Journal of Contemporary Issues in Business and Government Vol. 27, No. 06, 2021
https://cibg.org.au/
P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.06.044

# COMBINING AHP METHODS WITH BOCR TO DETERMINE THE FEASIBILITY OF TRAININGS TO ENTREPRENEURS THROUGH MFIS IN PAKISTAN

**Paras Abro**
Email: paras.sheeraz@gmail.com
PhD Scholar, Mehran University Institute of Science, Technology and Development, MUET Jamshoro Pakistan
**Dr. Arabella Bhutto**
arabella.bhutto@faculty.muet.edu.pk
Mehran University Institute of Science, Technology and Development, MUET Jamshoro Pakistan
**Dr. Adnan Pitafi**
adnan.pitafi@faculty.muet.edu.pk
Mehran University Institute of Science, Technology and Development, MUET Jamshoro Pakistan
**Sheeraz Akhter Katper**
Email: skatper@gmail.com
PhD, Scholar, Department of Public Administration, University of Sindh Jamshoro, Pakistan

**Abstract**
The aim of the study is to explore the microfinance industry in Pakistan and their credit plus approach targeting entrepreneurship development in particular and aims to yield insights into the Benefits, Costs, Opportunities and risks of the provision of trainings through FMIs in Pakistan. The study evaluates and determines the alternative possibilities of providing training to the clients' particularity enterprise loan borrowers of three leading micro finance institution in Pakistan. Micro-credit and trainings jointly contribute positively to SMEs growth and Entrepreneurship trainings may also help micro business entrepreneurs use microfinance more effectively. Pakistan has a sound microfinance structure but its outreach seems to be much lower than other peer nations in the world. On the basis of the criteria, the approach proposes to utilise BOCR (benefit, opportunity, cost, and risk) paradigm trainings in conjunction with the analytic hierarchy process (AHP) to find qualities that must describe an alternative of providing direct or indirect trainings through MIFs. Qualitative approach was used for this study and exploratory in nature. Semi-structured questionnaire was used in-depth interviews for the data collection. The results identified certain benefits, costs, risks and opportunities associated with the trainings for the selection of one of the alternative. The AHP model is prepared showing all the criteria and alternatives to be pair wise tests and analysis in the second step of the research in future.

P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.06.044
**Keywords:** Analytical Hierarchal process, BOCR, Micro financing, Entrepreneurial trainings

## 1. Introduction

Initially, only the credit element of microfinance programs received a lot of attention. However, several initiatives have been launched in the last few years to provide microfinance customers with entrepreneurial development programs. The microfinance community is increasing the recognition for low-income people who need a wider range of integrated monetary and non-monetary services. A combination of expanded monetary and non-monetary services could be useful for an entrepreneur to succeed by producing self-confidence in them; increase their net income, production, and employment/jobs; and finally, facilitate the individual growth of the entrepreneur. Microfinance organizations have aided economic growth by offering supplementary services such as social capital and human capacity development in addition to microfinance (Guerin et al. 2005). These additional services are especially useful for borrowers who have no prior work or company experience. (Ekpe and Norsiah 2013).

Financial services are frequently provided with non-financial services to micro-entrepreneurs including social and business trainings (Goldmark 2006). The social services were aimed at enhancing the welfare of the customers, whilst the developments of business activities were designed to educate them fundamental financial management concepts. This was thought to increase MFI's loan quality by enhancing clients' business success. Nevertheless, other approach termed as minimalist has been re-evaluated (Lanao-Flores et al, 2009), with a growing consensus that 'microcredit, by itself, is seldom adequate' (Reed 2011). To this aim, some MFIs still use the credit-plus model (also known as 'microfinance 'plus') to provide customers with a combination of financial and non-financial services.

Training has long been regarded as a key instrument for improving the performance of micro-enterprises and entrepreneurs across the world. Microfinance institutions in underdeveloped nations like Pakistan, on the other hand, place a low priority on providing training to entrepreneurs. Due to a lack of access to such talents, MSE owners are unable to expand their businesses beyond a certain point, and their growth remains stagnant (Asad, Haider, Akhtar, & Javaid, 2011). The relevance of money and business skills for the improvement and expansion of businesses has been underlined in several studies. (Rodrigues, et al, 2012).

Thus, this study has been conducted to explore the evidence about the benefits, costs, risks and opportunities associated with provision of training to entrepreneurs by the topmost microfinance banks in Pakistan. This study has been designed to select the best possible and feasible way of providing trainings to entrepreneurs through mfis using the AHP analysis technique. For the purpose, 3 main micro-financial institutions of Pakistan were selected namely Khushhali Bank, First microfinance bank and Kashf foundation studied to pick the best alternative on the basis of the criteria BOCR analysis.

In this article, the Multi criteria decision models are used where the BOCR in particular, explained as benefit, opportunity, cost, and risk analysis paradigm is used to build a structure for decision examination that incorporates a variety of objectives, characteristics, and players, as

P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.06.044
well as uncertainty. This paradigm allows for one of the primary limitations of existing choice analysis techniques to be overcome: the fact that options are all defined by the same qualities (Ayeley P. Tchangani et al, 2010).

The present study unfolds the possible alternatives combining BOCR-AHP model to support to best possible alternative to be suggested for implementation policies. The study explore the micro finance industry in Pakistan to bring up innovative solutions to the problems of entrepreneurs and provide policy recommendations for the institutional improvements. The three main financial institutions in Pakistan namely Khushhali Bank limited, First Micro Finance Bank limited and Kashf Foundation are studied as cases for analyzing the needs and feasibility of trainings provided to their clients. The programs are explored in terms of the possible alternatives of including trainings as main component of the credit facility of each institution further the benefits, costs, risk and opportunities are identified through focus group discussions through each bank.

### 1.1 Research Question

- What could be the benefits, cost, opportunities and risks of selecting trainings to credit programs through MFIs in Pakistan? Which would be the best possible way (alternative) to provide trainings to Entrepreneurs?

### 1.2 Research Objectives

- The first objective of the study is to highlight the credit programs of MFIs in Pakistan and their perception about providing trainings to entrepreneurs through Micro finance institutions working in Pakistan.
- To explore the benefits, costs, opportunities an risks associated in provision of trainings to entrepreneurs.
- The affecting variables may be categorized accordingly in the AHP model of study to select best possible alternative for provision of trainings by the banks.

## 2. Literature Review

Microfinance refers to money given to a needy individual or a small business. Microfinance is the provision of loans and other basic financial services to the poor who do not have access to traditional banking. To operate their companies, create assets, stabilise consumption, and protect themselves against dangers, people living in poverty require a wide collection of financial instruments. Working capital loans, consumer credit, savings, pensions, insurance, and money transfer services are all financial services that the poor require. Microfinance accumulation refers to the provision of loans and other financial services to the poor, such as savings and insurance, as well as the provision of high-quality financial services, including not just credit but also money transfer, savings, and insurance. (Ahmad, R., Hussain, A., Umer, M. & Parveen, K 2017).

Level of financial literacy has long been acknowledged as a major element of improving impoverished people' income generating prospects and overall living circumstances. Microfinance emerged as a solution for addressing the poor's entrenched exclusion from conventional financial institutions. As a strategy for reducing poverty Microfinance is founded on the idea that improving impoverished people's access to credit is critical to improving their

**P-ISSN: 2204-1990; E-ISSN: 1323-6903**
**DOI: 10.47750/cibg.2021.27.06.044**

economic returns; it boosts self-employment and encourages business and entrepreneurial activity.

In addition to the financial intermediation, several microfinance organizations offer social intermediation services including group creation, self-confidence building, and financial literacy and management training for group members. As a result, both financial and social intermediation is included in the concept of microfinance (Olu. 2009).

A strong relationship between entrepreneurship training and business creation was discovered on the long and short term horizons entrepreneurial orientation capacity, and mindset and thinking toward entrepreneurship (Gielnik, Uy, Funken, & Bischoff, 2017). Business training also promotes group cohesiveness and a person's overall attitude. However, these impacts are primarily seen in male consumers. Business training also leads to fewer business failures among males. MFIs that combine financial and social services have a greater chance of achieving the Double Bottom Line, or promoting both the organization's financial viability and the customers' and their families' level of life. It implies that it has a twofold beneficial influence on its clients' social and financial well-being. As a result, in light of the foregoing debate, it is clear that simply having access to finance is insufficient to boost MSE development rates; training and teaching business skills are also essential.

The research doesn't only focuses on the need and importance of trainings but also helps financial institutions to opt for the best possible way for it. The paper takes the AHP model for analysis the alternatives on the basis of the certain criteria for decision making. A complicated MCDM problem is decomposed into a scheme of hierarchies using the Analytic Hierarchy Process (AHP). The AHP's last phase examines the arrangement of a m*n matrix (Where m is the number of alternatives and n is the number of criteria). The initials of the positive ones (benefits and opportunities) have been utilized before the initials of the negative ones by the four concerns/ criteria together known as BOCR (costs and risks). Each of these issues adds to the value of a decision and must be assessed (rated) separately using the same set of (prioritized) criteria that are used to assess any other decision.

**2.1 Micro Credit-plus Approach in Pakistan**

According to Entrepreneurial Ecosystem Report of Pakistan by SEED Ventures (Social Entrepreneurship and Equity Development) Pakistan, 2014 micro finance Sector in Pakistan Needs to develop non financial services comprise of counseling, training, and education to train the borrowers on how to utilize their financial resources effectively (Seed,2014). Social capital appears to be a critical factor of success, while at the same time being a source of extreme vulnerability In order to reach most possible outreach in the country and reduce Non productive loans the micro finance industry is focusing on the credit plus approach to meet the required targets.

The micro-enterprise industry in Pakistan has enormous potential for attaining financial inclusion. Not only does this sector account for 90% of all economic firms, but it also accounts

P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.06.044

for around 30% of GDP. Furthermore, these businesses account for over 25% of export profits and employ 78 percent of Pakistan's non-agricultural workforce.

As of December 2018, there were approximately 179 thousand micro-enterprise loans with a total portfolio of PKR 22.7 billion. This specialised group, which accounts for 2.4 percent of all clients and 8.3 percent of the industry's total outstanding portfolio of 6.9 million consumers, is presently served by just 9 Microfinance Banks and a limited number of Non-Banking Microfinance Companies. In addition, the regulator's lenient stance toward these firms' access to financing has assisted this effort.

With the increase in the loan limit for enterprise lending to PKR 1 million and the publication of the "Policy for Promotion of SME Finance (2017)," which sets targets for the Central Bank to increase lending to the segment up to 17% of private sector credit and to increase the number of borrowers by half a million by 2020, the Central Bank is on track to achieve its goals, The effort by SBP to grow this subsector became more apparent. MFPs, on the other hand, must adapt institutionally in order to service this market. Micro-enterprises must be distinguished from microfinance customers and the SME segment, which is supported through informal methods, by MFPs. Next, MFPs must create relevant and personalized product offerings to meet the needs of this market niche. Finally, institutional workers and micro-enterprise clients must be reinforced and supported in order to bridge the access gap between service providers and clients (PMN, 2018). The supporting Framework for Microfinance Industry constitutes of various projects and programs run by SBP the regulatory body, PPAF & PMIC, the apex support body and PMN the network of MFIs.

Box 1. Support Programs Enhancing Micro Financial Lending Environment

| Program Type | Run By |
|---|---|
| National Financial Inclusion Strategy (NFIS) | State Bank of Pakistan |
| National Financial Literacy Program | State Bank of Pakistan |
| Promotion of SME Finance | State Bank of Pakistan |
| Fair Treatment of Consumer (FTC) Regime | State Bank of Pakistan |
| Client Awareness Campaign | Pakistan Microfinance Network |
| Pakistan Microfinance plus program | Pakistan Microfinance Investment Company |

*Pakistan Poverty Alleviation Fund (PPAF) is another body also working for client and institutional support for MFIs

policies, making it one of the success stories in the country where subsidies were provided to establish a sector and now, hardly any subsidy is offered contrary to many other industries.

Despite the supportive agencies no any policy of agenda is made for provision of the trainings to the clients or entrepreneurs risking money through MFIs. The study is concerned about the perception of the micro finance institutions for including the trainings as a main component of their credit run programs. The pre defined ways of provision of such development programs are the main root of the study that need to be idealized through the multi criteria decision making

P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.06.044

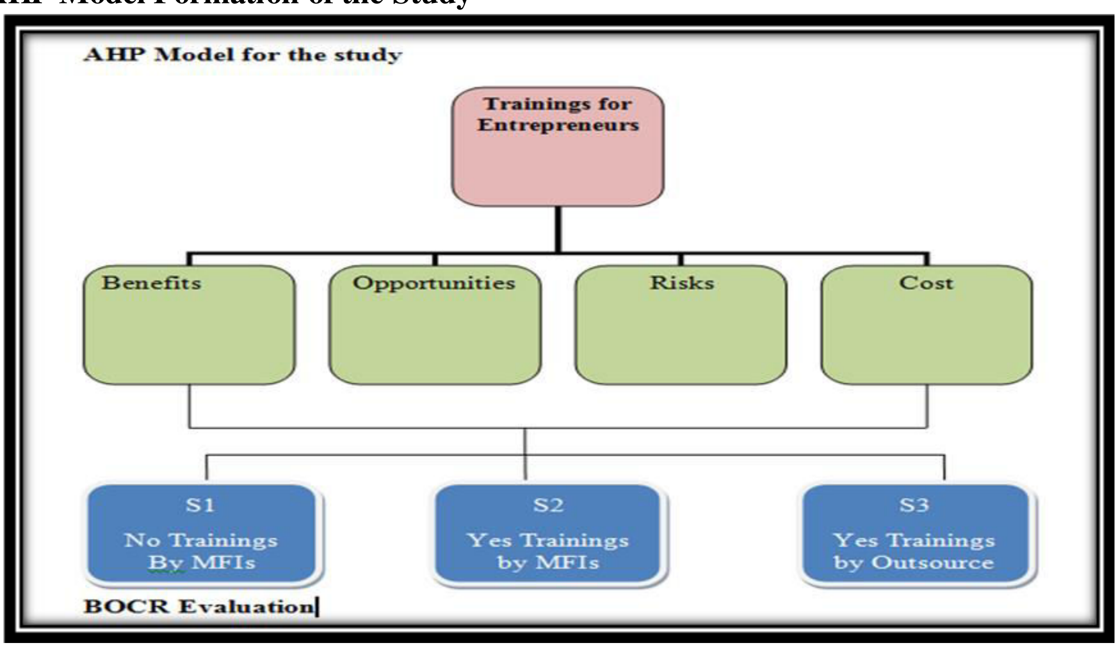
tools. Finding the possible benefits and costs associated with the plan and evaluating them through the AHP analysis.

## 4. Methodology

Because the study is exploratory in nature and intends to provide insights into the Benefits, Costs, Opportunities, and Risks of offering trainings through FMIs in Pakistan, in-depth interviews with a semi-structured questionnaire were the best method for data collection. As a result, in-depth interviews were the primary method of data collecting. The purpose of the in-depth interview approach, according to Martin et al. (2009), is to provide insights into less explored topics that might influence theory creation and/or future research, and so can be empirically tested in following research. Furthermore, according to Patton (2001), a semi-structured questionnaire (interview) allows researchers to collect data in greater depth and allows for a conversation contextual interview.

The proposed study looks at developing a framework for modeling decision-making issues involving uncertainty, multiple objectives, various characteristics, and numerous players. These issues occur when dealing with large-scale, complicated decision problems that arise in real-world applications such as risk assessment and management, infrastructure planning, sophisticated process monitoring, supply chain planning, and so on the Analytic Hierarchy Process (AHP) breaks down a complicated MCDM problem into a hierarchy structure. The AHP's final phase is concerned with a matrix's structure. AHP is a "theory of measurement based on pair wise comparisons and expert judgments to construct priority scales."

### 3.1 AHP Model Formation of the Study




The main goal of the study is termed as the provision of trainings to the entrepreneurs for the entrepreneurial development in the country through the micro finance institutions in the Pakistan. The goal is to be utilized through any of the possible scenarios or alternatives possible which

P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.06.044

ever term to be the most feasible for the cause. The feasibility and selection of the criteria is to be evaluated through the Benefits, opportunities, costs and risks associated with the provision of trainings in perception of the MFIs working in Pakistan.

The Scenarios are further highlighted to support the AHP model for future results and further investigation in future. This would lead the exploration and quantifying the results for verification and generalization.

### 3.2 Scenario Formation

Different organizations involved in the development services for businesses (SDBCs) employ much trained (tots) and educated trainers who experienced enough to support businesses clients o entrepreneurs, (Chrisman and McMullan's, 2004). Advisors having superior educational degrees and working experience help building new and small businesses. A number of studies in the microfinance literature reveal that due to a lack of trainer skills, MFIs are unable to conduct effective training programs. According to TJP's (2003) research of an MFI in Morocco, some of their credit agents lacked the requisite abilities to even provide training to their consumers, and as a result, MFIs were focused with giving efficient training courses. These and other research have shown a range of results, from no substantial influence of microfinance 'plus' to mixed impacts. Nonfinancial services, on the other hand, appear to be overlooked as having the ability to affect not just the outcome for clients, but also the success of the MFI (Robert et al, 2018).

There are evidences about the ideology of micro finance credit plus approach or the maximalist approach for finance. The literature support the argument that the micro credit plus services have been part of the credit policies of many institutes that have been showing positive responses in the evaluation reports and out reaches of MFIs. However, the other way around for minimalistic approach defends the idea of sticking to the main service i.e. credit financing for the MFIs around the globe. The maximalist approach have sown evidences in the world of attaching different packages along with their credit programs to increase the worth and credibility of the programs in different countries and have been following different modes and methods of conducting services including direct approach and in direct services providing (through other institutes)

In view of the above literature, the Scenarios for providing trainings to entrepreneur's through MFIs are concluded as:

Table 1. Alternatives compiled by author

| Type | Description | Linkage | Literature |
|---|---|---|---|
| Scenario 1 | No Trainings by MFIs | Minimalistic approach | Yunus 2007,c Cull, Demirgüç-Kunt, and Morduch 2007 |
| Scenario 2 | Yes Trainings by MFIs | Maximalist, Unified or Parallel | Sievers and Vandenberg, 2007; De Wildt, 2004; ADEMCOL, 2001 Reed 2011, |
| Scenario 3 | Yes Trainings by Outsource | Maximalist, Partner/ Linkage | Sievers and Vandenberg, 2007; Henry, 2006, Dunford 2001 |

P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.06.044

Despite obstacles such as financial viability and low client demand for credit-support services, the literature (Sievers and Vandenberg, 2007; De Wildt, 2004; ADEMCOL, 2001) shows that certain MFIs provide services for the reasons/motivators listed below.

MFIs can achieve financial sustainability by tying trainings to microcredit programs, which results in higher loan repayments, customer retention, and outreach (due to training services provision, clients will repay loans promptly because they can manage their credit and business better). Business services also promote consumer satisfaction, which encourages clients to stay with MFIs. As a result of the supplied, new clients will join the MFIs).

The majority of microfinance institutions in Pakistan provide credit without providing training on how to manage a profitable business to their clients. (Islam, Khan, Obaidullah, & Alam, 2011). Thus, what we set out to study in this article is to investigate whether the microfinance ‘plus’ model i.e. BOCR of provision of trainings to the clients is more beneficial in terms of the achievement of MFIs’ objectives and increasing the entrepreneurship development in the country. To the best of our knowledge, this has not been addressed in scholarly literature. There is a scarcity of empirical research on the impact of microfinance ‘plus' in general (Biosca, Lenton, and Mosley 2014). The study is based on cases of three main Micro finance institutions of Pakistan. The data is collected on the primary level through interviews and questionnaire to highlight the most important variables categorized as Benefits, Costs, Opportunities or risks might be associated to present scenarios of provision of trainings.

### 3.3 Sample

The study has taken 3 main financial institutions as sample for the research and cases of all three will be analyzed individually in order to sketch the scenario for provision of trainings to micro entrepreneurs through them. This is an exploratory research and involves semi structured interviews from the management and loan officers of the MFIs, which further will be analyzed, namely Khushhali Bank ltd, First Microfinance bank and Kashf foundation. This report is the initial step in examining the BOCR of trainings in Pakistan, and it is part of a bigger research project that is now underway. In the future, a larger study will be conducted to better understand viable alternatives for providing trainings through MIFs, which will be assessed using AHP analysis.

## 5. Data Collection

The data is collected primarily from the main three financial institutions in Pakistan. The programs offered by the MFIs to entrepreneurs are explored and further specifically highlighted the training components in each of the project. The focus group interviews are taken a tool cor collecting the primary data in order to understand the scenario for entrepreneurial development through MFIs in Pakistan.

| **Region** | | **Sindh & Baluchistan** |
|---|---|---|
| **City** | | Hyderabad |
| **No. of Interviews** | **Khushhali Bank ltd** | 03 |
| | **First Micro Finance Bank** | 04 |

P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.06.044

| | | |
|---|---|---|
| | **ltd** | |
| | **Kashf Foundation** | 03 |
| **Total number of Interviews** | | 10 |

Table 2. Sample interviews

Interviews were designed to collect their views on paired wise comparisons of the three scenarios of study. The interviews were made with the Branch managers and area managers of the banks including two area managers and one distribution manager (head of four area managers). The interviews were designed on the questionnaire for AHP analysis in particular. the benefits, costs, opportunities and risk extracted from the literature and interviews in first phase were lined up for a pair wise comparison of all the benefits, costs, opportunities and risks of provision of trainings in all three scenarios to identify the best possible and feasible way of providing trainings to the entrepreneurs.

The research focuses on three main financial institutions of Pakistan that rank high in terms of outreach and coverage.

### 5.1 Khushhali Bank Ltd:

At the third Pakistan Banking Awards 2018, held by the Institute of Bankers Pakistan, Khushhali Microfinance Bank Limited was named "Best Microfinance Bank". Khushhali Microfinance Bank Limited (previously known as Khushhali Bank Limited) was established in the year 2000 as a element of the Government of the Islamic Republic of Pakistan's Poverty Reduction Strategy and Microfinance Sector Development Program (MSDP). MSDP was created with the help of the Asian Development Bank (ADB). Khushhali Microfinance Bank (KMBL) is a Pakistani microfinance institution with its headquarters in Islamabad. It is regulated by the State Bank of Pakistan (SBP). The bank's board of directors is made up of nine individuals from throughout the world, including top commercial bankers, investment managers, and microfinance experts. The mandate is to provide retail microfinance services and act as a catalyst for the country's newly created microfinance sector to stabilize.

### 5.2 The First Microfinance Bank Ltd, Pakistan

The Federal Microfinance Bank of Pakistan (FMFB-P) was founded in 2002 as a national microfinance bank, licensed by the State Bank of Pakistan. The Aga Khan Rural Support Initiative's (AKRSP), an integrated development program that has pioneered the microfinance sector in the nation since 1982 in Gilgit-Baltistan and Chitral, was transformed into FMFB-P through a systematic transformation of the loan and savings segment. FMFB-P was founded with the goal of alleviating poverty and contributing to society's social and economic well-being by giving chances to thousands of low-income families.

### 5.3 Kashf foundation

KASHF Foundation is registered with the Securities and Exchange Commission of Pakistan as a Non Banking Micro Finance Company. Kashf was founded in 1996 as Pakistan's first specialist microfinance organization, and it began as a Grameen replication. Kashf has since carved out a separate and distinctive position in the microfinance business, both at home and internationally, by providing a range of innovative and transformational products and services to low-income

**P-ISSN: 2204-1990; E-ISSN: 1323-6903**
**DOI: 10.47750/cibg.2021.27.06.044**

households, particularly women. Kashf provides its clients with appraisal-backed individual financing as well as other non-financial services in order to make a transformative influence at the household level.

## 6. BOCR sub-nets developments through sample MFIs

Any real-world decision analysis problem has at least one of the following characteristics (selecting, sorting, ranking, and benchmarking, alternatives). Alternatives, various objectives, and many actors are only a few of the characteristics or criteria available. The BOCR (benefit, opportunity, cost, and risk) analysis is proposed to help frame the process of felicitating qualities for a particular goal and an examined alternative.

The BOCR (benefit, opportunity, cost, and risk) analytical paradigm is used in this study to develop a decision-making framework that takes into account a range of aims, attributes, and participants, as well as uncertainty. This paradigm allows us to get around one of the key limitations of existing choice analysis approaches: the fact that alternatives are all defined by the same features. (Ayeley P. Tchangani ∗, François Pérès, BOCR Framework for Decision Analysis, IFAC Proceedings Volumes Volume 43, Issue 8, 2010, Pages 507-513, ELSEVIER, 2010).

The different variables were highlighted during the interviews with the management and loan officers of the region and area offices. The variables included some benefits of trainings like client retention, marketing and repayment rates betterment, some costs associated with the trainings provided including time and financial constraints, also human resources constraint was also highlighted during data collection process. While analyzing the products and services, semi structured interviews were conducted to highlight what more could be done for supporting entrepreneurship through these programs specially designed for entrepreneurs. For the provision of trainings the management of the bank was quite certain and showed consent that trainings must be provided by the MFIs to their client for much better social outreach and social protection of entrepreneurs in the society. However, some costs and risks were also mentioned including financial costs, time constraints, losing of customers and Image risk associated with wrongs of trainings.

| Criteria | Sub-Criteria | | Supporting Literature |
|---|---|---|---|
| BENEFIT | B1 | Increase in client Retention | Sievers and Vandenberg 2007, Karlan and Valdivia (2011), Reichheld 1996, |
| | B2 | Potential Client increase | Khandker 2005; Mosley and Hulme 1998, McIntosh and Wydick 2005, Hartarska, Shen, and Mersland 2013 |
| | B3 | Repayment Rates | Marconi and Mosley 2006, Karlan and Valdivia (2011), Giné and Mansuri (2014), Nyarondia Samson Mecha (2017), Olga Biosca, Pamela Lenton, Paul Mosley (2014) |
| | B4 | Marketing | Interviews, Berge, Bjorvatn, and Tungodden (2014) |
| | B5 | Secure Lending | CAROLINA LAURETI* and MICHAEL HAMP, 2011 |

P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.06.044

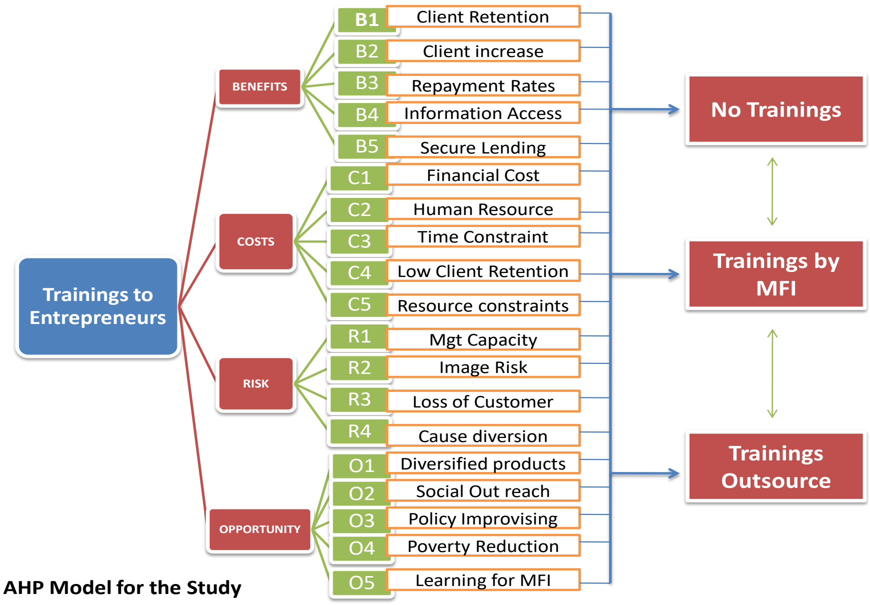
| | | | |
|---|---|---|---|
| COST | C1 | Financial Cost | Vor Der Bruegge, Dickey, and Dunford (1999), Signe-Mary McKernan (2002), Cull, Morduch et al. (2007), Jules Yimga (2018) |
| | C2 | Human Resource | Berger 1989, Interviews |
| | C3 | Time Constraint | Berger 1989 |
| | C4 | Lower Client Retention | Goldmark 2006, Sievers and Vandenberg 2007, Olga Biosca, Pamela Lenton, Paul Mosley (2014) |
| | C5 | Resource constraints | Dunford (2001), Interviews |
| RISK | R1 | Limited Management Capacity | Niels Hermes, Marek Hudon, 2018 |
| | R2 | Image Risk | Interviews |
| | R3 | willingness of Customer | Rice, 2002, Alford, 2014, Schayek and Dvir, 2009 &Interviews (this shows unwillingness of customers towards trainings programs may incline towards another institution. |
| | R4 | Cause diversion | Cull, Demirgüç-Kunt, and Morduch 2007; Robert Lensink et al (2018) |
| Opportunity | O1 | Diversified products | CAROLINA LAURETI* and MICHAEL HAMP, 2011, *Philippe Serres et al 2009* |
| | O2 | Better social Out reach | Dunford 2001, Mosley 2001, Maes and Foose 2006, *Philippe Serres et al 200,* Olga Biosca, Pamela Lenton, Paul Mosley (2014) |
| | O3 | Policy Improvising | Khandker (2005), Robert Lensink et al (2018), Interviews |
| | O4 | Poverty Reduction | REYNALDO MARCONI1 and PAUL MOSLEY, 2006,<br>Paul Mosley, 2011, *Philippe Serres et al 2009* |
| | O5 | Learning for MFI | Interviews |

## 7. Results and Discussions

The above literature supports the criteria of BOCR to be analyzed through AHP model. Pair wise comparison is carried out among each sub criteria f the BOCR for each of the alternatives and among themselves highlighting the linkages to select best possible alternative of the given scenarios.

The final look of the AHP model for the study is given below. This model is to be analyzed in future research through AHP analysis for building alternatives and evaluating each alternative on the basis of the above highlighted BOCR variables.

P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.06.044




AHP Model for the Study

The above model is explained in terms of the identified benefits, costs, risks and opportunities of the model. The same are to be evaluated in terms of the scenarios/criteria's to highlight which for the criteria is better n terms of provision of trainings to entrepreneurs in Pakistan.

### 6.1 Benefits

Provision of trainings have found to be positive effect on the client retention, increase in clients, repayment and secure lending, in literature, along with some studies like karalan and Valdivia 2011, that has highlighted no significant effect on repayment rates. During interviews the same were questioned by the Bank managers and loan officers, already acknowledged the increased understandings on the benefits of information of client to improve trust of lending which is generally done through MCIB. However another variable highlighted from interviews was the marketing factor which definitely would work with the provision of trainings through MFIs.

### 6.2 Costs

Costs, financial, operational and resource constraints, time constraints are the main arguments of Micro finance plus approach. These had been the first concerns' of MFI management to be analyzed before investing in any plus activity. The literature has also highlighted the costs associated with the amalgamation of any product with non financial services through the loss of client as well.

### 6.3 Risks

In literature and during the initial interviews, it was highlighted that come risks are associated with the provision of trainings to their clients in particular. Limited management capacity, unwillingness of client and diversion from cause are of the identified risks.

The minimalistic approach scholars have greater intention of diverting from actual cause of the MFI i.e. provision of credit for poverty reduction. During interviews at initial stage it was

P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.06.044

identified that the risk for destroying image. Area Manager of FMBL continued to explain it as if any training goes wrong with particular product it me defame the MFI and stake its reputation in the market.

### 6.4 Opportunities

However, literature and interviews highlighted the opportunities associated with the diversification of product along with non financial services, which might aid MFI to increase innovation, win the competition and help learning for within along with suggesting future policy improvisation. The opportunities mainly included possibility of diversified products, increase in social outreach, and improvising policy in terms of trainings, reducing in poverty and learning from the institution itself.

## 8. Conclusions and Future research

The research focuses on the combination of the BOCR-AHP study for deciding the best alternative for providing trainings to entrepreneurs or the clients for enterprise loans of the MFIs in particular. The credit programs of the banks need to add in the training component into it for better utilization of the loan and promotion of entrepreneurship in the country. The best alternatives may be evaluated on the basis of multi decision criteria analysis BOCR. The benefits, costs, opportunities and risks are further sub categorized through literature and interviews with the leading micro finance banks in Pakistan including Khushhali Bank ltd, First micro finance bank and Kashf Foundation. The sub criteria are ranked as accordingly to carry a pair wise analysis for each alternative.

The above model explores the relationship of criteria and possible alternatives with the goals of the study. The provision of trainings to entrepreneurs is the main goal for the entrepreneurial development in the country like Pakistan, whilst speaking in terms of credit provider institutions. The goal may be well justified with the evaluation criteria to make decision. The model brings an opportunity to test the alternatives pair wise empirically through AHP technique to develop a well feasible framework for trainings.

## 9. Limitations

The study is limited to three main financial institutions of Pakistan which might be expanded to get better judged results. The financial and time constraints are the main limitations of the study.

## References

1. ADEMCOL, 2001, Asociacio´n para el Desarrollo Microempresarial Colombiano and Women's Opportunity Fund: Bundling microfinance and business development services. A case study from ADEMCOL in Colombia, Microenterprise Best Practices. Washington, DC: United States Agency for International Development.
2. Asad, M., Haider, S. H., Akhtar, M. B., & Javaid, M. U. (2011). Human Resource Practices and Enterprise Performance in Small and Medium Enterprises of Pakistan. First International Conference on Contemporary Issues of Business (pp. 1-18). Lahore: Comsats (Rodrigues, et al, 2012).
3. Ayeley P. Tchangani ∗, François Pérès, BOCR Framework for Decision Analysis, IFAC Proceedings Volumes Volume 43, Issue 8, 2010, Pages 507-513, ELSEVIER, 2010.

P-ISSN: 2204-1990; E-ISSN: 1323-6903
DOI: 10.47750/cibg.2021.27.06.044

4. De Wildt, M., 2004. Linking business development services to financial services: The case of Financiera Solucio´n. Geneva: ILO. Available from: http://www.bdsknowledge.org/dyn/bds/docs/422/MdRdW-Peru.pdf
5. Ekpe, I., Mat, N. B., & Razak, R. C. (2013). The Effect of Microfinance Factors on Women Entrepreneurs' Performance in Nigeria: A Conceptual Framework. International Journal of Business and social science, 1(2), 255-263.
6. Guerin, I., G. Venkatasubramaniam, and C. Churchill. 2005. "Bonded Labor, Social Capital and Microfinance: Lessons from Two Case Studies." The Indian Journal of Labour Economics 48 (3): 521536
7. James J. Chrisman, W. Ed McMullan, 2004, ' Assistance as a Knowledge Resource for New Venture Survival', Journal of Small Business Management, volume 42, issue 3
8. Lanao-Flores, I., and P. Serres. 2009. "Microfinance and Non-Financial Services: An Impossible Marriage?" Private Sector Development 3 (3): 1–6.)
9. Mahendar Kumar, 2020, "Entrepreneurship Ecosystem and Development of Entrepreneurship in Pakistan", Open Journal of Business and Management, 2020, 8, 1734-1770 https://www.scirp.org/journal/ojbm ISSN Online: 2329-3292
10. Manoj Chandra Bayon , Yancy Vaillant , Esteban Lafuente, 2015, 'Initiating nascent entrepreneurial activities: The relative role of perceived and actual entrepreneurial ability', International Journal of Entrepreneurial Behavior & Research Volume 21 Issue 1
11. Martin, J. 2010. Life's a beach but you're an ant, and other unwelcome news for the sociology of culture. Poetics 38(2): 228–243. doi: 10.1016/j.poetic.2009.11.004
12. Md. Aminul Islam, Mohammad Aktaruzzaman Khan, Abu Zafar Muhammad Obaidullah, M. Syed Alam, 2011, International Journal of Business and Management

13. Michael M. Gielnik, Marilyn A. Uy, Rebecca Funken and Kim Marie Bischoff, 2017, Boosting and sustaining passion: A long-term perspective on the effects of entrepreneurship training' Journal of Business Venturing, 2017, vol. 32, issue 3, 334-353
14. OJO Olu, 2009, Impact Of Microfinance On Entrepreneurial Development: The Case Of Nigeria, The International Conference on Economics and Administration, Faculty of Administration and Business, University of Bucharest, Romania ICEA – FAA Bucharest, 14-15th November 2009
15. Olga Biosca, Pamela Lenton, Paul Mosley, 2014, 'Microfinance Non-Financial Services as a Competitive Advantage: The Mexican Case, Briefing in entrepreneurial finance, Volume23, Issue7-8 Special Issue: Microfinance and Crowdfunding November 2014 Pages 507-516
16. Pakistan Micro Finance Network, 2018, www.pmn.com.pk, retrieved on 18/8/2018
17. Patton, M. Q. (2001). Qualitative research and evaluation and methods (3rd ed.). Beverly Hills, CA: Sage
18. Rashid Ahmad, Altaf Hussain, Muhammad Umer, Kishwar Parveen, 2017,' Efficiency of Microfinance providers in Pakistan: An Empirical Investigation', Review of Economics and

**P-ISSN: 2204-1990; E-ISSN: 1323-6903**
**DOI: 10.47750/cibg.2021.27.06.044**

Development Studies Volume 3: Issue 2 December 2017 Journal homepage: www.publishing.globalcsrc.org/reads.

19. Reed, L. R. 2011. State of the Microcredit Summit Campaign Report 2011. Washington, DC: Microcredit Summit Campaign.
20. Robert Lensink, Roy Mersland, Nhung Thi Hong Vu & Stephen Zamore (2018) Do microfinance institutions benefit from integrating financial and nonfinancial services?, Applied Economics, 50:21, 2386-2401, DOI: 10.1080/00036846.2017.1397852
21. Robson, C. (2002). Real World Research: A Resource for Social Scientists and Practitioner-Researchers (2nd ed.). Oxford: Blackwell Publishers Ltd
22. Sievers, M., and P. Vandenberg. 2007. "Synergies through Linkages: Who Benefits from Linking Micro-Finance and Business Development Services?" World Development 35 (8): 1341–1358.
23. TJP, 2003. TkwinJdid Performance Report, March – December 2002, and, Final Report, Implementation Grant Program, United States Agency for International Development, unpublished.