERVICES AND GROWTH OF SMES.

To identify the effect of accessibility of loan services on the growth of SMEs. The Figure 10 below indicates the findings in regards to this objective in relation to the respondents responses obtained during data collection.

Figure 10: Loan Services And Growth Of SMEs.



Source: Primary Data (2016)

From the data collected from the field in (figure 9), it revealed that 32(53.3%) of the respondents strong agree with the above statement, 20(33.3%) of the respondents agree, 3(5%) of the respondents are neutral, 3 disagree and 2 people strongly disagree, therefore the findings indicate that people believe, that the accessibility of loan services affects the growth of business in a strong way given the fact that majority strongly agree with the above statement. 32(53.3%) of the respondents believe that loan accessibility avails the necessary capital needed for business growth. And this possibly indicates that access to loan services has an effect on the growth of businesses.

Table1: Loan Services And The Growth of SMEs.

Details	N 5	N 4	N 3	N 2	N 1
Access to loan services is an important factor that contributes to the growth of businesses.	27 (45%)	26 (43.3%)	3 (5%)	2 (3.3%)	2 (3.3%)
Securities needed to get loans are easy to get therefore this enables clients to get loans, this contributes to the growth of their businesses.	11 (18.3%)	18 (30%)	12 (20%)	17 (28.3%	2 (3.3%)
Getting loans is one of the major factors that contribute to the growth of businesses.	14 (23.3%)	26 (43.3%)	8 (13.3%)	10 (16.7%)	2 (3.3%)
Access to loan services is all that is needed for business growth.	14 (23.3%)	11 (18.3%)	10 (16.7%)	15 (25%)	10 (16.7%)

Source: Primary Data (2016)

The study further posed questions to validate whether access to loan services has an effect on the growth of SMEs, during analysis respondents who strongly agree and agree were classified into one category of those who support the statement, those who strongly disagree and disagree were classified in one category of those who are against the statement and those who were neutral were also classified into one category of the undecided, thus the three categories.

In reference to Table 1, 53(88.3%) of the respondents believe that access to loan services is an important factor that contributes to the growth of businesses, 4(6.6%) disagree with the statement and 3(5%) were neutral. The possibility regarding the findings is that people truly believe that access to loan services has an effect on the growth of businesses because they indicated that loans enable them to reinvest in their businesses and this enhanced growth of their businesses.

Securities needed to get loans are easy to get therefore this enables clients to get loans, this contributes to the growth of their businesses, and the findings in regard to this statement indicated that 29(48.3%) agree with the statement, 19(31.6%) disagree with the statement and 12(20%) were neutral about the statement they neither agree nor disagree. The findings indicate that 29(48.3%) agree however the percentage of those that are undecided is still big even if it does not exceed that of those who agree. This is possibly as a result of some clients not being aware of the security needed when accessing a loan or it may be that they did not understand the statement well.

Getting loans is one of the major factors that contribute to the growth of businesses results indicated that 25(41.6%) of the respondents agreed with the statement, 12(20%) respondents disagreed with the statement and 8(13.3%) respondent were undecided about the statement, this implies that a given number of clients agree with the statement however there is a collusion with the number of those who are not sure, therefore there is a possibility that a number of the clients still think that loans that they get are not beneficial to the growth of their business instead just increase their expenditure.

Considering whether access to loan services is all that is needed for business growth the results indicated that 25(41.6%) of the respondents agree that loan services is all that is needed for business growth, 25(4.16%) of the respondents disagree with the statement and 10(16.7%) respondents neither agree nor disagree with the statement. From the above findings 25(41.6%) of the respondents agree, however those that agree and this agree are meaning that loans may not be the only service that can lead to growth such as personal savings, no-financial services.

The results from the questions that were posed validates that accessibility of loan services has an effect on the growth of SMEs.

Table 2: Relationship Between Loans Services And Growth of SMEs.

		SMEs	Loan services.
SMEs	Pearson Correlation	1	-.214
	Sig. (2-tailed)		.101
	N	60	60
Loan services	Pearson Correlation	-.214	1
	Sig. (2-tailed)	.101	
	N	60	60

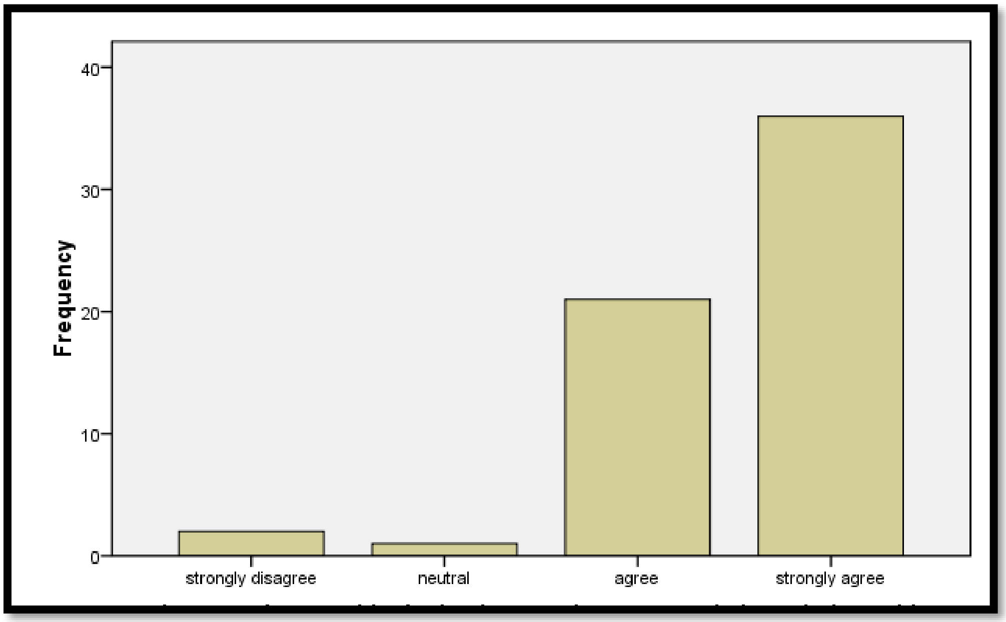
Source: primary data (2016)

The findings in Table 2 above showed a negative relationship between accessibility of loan services and the growth of SMEs, the results in Table 2 above show that they is no significant relationship statistically between loan services and the growth of SMEs. Results from the field indicate there is a relationship between accessibility of loan services and growth of SMEs; the statistics show that there is no significant relationship. The possibility of such results is relatively bigger number of respondents who disagreed and those that were neutral. This possibly implies that it's not only loan accessibility that can lead to growth of SMEs but other factors such as personal savings, borrowing from friends, possibly that is why there those who are neutral about question that was imposed.

4.3 SAVINGS SERVICES AND THE GROWTH OF SMES.

To identify the effect of savings services on the growth of SMEs. This was imposed by the researcher so as to find out whether savings services have any effect on the growth of SMEs and the results are illustrated in Figure 10 and Table 3

Figure 11: Savings Services And The Growth of SMEs.



Source: Primary Data (2016)

In relation to the above statement, the researcher posed further questions to validate the effect of savings services on the growth of SMEs. Therefore during analysis respondents who strongly agree and agree were classified into one category of those who support the statement, those who strongly disagree and disagree were classified in one category of those who are against the statement and those who were neutral were also classified into one category of the undecided, thus the three categories.

In reference to Figure 11, results of the data that was collected indicated that 57(95%) clients agree with the fact that savings services affect the growth of SMEs, 1(1.7%) and only 2(3.3%) of the respondents strongly disagree with the statement. The findings possibly mean that people truly believe that saving services have an effect on the growth of businesses. Respondents indicated that savings services enable them meet the uncertainties in businesses and this enables them to management fluctuations in their income.

Table 3: Savings Services And Growth Of SMEs.

Details	N 5	N 4	N 3	N 2	N 1
The variety of savings products provided by MFIs enable clients to expand their businesses this results into business growth.	12 (20%)	27 (45%)	15 (25%)	4 (6.7%)	2 (3.3%)
Using savings services is one way to avoid the expenses involved with the other sources of capital used to raise capital for the growth of the business	26 (43.3%)	19 (31.7%)	8 (13.3%)	3 (5%	4 (6.7%)
Savings services bring out the ability of small businesses to grow through increased sales revenue, profitability and product range.	9 (15%)	29 (48.3%)	13 (21.7%)	7 (11.7%)	2 (3.3%)
Savings services help in coming up with ways to overcome risks, control income changes, as a result of unexpected expending contributing to the growth of the business.	13 (21.7%)	17 (28.3%)	16 (26.7%)	7 (11.7%)	7 (11.7%)

Source: Primary Data (2016)

In reference to the statement illustrated in Figure 11 above various statements were provided so as to validate the statement with the questions illustrated in (Table 3) to support the findings in (Figure 11). 39(65%) respondents were in support of the statement that the variety of savings products provided by MFIs enable clients to expand their businesses this results into business growth, 6(10%) respondents disagreed with the statement and 15(25%) respondents were undecided of whether the variety of savings products provided by MFIs enable clients to expand their business, however the biggest percentage of the people agree with the statement therefore this means that the variety of savings products that are provided affect the growth of SMEs.

Using savings services is one way to avoid the expenses involved with the other sources of capital used to raise capital for the growth of the business 45(75%) respondents agreed with the statement, 7(11.7%) respondents disagreed with the statement and 8(13.3%) respondent were undecided about the statement, this indicates that 45(75%) of the clients agree that savings can be used to avoid the cost of capital involved with the other sources of capital since those that are in support are 75%. This possibly means that with savings there are no charges such as interest rate imposed as the case with the other sources of capital, therefore because of this respondents prefer savings to other sources of capital.

Savings services bring out the ability of small businesses to grow through increased sales revenue, profitability and product range from the findings obtained 38(63.3%) respondents agree with the statement, 9(15%) respondents disagree with the statement and 13(21.7%) respondents neither agree nor disagree with the statement. From the above findings majority of the respondents agree, therefore this means that savings services have an impact on the growth of small businesses.

Considering whether savings services help in coming up with ways to overcome risks, control income changes, as a result of unexpected expending contributing to the growth of the business, from the data that was collected 30(50%) of the respondents agree with the above statement, 14(23.4%) of the respondents disagreed with the statement and 16(26.7%) of the respondents were not sure about the statements. Therefore taking into account the above findings it reveals that a number of the respondents agree because they believe that with savings unexpected expenditures can easily be covered thus their support for the statement.

Table 4: Relationship Between Savings Services And Growth Of SMEs.

		SMEs	Savings Services
SMEs	Pearson Correlation	1	-.083
	Sig. (2-tailed)		.530
	N	60	60
Savings Services	Pearson Correlation	-.083	1
	Sig. (2-tailed)	.530	
	N	60	60

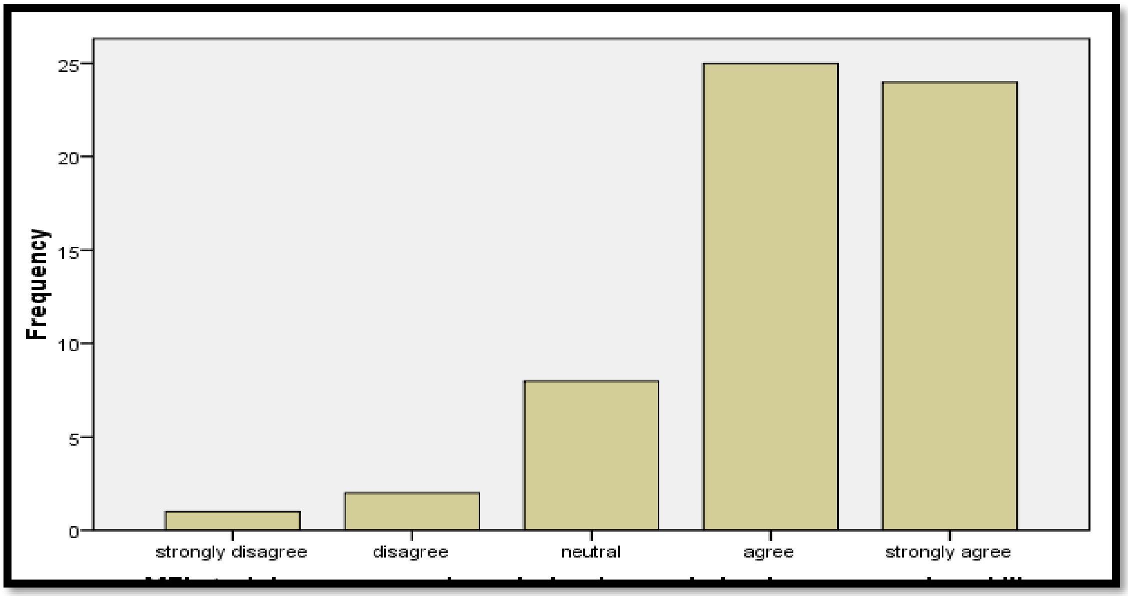
Source; primary data (2016)

The findings in Table 4 above showed a negative correlation between savings services and the growth of SMEs. The findings indicate that the savings services do not have a significant relationship with the growth of SMEs. This possibly because some people think that savings are not really necessary for business growth but for person development or benefit therefore see no importance in savings services that are provided by microfinance institutions.

4.4 NON- FINANCIAL SERVICES AND THE GROWTH OF SMES.

The researcher intended to assess the effect of non-financial services on the growth of SMEs. The Figure 11 and Table 4 below are representing the results about this objective.

Figure 12: Non- financial Services And The Growth of SMEs.



Source; Primary Data (2016)

In analysis of the data collected, respondents who strongly agree and agree were classified into one category of those who support the statement, those who strongly disagree and disagree were classified in one category of those who are against the statement and those who were neutral were also classified into one category of the undecided, thus the three categories.

Figure 12, shows results of the data that was collected and it indicated that 28(46.7%) clients agree with the fact that non-financial services affect the growth of SMEs, 14(22.7%) of the respondents disagree with the statement and 18 (30%) disagree with the statement. Considering the findings above, 28(46.7%) of the respondents believe that non-financial services have an impact on the growth of SMEs. This is possibly because they believe that non-financial services such as the advice, entrepreneurial training from microfinance institutions enhance the growth and development of SMEs.

Table 5: Non-Financial Services And Growth Of SMEs.

Details	N 5	N 4	N 3	N 2	N 1
Entrepreneurial training has helped me to change my business from loss making to profit making business and as a result my business is growing.	12 (20%)	29 (48.3%)	13 (21.7%)	3 (5%)	3 (5%)
Provision of non-financial services by MFIs together with training is important for the growth of the business.	9 (15%)	19 (31.7%)	18 (30%)	12 (20%	2 (3.3%)
Non-financial services add value to the business since clients are trained to calculate profits; as a result they are able to balance expenses and revenue leading to growth of businesses.	9 (15%)	19 (31.7%)	18 (30%)	7 (11.7%)	7 (11.7%)
The advisory services given by UGAFODE have been beneficial to my business by increasing my customer base and this has enhanced the growth of my business.	16 (26.7%)	17 (28.3%)	10 (16.7%)	10 (16.7%)	7 (11.7%)

Source: Primary Data (2016)

In reference to the statement in Figure 12 above various statements were provided as illustrated in (table 4) to support the findings in (figure 12). The results revealed that 41(68.3%) of the respondents were in support of the statement that Entrepreneurial training helps them to change their business from loss making to profit making business and as a result their businesses grow , 6(10%) respondents disagreed with the statement and 13(21.7%) respondents were undecided of whether entrepreneurial training helps them change their businesses from loss making to profit making, however the biggest percentage (68.3%)of the people agree with the statement therefore this possibly means that non-financial services affect the growth of SMEs.

Provision of non-financial services by MFIs together with training is important for the growth of the business was another question that was imposed to validate whether non-financial services have an effect on the growth of SMEs and the results indicated that 28(46.7%) respondents agreed with the statement, 14(23.3%) respondents disagreed with the statement and 18(30%) respondent were undecided about the statement, this implies that most clients agree that non-financial services coupled with training have an effect on the growth of businesses. The respondents indicated that non-financial services such as entrepreneurial training enables them to gain managerial skills that helps them in business operations resulting into the growth of the business.

Non-financial services add value to the business since clients are trained to calculate profits, as a result they are able to balance expenses and revenue leading to growth of businesses from the findings obtained 28(46.7%) of the respondents agree with the statement, 14(23.4%) respondents disagree with the statement and 18(30%) respondents neither agree nor disagree with the statement. From the above findings a number of respondents agree, this indicates that non-financial services have an impact on the growth of small businesses.

Considering whether the advisory services given by UGAFODE have been beneficial to my business by increasing my customer base and this has enhanced the growth of my business, from the data that was collected 33(55%) of the respondents agree with the above statement, 17(28.4%) of the respondents disagreed with the statement and 10(16.7%) of the respondents were not sure about the statements. Therefore taking into account the above findings it reveals that majority of the respondents agree because they believe that with advisory services are necessary for the growth of the business.

Table 6: Relationship Between Non-Financial Services And Growth Of SMEs.

		SMEs	Non-financial services.
SMEs	Pearson Correlation	1	-.036
	Sig. (2-tailed)		.783
	N	60	60
Non-financial services.	Pearson Correlation	-.036	1
	Sig. (2-tailed)	.783	
	N	60	60

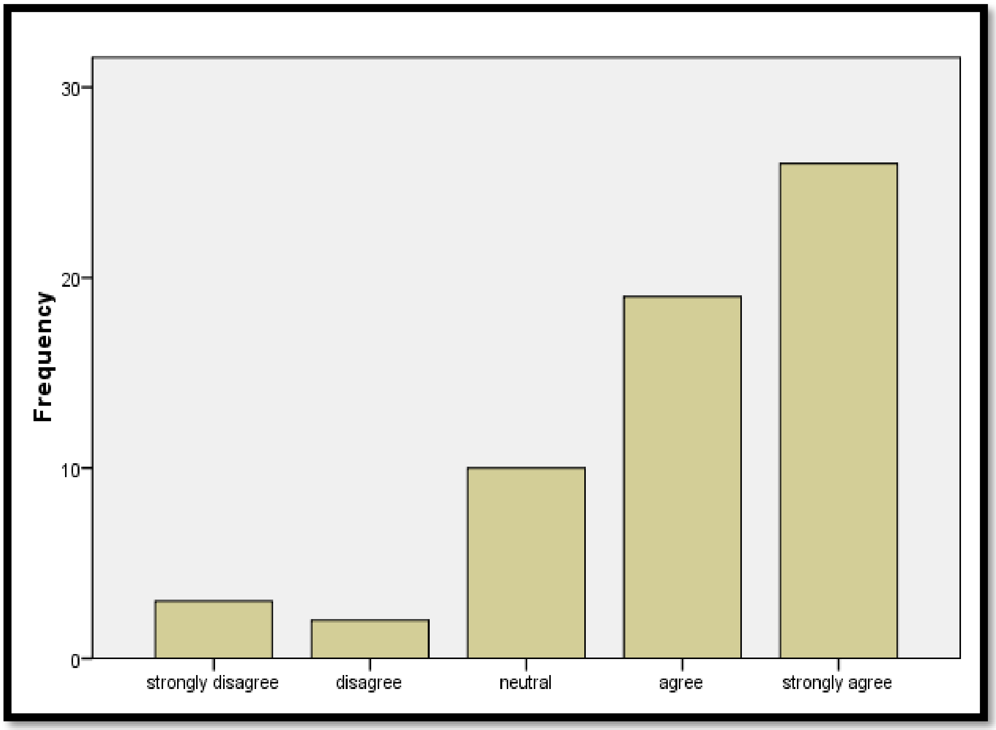
Source: Primary Data (2016)

The findings in Table 5 above showed a negative relationship of (r = -0.036; P<0.01) between non-financial services and the growth of SMEs. The results in Table 5 above indicate that there is no significant relationship between non-financial services and the growth of SMEs statistically. However the findings obtained from the field respondents indicated that non-financial services strongly influence growth of businesses.

4.5 SOCIAL INTERMEDIATIONS AND GROWTH OF SMES

The study aimed at establishing the effect of social intermediations and the growth of SMEs. The findings are illustrated in Figure 13 and Table 7 below;

Figure 13: Social Intermediations And Growth Of SMEs.



Source: Primary Data (2016)

In analysis of the data collected, respondents who strongly agree and agree were classified into one category of those who support the statement, those who strongly disagree and disagree were classified in one category of those who are against the statement and those who were neutral were also classified into one category of the undecided, thus the three categories.

Figure 13, reveals results of the data that was collected in the field and it indicated that 45(75%) clients agree with the fact that social intermediation services affect the growth of SMEs, 5(8.3%) of the respondents disagree with the statement and 10 (16.7%) disagree with the statement. Considering the findings above, majority of the respondents believe that social intermediation services have an impact on the growth of SMEs. From the data respondents indicated that group lending enables access to finance without limit by securities.

Table 7: Social Intermediation And Growth Of SMEs.

Details	N 5	N 4	N 3	N 2	N 1
Individual lending as a social service assists business growth as individual take charge of their business performance to be able to pay back	15 (25%)	32 (53.3%)	7 (11.7%)	5 (8.3%)	1 (1.7%)
Social services enable clients to have regular access to loans and this avails the necessary capital for business growth.	11 (18.3%)	34 (56.7%)	8 (13.3%)	5 (8.3%	2 (3.3%)
Social services equip clients with financial knowledge for better management of their businesses financially leading to growth.	7 (11.7%)	26 (43.3%)	14 (23.3%)	10 (16.7%)	3 (5%)
Social services such as group lending enable clients to have access to loans and this assists growth of businesses.	11 (18.3%)	29 (48.3%)	12 (20%)	5 (8.3%)	3 (5%)

Source: Primary Data (2016)

In reference to Figure 13 various statements were provided as illustrated in (table 7) to support the findings in (figure 13). The results revealed that 41(68.3%) of the respondents were in support of the statement that individual lending as a social service assists business growth as individual take charge of their business performance to be able to pay back , 6(10%) respondents disagreed with the statement and 7(11.7%) respondents were undecided of whether social intermediation services affect the growth of SMEs, however the biggest percentage of the people agree with the statement therefore this means that social intermediation services affect the growth of SMEs.

Social services enable clients to have regular access to loans and this avails the necessary capital for business growth the data obtained indicates that 45(75%) respondents agreed with the statement, 7(11.6%) respondents disagreed with the statement and 8(13.3%) respondent were undecided about the statement, this implies that most clients agree that social intermediation services have an effect on the growth of businesses.

Social services equip clients with financial knowledge for better management of their businesses financially leading to growth, from the findings obtained 33(55%) of the respondents agree with the statement,13 (21.7%) respondents disagree with the statement and 14(23.3%) respondents neither agree nor disagree with the statement. From the above findings 33(55%) of the respondents agree, therefore this means that social intermediations services have an impact on the growth of small businesses.

Social services such as group lending enable clients to have access to loans and this assists growth of businesses, from the data that was collected 40(66.6%) of the respondents agree with the above statement, 8(13.3%) of the respondents disagreed with the statement and 12(20%) of the respondents were not sure about the statements. Therefore taking into account the above findings it reveals that majority of the respondents agree because they believe that social services are necessary for the growth of the business.

Table 8: Relationship Between Social Intermediations And Growth Of SMEs

		SMEs	Social Services
SMEs	Pearson Correlation	1	-.184
	Sig. (2-tailed)		.160
	N	60	60
Social Services	Pearson Correlation	-.184	1
	Sig. (2-tailed)	.160	
	N	60	60

Source: Primary Data (2016)

The findings in table 8 above showed a negative relationship of (r= -0.184; P<0.01) between social intermediation services and the growth of SMEs. The findings indicate that there is no significant relationship between social intermediation and growth of SMEs meaning that there is no statistical representation of the findings. However from the data results indicate that there is a relationship between social services and the growth of SMEs. The variation from the findings may be possibly because of lack of sensitization of clients about such services.

4.6 LACK OF KNOWLEDGE, MFIs AND GROWTH OF SMEs.

The researcher appreciated the fact that the dependent variable and independent variable cannot operate without any intervening variable therefore identified lack of knowledge as one of the intervening variable and therefore posed question to find out how lack of knowledge effects the MFIs and the growth of SMEs.

Table 9: Relationship Between Lack Of Knowledge, MFIs And Growth Of SMEs.

		MFIs	SMEs	Lack of knowledge
MFIs	Pearson Correlation	1	.584**	.107
	Sig. (2-tailed)		.000	.418
	N	60	60	60
SMEs	Pearson Correlation	.584**	1	-.289*
	Sig. (2-tailed)	.000		.025
	N	60	60	60
Lack of knowledge.	Pearson Correlation	.107	-.289*	1
	Sig. (2-tailed)	.418	.025	
	N	60	60	60

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Primary Data (2016)

From the Table 9 above, it indicates a significant relationship between MFIs and SMEs. However no significant relationship with lack of knowledge, this indicates that MFIs affect the SMEs in one way or the other. Lack of knowledge statistically cannot be presented relating it to MFIs. However lack of knowledge shows no significant relationship between MFIs and SMEs, therefore implying that statistically the relationship is not presented though data collected revealed that lack of knowledge has an effect on both the MFIs and the growth of SMEs.

4.7 BORROWING, MFIs AND GROWTH OF SMEs.

Borrowing from other sources is another intervening variable that was identified by the researcher and the results are illustrated in the Table 10 below;

Table 10: Correlation of Borrowing, MFIs And Growth Of SMEs.

		MFIs	SMEs	Borrowing
MFIs	Pearson Correlation	1	.584**	-.254*
	Sig. (2-tailed)		.000	.050
	N	60	60	60
SMEs	Pearson Correlation	.584**	1	-.229
	Sig. (2-tailed)	.000		.079
	N	60	60	60
Borrowing	Pearson Correlation	-.254*	-.229	1
	Sig. (2-tailed)	.050	.079	
	N	60	60	60

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: primary data (2016)

There is a positive correlation between the performance of MFIs and the growth of SMEs with a significant correlation of 0.000 and with a significant correlation of 0.050 with borrowing; this implies that borrowing from other sources has an effect on the MFIs. SMEs indicate a positive relationship between MFIs however the correlation significance is at 000, this means that the relationship between them is not that strong and indicates a negative at a significance level of ($r = 0.079$; $p < 0.05$). Borrowing indicates a negative correlation with the MFIs at a significance level of ($r = 0.050$;$p < 0.05$), this implies that there is a relationship between borrowing from other sources and MFIs. Indicates a negative correlation between SMEs at a significance level of ($r = 0.079$;$p < 0.05$), since the significance level shown is above 0.05 then there is no relationship between borrowing from other sources and SMEs. The possible reasons may be that clients think that it helps them to increase and access the capital needed as soon as possible.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS.

5.0 INTRODUCTION

The chapter provides for summary of findings, the discussion of the study findings, study conclusions and recommendations.

The study was aimed at establishing the effect of microfinance institution services on the growth of SMEs in Uganda; case study of UGAFODE microfinance limited. The literature was reviewed on microfinance services in Uganda. There were 60 respondents that were used in the study and with the use of qualitative and quantitative methods the results of the results of the study were derived.

The study area was UGAFODE microfinance limited Kampala Uganda and the respondents were basically the clients of UGAFODE microfinance limited.

5.1 SUMMARY OF FINDINGS

The main objective of this study was to determine the effect of MFIs services on the growth of SMEs in Uganda, a case study of UGAFODE microfinance limited. The study was guided by the following research objectives; To identify the effect of accessibility of loan services on the growth of SMEs, to identify the effect of savings services on the growth of SMEs, to assess the effect of non-financial services on the growth of SMEs and to assess the effect on social intermediation on the growth of SMEs.

This research adopted a descriptive research design; this design is a scientific method which involves observing and describing the behavior of subject without influencing it in anyway. The research population consisted of 80 respondents who are clients of UGAFODE microfinance limited.

The data collection techniques that were used were basically structured questionnaires. The respondents were requested for their time prior to sending the questionnaires. In this study, the descriptive statistics such as percentages and frequency distribution were used to analyze the demography profile of respondents and to describe the data.

The study established the microfinance institution services have an effect on the growth of SMEs as indicated by the findings from the field.

5.1.1 Effect Of Accessibility Of Loan Services On The Growth Of SMEs.

From the findings, respondents revealed that accessibility of loan services has an effect on the growth of SMEs, this because from the findings obtained 86.6% of the respondents agreed the statement, with only 13.4% of the respondents disagreed with the statement therefore basing on that, it indicates that access to loan services has an effect on the growth of SMEs.

5.1.2 Effect Of Savings Services On The Growth Of SMEs.

To obtain the result for this objective, respondents were asked whether savings services have an effect on the growth of SMEs and the results indicated that 95% of the respondents agreed that savings services have an effect on the growth of SMEs and only 5% of the respondents disagreed.

5.1.3 Assess The Effect Of Non-Financial Services On The Growth Of SMEs.

From the findings, the respondents disclosed and agreed that non-financial services have an effect on the growth of SMEs, because 46.7% of the respondents agreed to the statement and only 22.7% disagreed with the statement and 30% where undecided about whether or not that the non-financial services have an effect on the growth of SMEs.

5.1.4 Assess The Effect Of Social Intermediation On The Growth Of SMEs.

Respondents were asked from the questionnaires issued whether social intermediation have an effect on the growth of SMEs, and the results got indicated that 75% of the respondents agreed, 8.3% disagree and only 16.7% were undecided about whether or not social intermediations affect the growth of SMEs.

5.2 CONCLUSIONS

5.2.1 The study showed that accessibility of loan services by the clients is an important factor for the growth of their businesses; this is because of the low rates that are charged on loans obtained from microfinance institutions. However the statistics revealed that there is no relationship between accessibility of loan services on the growth of businesses.

5.2.2 The study revealed that savings services impact on the growth of businesses, because savings enable clients to meet the unexpected expenses with ease when they are available, this was according to the data collected from the field, however the statistics show no relationship between savings services and the growth of businesses.

5.2.3 The study revealed that non-financial services influence the growth of business; respondents indicated that the various non-financial services such as, advisory services, business development services have enabled them to improve their businesses leading to growth of businesses.

5.2.4 The study revealed that social intermediation influence the growth of business through the group lending, village banking which makes access to the loans easy and ready available when needed by the clients.

5.3 RECOMMEDATIONS.

The researcher recommended that clients should be sensitized about UGAFODE microfinance services such that the issue of lack of knowledge is solved, this can be done through advertisement, having seminars for clients such that they are informed.

From the findings and conclusions made it shows that there is a gap that has not yet filled by the microfinance institutions, especially when it comes to the issue of loan accessibility and savings services many respondents indicated neutral, meaning that they are not sure of these services as much as there are those that are well informed about the services. Therefore UGAFODE microfinance should put more effort on the sensitization of the clients.

The findings indicated that they are those that understand non-financial services and the social intermediation but many of the clients do not differentiate the two variables therefore much effort should be put to make clients understand the difference between the two.

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APPENDICES

Appendix 1: Research questionnaires.

QUESTIONNAIRES

I am Faith Nakitto, a student from Uganda Martyrs University carrying out a study entitled ***Microfinance Institutions and the Growth of Small Medium Enterprises***.

The purpose of this research is to determine the impact of microfinance institutions on the growth of SMEs in Uganda. Please note that any information you give will be treated with confidentiality and at no instance will it be used for any other purpose other than for this project. Your assistance will be highly appreciated. I look forward to your prompt response.

SECTION A:

i) **Profile of the respondent.**

a) a)18-23years ☐ b) 24-29years ☐ e) 42-47years ☐

c) 30-35years ☐ d) 36-41years ☐ f) 48-53years ☐

g) 54years and above ☐

ii) **Gender**

a) Male ☐ b) female ☐

iii) **What type of business are you engaged in?**

a) Farming ☐ c) whole sale ☐

b) Tailoring ☐ d)second hand clothes ☐ e) others ☐

iv) **Level of education**

a) Primary
b) Secondary
c) University
d) others

v) Years worked in the organization.

a) 0-5 ☐ c) 11-15 ☐

b) 6-10 ☐ d) 16-20 ☐

vi) Marital status

a) Married b) single ☐

Others ☐

Apply a tick where applicable using the following keys:

1- Very good **2**- Good **3**- Very bad **4-** Bad

vii) What is your opinion about Microfinance Institutions?

1	**2**	**3**	**4**

viii) What is your opinion about Small Medium Enterprises?

1	**2**	**3**	**4**

SECTION B

Please write your answer to the statement below. Kindly use the rating guide as follows:

1- **S**trongly disagree **2.-D**isagree **3- N**eutral

4-Agree **5- S**trongly agree

Please tick in the blanks provided as your response.

Objective (1): **To what level does accessibility to loan services affect the growth of Small Medium Enterprises (SMEs)?**

NO	**SCALE**	**5**	**4**	**3**	**2**	**1**
1	Accessibility of loan services affect the growth of businesses.					
2	Access to loan services is an important factor that contributes to the growth of businesses.					
3	Securities needed to get loans are easy to get therefore this enables clients to get loans, this contributes to the growth of their businesses.					
4	Getting loans is one of the major factors that contribute to the growth of businesses.					
5	Access to loan services is all that is needed for business growth.					

How has the accessibility of loans contributed to the growth your business?

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

Objective (2): To what level do savings services affect the growth of Small Medium Enterprises (SMEs)?

NO.	**SCALE**	**5**	**4**	**3**	**2**	**1**
1	Savings services enable the business to increase capital needed to achieve desired growth.					
2	The variety of savings products provided by MFIs enable clients to expand their businesses this results into business growth.					
3	Using savings services is one way to avoid the expenses involved with the other sources of capital used to raise capital for the growth of the business.					
4	Savings services brings out the ability of small businesses to grow through increased sales revenue, profitability and product range.					
5	Savings services help in coming up with ways to overcome risks, control income changes, as a result of unexpected expending contributing to the growth of the business.					

How have the savings services affected the growth of your business?

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

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

Objective (3): To what level do non-financial services affect the growth of Small Medium Enterprises (SMEs)?

NO	SCALE	5	4	3	2	1
1	MFIs training programs have helped me gain business managing skills which have contributed to the growth of my business.					
2	Entrepreneurial training has helped me to change my business from loss making to profit making business and as a result my business is growing.					
3	Provision of non-financial services by MFIs together with training is important for the growth of the business.					
4	Non-financial services add value to the business since clients are trained to calculate profits, as a result they are able to balance expenses and revenue leading to growth of businesses.					
5	The advisory services given by UGAFODE have been beneficial to my business by increasing my customer base and this has enhanced the growth of my business.					

Do the non-financial services affect the growth of your business? If yes, how?

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Objective (4): To what level do social intermediations (services) affect the growth of Small Medium Enterprises (SMEs)?

NO.	SCALE	5	4	3	2	1
1	. Social services affect the growth of our businesses					
2	Individual lending as a social service assists business growth as individual take charge of their business performance to be able to pay back.					
3	Social services enable clients to have regular access to loans and this avails the necessary capital for business growth.					
4	Social services equip clients with financial knowledge for better management of their businesses financially leading to growth.					
5	. Social services such as group lending enable clients to have access to loans and this assists growth of businesses					

Have the social services provided by microfinance institutions contributed to the growth of your business? If Yes explain how? Briefly.

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Intervening variable(1): To what level does lack of knowledge affect the MFIs and the growth of SMEs?

NO.	SCALE	5	4	3	2	1
1	Lack of knowledge affects MFIs and the growth of business					
2	With lack of knowledge about microfinance loans services, loans are not accessed and this affects the MFIs and the growth of businesses.					
3	Lack of knowledge limits the use of MFIs services such as savings services, this affects MFIs and the growth of businesses.					
4	Lack of knowledge hinders people's awareness of the other services availed by the MFIs and this affects MFIs and the growth of business					
5	With lack of knowledge, awareness about social services such as group lending, Self Help Groups that are given by MFIs is limited and this affects the MFIs ant the growth of businesses.					

How does ignorance affect the MFIs and the growth of businesses?

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Intervening variable (2): To what extent does the level of education affect the MFIs and growth of SMEs?

NO.	SCALE	5	4	3	2	1
1	Education level has a great effect on both the MFIs and the growth of businesses.					
2	Education level affects the opinion about MFIs either negatively or positively and this affects the growth of businesses.					
3	At the different levels of education loans are taken differently, therefore this affects the operations of MFIs and the growth of businesses.					
4	Savings is something that is understood differently at different levels of education, this affects the MFIs and the growth of business.					
5	Non-financial services that are provided by MFIs may not be fully used by clients because of the different levels of education and this affects both the MFIs and the growth of businesses.					

Does the level of education affect the MFIs and the growth of business? If Yes, how does it affect them.

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Intervening variable (3): To what level does borrowing from other source affect the MFIs and the growth of SMEs?

NO	SCALE	5	4	3	2	1
1	Borrowing from other sources affects MFIs and the growth of businesses.					
2	Borrowing from others sources affects the use of MFIs services such as loan and this affects the MFIs and the growth of businesses.					
3	Discourages savings since the person may have so many loans to pay back and thus affecting the MFIs and the growth of businesses.					
4	Services like group lending are not utilized because of borrowing from others and this affects both the MFIs and growth of the businesses.					
5	Borrowing from other sources encourages multiple borrowing and this affects the MFIs and the growth of businesses.					

Does borrowing from other sources have any effect on the MFIs and the growth of businesses? If yes, how does it affect the two? Briefly.

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Thank you so much for your co-operation

Appendix 11: Table for Determining Sample Size From Given Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

"N" is population size
"S" is sample size.