



Assessing the Performance of Conventional and Islamic Microfinance Institutions in Bangladesh: A Comparative Study

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DEDICATION

*To My Parents, My Mother-in-Law, My Husband, and My
Son,*

Ahmad Din Biswas

Thank You for Your Love, Sacrifice, and Assistance

DECLARATION

I hereby certify that the dissertation titled “**Assessing the Performance of Conventional and Islamic Microfinance Institutions in Bangladesh: A Comparative Study**” presented to the Faculty of Business Studies, the University of Dhaka for the degree award of PhD. in Management Department is an original research work done by me under the supervision of Prof. Dr. Faruq Ahmed. I confirm that the material of this thesis has not been presented for the awarding of any degree, certificate, or other comparable title to any student at any university in Bangladesh or elsewhere.

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ABSTRACT

Microfinance institutions (MFIs) have been well organizations that help poor people in many developing countries (Meisami, et al., 2011; Fernando, 2008). These have boosted the lives of its clients, increased the poor's ability to improve their situation, and provided income to assist them to raise their living standards. As a result, microfinance institutions have a bright future in many emerging Latin American, African, and Asian markets. Moreover, several major international organizations, including the Asian Development Bank, World Bank, European Union, United Nations, and American Development Bank, provide financial support to organizations dedicated to providing microfinance to the poor (Miled, and Rejeb, 2015). Microfinance Institutions (MFIs) make small loans to low-income people (particularly those who are typically excluded from economic assistance) through courses tailored to their specific needs (Khan, 2008). Microfinance institutions create a comfortable environment in which self-sufficiency can thrive (Adams, et al., 1983; Buss, 1999). Non-financial programs and creative reward schemes were also launched by MFIs. These have used group lending methods, and most of the money recipients are women. These create job opportunities for women, improve repayment rates, and increase long-term economic viability (Hashemi, 1996; Godquin, 2004). The microcredit movement is said to have originated in Bangladesh. The sector, however, faces several challenges, including operational capability, service quality, and diversity, as well as political and macroeconomic factors. Despite research into the effects of microcredit on beneficiaries, the performance of microfinance organizations in Bangladesh has received less attention. The study examined the performance/achievement of Conventional and Islamic microfinance organizations to demonstrate the challenges they face in providing banking services to Bangladesh's rural and urban households. Microfinance is a substantial aspect of the Bangladeshi economy, and the development of the financial sector is heavily influenced by the country's socioeconomic, macroeconomic, and financial stability. Microfinance has been recognized as a poverty-reduction and accessible financial program because it focuses on and serves the poor, particularly women, as well as micro-enterprises and businesspeople who frequently have limited access to official financial institutions. According to the World Economic Forum, Bangladesh's economy has outperformed the rest of Asia over the last decade. Microfinance now plays a much larger role in Bangladesh than it did in

1990 when its primary objectives were funded utilization and loan distribution. The importance of microfinance as a vehicle for job creation is increasingly recognized, even more than its traditional role of assisting businesses that lack access to formal finance and encouraging impoverished people to save. Microfinance has become more appealing to policymakers as a vehicle for allowing widespread financing, rather than just microfinance services for economic development and poverty alleviation, as its purpose has broadened over time. Even after accounting for various program memberships, there are over 30 million MFI members in total, indicating a significant improvement in Bangladesh's access to institutional economic services. MFI represents the lower-income community better. This means that 65 percent of Bangladesh's rural population of 110 million has access to established financial institutions.

The first chapter covers the topics that will be covered throughout the study. The second chapter examines key literature in the field of microfinance organization performance and some selected determinants, as well as research gaps that must be addressed. This chapter also provides a theoretical context for further research by describing the fundamental theories relating to the performance of microfinance organizations and identifying research questions. The third chapter provided an overview of Bangladeshi microfinance organizations. The methodology for the study's analysis is presented in Chapter four. This chapter lays the groundwork for the research hypotheses. It also covers testing methods, sampling techniques, model selection methods, instrument operationalization, and data analysis techniques. Chapter five illustrates the research results using the methods described in the fourth chapter. The findings included both descriptive and empirical analyses. This chapter also discusses how the results of this analysis relate to previous research. The conclusion is presented in Chapter six, which includes a summary of the findings, theoretical implications, administrative implications, and a discussion of the study's limitations and potential research scope.

The primary goal of the research is to provide evidence for evaluating the performance/accomplishments of Conventional and Islamic microfinance organizations in developing countries such as Bangladesh. Based on this motivation, the primary goal of the study is to determine the relationship between the performance/effectiveness of Conventional

microfinance institutions (CMFIs) and Islamic microfinance institutions (IMFIs) in Bangladesh and the selected determinants. The study compares the success of Bangladesh's Conventional and Islamic microfinance organizations. The research intends to look into the variables that determine the success of Bangladesh's Conventional and Islamic microfinance sectors. The thesis provides a conceptual context by focusing on international and theoretical literature analysis. The study sought to assess and compare the performance/accomplishments of Conventional and Islamic microfinance organizations in Bangladesh. Following that, an attempt was made to determine the links between the success of Conventional and Islamic microfinance organizations and various factors. The dissertation discussed the research goals using descriptive statistics and panel regression. The achievement/performance variables of Conventional and Islamic microfinance organizations used in the study are operating self-sufficiency (OSS), portfolio yield (PY), return on assets (ROA), and profit margin (PM), and the selected determinants are the number of beneficiaries (NOB), average loan per beneficiary (ALPB), management quality (MQ), earnings quality (EQ), capital adequacy (CA), and MFI age (AGE).

This study adheres to the interpretive model, which entails gathering data for researchers to explain social phenomena (Saunders, Lewis, & Thornhill, 2007). The selected variables' informative and causal associations are followed in the research work. The performance/achievement of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh is analysed and compared in this study.

The methodology is a set of guidelines that guides researchers through the research process. It is both a hypothesis and an examination of how science is or should be accomplished. According to Ryan, Scapens, and Theobald (2002), research is the process of locating intellectual property and translating it into information. As a result, the researcher would have a better understanding of the reality in their immediate surroundings (objects and subjects from the present world to help the users of the information). Sarantakos described the research (2005). He claims that studying entails learning new things and broadening one's horizons in terms of awareness, trust, and new perspectives on various aspects of life. Collis and Hussey (2003) define methodology as "the overarching system for the study procedure from hypothetical background to information

compilation and analysis." Ryan et al. (2002) explain research from a social science standpoint. Accounting and finance research is considered a subset of social science. The social sciences include analytical methods, instruments, and techniques for gathering and analysing primary and secondary data. People are more likely to trust social science research because it provides real, scientific evidence. It also helps us find solutions to a variety of social problems. It is a type of scientific investigation that can also be applied to social issues.

The methodology, data collection process, variable selection criteria, analytical methods, and desired outcomes of any research study must all be clarified based on the research goals. The research focuses on Bangladesh's financial sectors, particularly Conventional and Islamic microfinance organizations, and institutions. This analysis employs positivism theory and epistemology. The study seeks to determine whether there is a link between the performance/success of Conventional and Islamic microfinance organizations and a variety of significant aspects. A few crucial indicators influence the success of Conventional microfinance organizations and Islamic microfinance organizations. The performance of these two types of microfinance organizations is also compared in the study. Quantitative research in the natural and social sciences focuses on the quantity or degree of something. Numerical refers to anything that can be counted or represented numerically. A systematic experimental examination of measurable phenomena using numerical techniques such as numbers, percentages, and other numerical techniques is included in this type of study. Empirical research is based solely on personal experience or observation. It is a technique for gathering information through direct and indirect observation or experience. It is also known as "experimental tooling." Before engaging in practices that will facilitate the creation of the desired information, it is critical to first obtain the facts and data, as well as their source (Mishra, S. B., & Alok, S., 2017).

The deductive analysis attempts to discover causal relationships between variables, which aids in the formulation of hypotheses. As a result, qualitative data must be collected systematically to tool the developmental hypothesis, allowing the results to be replicated (Gill and Johnson 2002). Data was collected from annual reports released between 2015 to 2018. Using quantitative methods, the relationship between selected determinants and performance variables of Conventional and Islamic

microfinance organizations in Bangladesh is investigated. The outcomes of Conventional and Islamic microfinance organizations were compared as well. This researcher both used qualitative and quantitative methods to achieve its objectives. The study in this dissertation was conducted using secondary data. The study's sample was drawn from both Conventional and Islamic Bangladeshi microfinance organizations. Interest-based microfinance organizations are classified as Conventional, whereas interest-free (Islamic Shariah-based) microfinance organizations are classified as Islamic. The researcher investigated the registered Conventional and Islamic microfinance organizations with the Microfinance Regulatory Authority (MRA). The analysis ignored the missing data. The study obtained information from 328 different microfinance organizations/firms (both Conventional and Islamic microfinance companies). The research work gathered information from 320 (Three hundred and twenty) Conventional microfinance organizations and 1280 observations. Furthermore, the study selected 8 (Eight) Islamic microfinance organizations and gathered 32 observations. Secondary data was gathered from national and international microfinance journals, institution annual reports, blogs, books, Bangladesh Bank's annual report, MIX industry, journals, MRA annual report, newspapers, and other sources to determine the status of Conventional and Islamic microfinance organizations in Bangladesh. Fersi and Boujelbéne (2016) collected data from 328 microfinance organizations (both Conventional and Islamic) in total. The researcher used the "Hausman Tool" to determine which type of panel regression model to use. The Hausman tool is used to assess the fixed and random effect models of a sample (Omri, and Chkoundali, 2011; Kipesha, 2013). The Breusch Pagan Langrange Multiplier tool was also applied to determine if a random effect model or a pooled regression study was acceptable (Kipesha, and Zhang, 2013). A close relationship between two independent variables is referred to as "multicollinearity" (Kennedy, 2008). The researchers used the variance inflation factor (VIF) or pair-wise correlation coefficient to assess multicollinearity (Boulila, Boudriga, and Ajmi. 2010; Kipesha, 2013; Kiganda, 2014, Kipesha, and Zhang, 2013). The achievement of Conventional, and Islamic microfinance organizations was compared and measured using financial ratios in this report. Descriptive statistics and empirical analysis were used to evaluate achievement and compare the effectiveness/performance of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh. The research used Microsoft Excel and STATA-16 to analyse the collected data.

The purpose of this dissertation is to evaluate the achievements/performance of Conventional microfinance organizations and Islamic microfinance organizations. Based on a literature review, the conceptual framework demonstrates the relationship between the success of Conventional and Islamic microfinance organizations in Bangladesh. A literature review is a summary of key publications and other resources on a specific topic that has been published. Academic journal articles, books, credible government documentation, Web pages, and other sources may be used in the study. The literature review describes, summarizes, and analyses every source. The research on the performance measurement of Conventional microfinance organizations and Islamic microfinance organizations is motivated by two aspects. To recognize the performance/effectiveness of Conventional and Islamic MFIs in Bangladesh, primary, and limited studies were conducted. The existing literature has typically focused on advanced economies. For these reasons, this study only finds and compares literature on the performance of Conventional and Islamic microfinance organizations. To meet the research objectives, the researcher created 48 hypotheses. The study included four models, each with six independent variables. The researcher developed six hypotheses for each model. The study presents 24 hypotheses for Conventional microfinance organizations and 24 hypotheses for Islamic microfinance organizations. As a result, there are 48 hypotheses in this research work.

A form strategy is a non-parametric method. It does not require any precise functional form to determine the best practice, nor does it account for any variation. By affiliating with the best frontier line, it selects the best firms from among all other organizations in the research. The non-parametric technique has two major drawbacks: it does not account for sampling error and ignores economics, focusing solely on operational performance (Berger & Mester, 1997). Researchers may find the non-parametric technique more valuable in assessing the efficiency of financial organizations, such as microfinance organizations (Clarke et al., 2000; Isik & Hassan, 2002).

Conventional microfinance organizations have a higher mean value of operating efficiency, portfolio yield, return on asset, and operating margin ratios than Islamic microfinance organizations (IMFOs), according to descriptive statistics. The study's findings, however, show that Conventional microfinance organizations (CMFOs) outperform Islamic microfinance

organizations. Conventional microfinance organizations have a higher mean value of the number of beneficiaries, average loan per beneficiary, management quality, earnings quality, capital adequacy ratios, and MFO age than Islamic microfinance organizations, conferring to the descriptive statistics. According to the research consequences, Conventional microfinance organizations outperform Islamic microfinance organizations. As a result, Conventional microfinance organizations in Bangladesh serve more beneficiaries and generate more profits than Islamic microfinance organizations.

Before conducting the panel regression analysis, the researcher exploited the Levin-Lin Chu, Breusch-Pagan/Cook-Weisberg, correlation matrix, and variance inflation factor analysis techniques for evaluating the data set.

The results of the Levin-Lin Chu unit root tools show that the independent variables, and the panels, have a unit root. The alternative hypothesis is rejected, and the null hypothesis is accepted with a probability level of 1.000. Therefore, for the outputs, it is possible to conclude that panels contain a unit root. Both the data from Conventional MFIs and the data from Islamic MFIs contain a unit root.

The researchers used the Breusch-Pagan/Cook-Weisberg tool to detect heteroscedasticity in the data set. The probability values for Conventional and Islamic microfinance firms are 0.0000 and 0.0077, respectively. The findings show that both Conventional and Islamic microfinance organizations have heteroscedastic data sets.

To examine the connection between two or more independent variables in the sample, the multicollinearity tool was used. A coefficient correlation matrix was used by the researcher. According to the analysis, the CMFI coefficients of all variables are less than 0.80. As a result, the researcher can assume that the independent variables in the case of Conventional microfinance organizations are not multicollinear. The coefficients of all variables of Islamic microfinance organizations are less than 0.80, according to the analysis. As a result, the researcher concluded

that the explanatory variables in the case of Islamic microfinance organizations are not multicollinear.

The variance inflation factor (VIF) was also used to look for multicollinearity issues in the regression model's data collection. The variance inflation estimates for parameters in the spectrum of models tend to range from 1.13 to 1.59 for all predictor variables in the analysis of Conventional MFO indicating that there is no multicollinearity between the constructs. The Hausman analysis tool was exploited to determine whether a fixed-effect or random-effect model was appropriate for the analysis. The results show that the p-value is usually less than 5%. (0.05). It points out that fixed effect models were selected as appropriate methods for the analysis.

The study discovered that the log number of beneficiaries has a positive and significant impact on the profitability of Conventional microfinance institutions, but not on the performance of Islamic microfinance institutions. According to the study, the log average loan per beneficiary has a significant relationship with the achievement/performance of Conventional microfinance organizations, but it has no significant relationship with the performance/financial growth of Islamic microfinance organizations and has a negligible negative association. To investigate the connection between management quality and the effectiveness (operating margin) of Conventional microfinance organizations. Some model outcomes assume that management quality has a substantial and detrimental impact on the efficiency (operating self-sufficiency, portfolio yield) of Conventional and Islamic microfinance organizations, as evidenced by statistical analysis. According to the research results, the quality of earnings has a statistically significant and positive relationship with both Conventional and Islamic microfinance organizations' financial/economic performance. The findings discovered a favourable and significant association between capital adequacy and revenue growth for Conventional microfinance organizations, but a negative relationship exists for Islamic microfinance organizations. The findings also demonstrate that the age of microfinance organizations with expertise has a significant and favourable effect on the profitability and economic performance/achievement (OSS, PY, ROA, and OM) of both Conventional and Islamic microfinance organizations in Bangladesh. The researcher devised 48 hypotheses, the vast majority of which were proven correct. Several studies have already been

conducted to assess the success of Conventional and Islamic microfinance organizations. It is unlikely that any studies have been conducted in Bangladesh to assess and compare the performance/progress and output of Conventional and Islamic microfinance organizations. The primary goal of this study is to discover how the selected independent components influence the profitability and financial outcomes of microfinance organizations. The efficiency and performance/achievements of CMFIs and IMFIs in Bangladesh are especially in comparison in this research work.

The method of determining the organization's concern strengths and weaknesses by correctly establishing the connections between the items in the statements is called business performance analysis. This research helps with short and long-term economic forecasts. Progress can be measured with the assistance of a financial performance review. Understanding financial outcomes leads to increased microfinance institutions' profitability and sustainability. MFIs can derive their financial results from activities and indicators in terms of ratios and indicators. The MFI industry is still developing and, with the government's assistance, should ensure a regulatory structure for smooth operation. The MFIs align with both the vertical and horizontal axes of society's elevation.

This research work explored a large number of determinants to evaluate the substantial aspects regarding the achievement of Bangladesh's Conventional and Islamic microfinance organizations to provide the model comprehensively. Panel regression was employed in the research to maintain more detail, variability, and efficiency. The variables were determined after a thorough review of the literature. The research presented a distinctive set of microfinance institution structures in the context of Bangladesh.

To the best of the researcher's knowledge, this is the first large-scale assessment and evaluation of the performance/accomplishment of Conventional and Islamic microfinance organizations in Bangladesh. This research is developing integrative models and employing a panel regression analysis tool to evaluate and analysis the performance of both types of microfinance organizations in Bangladesh.

The study's contribution is to provide policymakers, administrators, academicians, and researchers with guidelines for ensuring the growth of Conventional and Islamic microfinance organizations in Bangladesh. This research work also specified some potential research scopes.

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List of Abbreviations

Contents	
ALPB	Average Loan Per Beneficiary
BBS	Bangladesh Bureau of Statistics
BDT	Bangladesh Taka
BMS	Bangladesh Microfinance Statistics
BRDB	Bangladesh Rural Development Board
BSC	Balanced Scorecard
CA	Capital Adequacy
CAMEL	Capital Adequacy, Assets, Management Capability, Earnings, Liquidity.
CDF	Credit and Development Forum
CGAP	Consultative Group to Assist the Poor
CMFI	Conventional Microfinance Institution
CMFO	Conventional Microfinance Organization
EBIT	Earnings Before Income Tax
EQ	Earnings Quality
FEM	Fixed Effect Model
FSS	Financial Self-Sufficiency
GDP	Gross Domestic Product
GNI	Gross National Income
IMFI	Islamic Microfinance Institution
IMFO	Islamic Microfinance Organization
MFI	Microfinance Institution
MS	Microsoft Office
MRA	Microfinance Regulatory Authority
MQ	Management Quality
NOB	Number of Beneficiaries
NGOs	Non-Governmental Organizations
OSS	Operational Self-Sufficiency

OM	Operating Margin
PY	Portfolio Yield
REM	Random Effect Model
ROA	Return On Assets
ROE	Return On Equity
ROI	Return On Investment
STATA	South Texas Art Therapy Association
VIF	Variance Inflation Factor

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CHAPTER ONE: INTRODUCTION

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CHAPTER ONE: INTRODUCTION

1.1 The Research's Background

The microfinance institution (MFI) is a globally acknowledged organization for alleviating poverty that operates in many developing countries to aid deprived individuals (Meisami, et al., 2011; Fernando, 2008). It has brought positive changes to the lifestyle of its clients, enhanced the capability of the poor individuals to progress their situation, and generated earnings to raise their living standards. As a result, a microfinance institution holds a significant investment prospect in Latin America, Africa, and Asia. Moreover, most of the prominent international organizations like the Asian Bank, the World Bank, the European Union, the United Nations, and the American Development Bank offer financial support to the advancement of the organizations that are devoted to distributing microfinance to the poor (Miled, and Rejeb, 2015). Microfinance organizations make available small loans to low-income people (particularly those usually let off from economic services) through initiatives designed by programmers explicitly to fulfil their requirements (Khan, 2008).

The microfinance institution creates a comfortable atmosphere in which it can thrive with self-sufficiency (Adams, et al., 1983; Buss, 1999). MFI has provided non-financial services as well as novel reward systems. It has used group-based loan strategies, and indeed most of the loan lenders are women. It provides job chances for women, which improves payback rates and long-term financial viability (Hashemi, 1996; and Godquin, 2004).

In Bangladesh, microfinance organizations are executed by various entities such as Non-Government Organizations (NGOs), Banks (private and public), and particular programs of several organizations of the Bangladesh administration. These organizations disbursed BDT (Bangladeshi Taka) 403 billion in loans in June 2014, generated BDT 237 billion in savings, and had 33.73 million clients. Women enjoyed over 93% loan facility. Most of these microfinance organizations distribute loans under the category of general microcredit, microenterprise credits, finances for

particularly deprived people, cultivated loans, seasonal advances, and finances for calamity management for the poor people of the country ([www. mra.gov.bd](http://www.mra.gov.bd), visited 19/02/2021).

Along with the rise of the population each year, poverty among people is increasing consistently. It was hard for Conventional microfinance organizations (CMFOs) to tackle increasing poverty and offer potential economic assistance to the poor (Amin, et al., 2003). For example, although Professor Mohammad Yunus introduced the concept of microfinance, it failed to bring all people under microfinance's surveillance, and a lot of individuals are existing under the extreme deficiency line in his own country, Bangladesh. The main reason for the refusal of the opportunities provided by microfinance organizations is their high rate of interest; interest varies (from 15% to 120%) according to the type of organization (Amin, et al., 2003; Kabeer, 2001; Meisami, Manzur, and Roayae, 2011).

Islamic microfinance organizations ensure the same benefits as Conventional microfinance organizations, and it is based on Islamic Shariah. It emphasizes the reduction of scarcity in terms of poverty and other social ailments (Amin, et al., 2003; Kabeer, 2001). Based on Islamic Shariah many Islamic countries such as Malaysia, Yemen, Iran, Jordon, Pakistan, India, and Bangladesh have introduced Islamic microfinance services to fulfill the client's demands in everyday life.

It appears that due to its utmost potentialities, Bangladesh is striving to keep both the Islamic microfinance organizations (IMFOs) and Conventional microfinance organizations (CMFOs). The present study will try to shed light on the difference in the performance of Islamic and Conventional microfinance institutes in Bangladesh. This study will help policy actors, strategy makers and researchers propose the best microfinance models for the country. Before starting the difference in Conventional and Islamic microfinance organizations' performance, it would be more realistic to give a brief introduction to both Conventional and Islamic microfinance organizations.

Conventional Microfinance Organizations (CMFOs)

Conventional microfinance organizations create earning and employment opportunities for the poor. Commonly, microfinance organizations act as a provider of economic amenities such as credit, savings, transfer of money facilities, and micro-insurance services for poor communities (Yunus, 1983; Ledgerwood, 1998; Littlefield, et al., 2003; Robinson, 2001; Karnani, 2007; Prahalad, 2006).

Microfinance organizations offer financial products or amenities such as loans, insurance services, and payment services to underprivileged people. In other words, microfinance organizations create a financial movement that tries to provide monetary services to low-income people such as artisans, peasants, and small business proprietors and entrepreneurs (Bakhtiari, 2006; Ismail, 2012; Luvanga, 2013). Generally, the Conventional banks and other financial organizations leave out these individuals as they are well pondered, less creditworthy and risky while financial organizations are reluctant to give a tiny amount of loans because of high operating and administration costs (Kaleem, and Ahmed, 2010; and Ledgerwood, 1998).

Islamic Microfinance Organizations (IMFOs)

The Islamic microfinance organizations show an imperative part to reduce the poverty and promoting economic growth by imposing Islamic rules and regulations (Shariah). By maintaining an affordable structure, the IMFO provides sustainable development through the Islamic system. In addition, the Islamic financial structure provides socioeconomic developments including economic development, societal fair dealings, capability, and economic stability (Malina, et al., 2013).

Like Conventional microfinance organizations, Islamic microfinance organizations have performed to alleviate poverty in society. IMF's active trait prevents the penalty of structural destruction since they focus on moral and ethical issues to encourage fairness and equality for the success of the civilization. The IMFO is considered as poor friendly in terms of offering an improved economic instrument compared to the Conventional microfinance institutional method. Moreover, the IMFO is generating growing acknowledgment now because it offers Sharia compliant economic products and services (Said, et al., 2013; Amran, et al., 2014).

Islamic financial organizations present innovative Halal (products or services which are acceptable by Islamic Law) products or services to customers that provide guarantee-free loans, which give additional relief to entrepreneurs or proprietors. Workable schemes that are discarded by way of Conventional financial organizations as inadequate guarantees might confirm to be adequate to Islamic financial organizations. The IMFO, on the other hand, found that the Mudaraba structure (profit-sharing) has a higher return than the Murabaha structure (cost plus markup). The Murabaha approach is thought to be the most cost-effective. Because the microfinance organizations control the products until the last installment is paid, it has a lesser chance of error and provides instant collateral for microfinance (Alshebami, and Khandare, 2015). The IMFO offers an interest-free loan facility called Qard Hasan, and its activities are not involved any prohibited elements such as usury (riba). Qard Hasan is operated based on group loans as well as peer force assumptions (Dusuki, 2006). Trust has been the main force of the IMFO, and people are an exclusive part of the IMFI methods. In the group system, each group is offered a little advance. The new loan will be presented after recovering the earlier loan. The credit settlement format is every week. The finance is approved jointly according to the savings of the account. It is executed as assistance in participating in the development and accomplishment of the IMFO (Abdul Rahman, 2007; Abdul Rahman, 2013). The IMFO pays more attention to the payment structure to assist poor people as well as create new loan opportunities for supporting existing trade and new business. The effective repayment system depends on the business operations with excellent income along with the loan beneficiary. Enthusiasm and ability are the main force for achieving this. Upon getting the Qard Hasan credit, the credit recipients are offered funds management training to instill monetary accountability into the credit beneficiaries (Kaleem, and Ahmed, 2010; Kauffman, and Riggins, 2012).

Islamic Microfinance Organizations/Institutions Differ from Conventional Microfinance Organizations/Institutions in Several Ways.

Unless the benefit structure is considered, Islamic microfinance organizations are like Conventional microfinance organizations (Rozzania, et al., 2015). Conventional microfinance organizations (CMFOs) operate based on interest, whereas Islamic microfinance organizations are managed according to Islamic Shariah. Conventional microfinance organizations follow the Grameen Bank of Bangladesh's common model. This model is built on the concept of interest. Though Islamic microfinance organizations follow the Grameen Bank model, they are interest-free and require Islamic financing methods such as Mudrabah, Musharakah, Bay Bithaman Ajil, and others. As a result, there are some distinctions between Conventional and Islamic microfinance organizations, which are mentioned below:

Different sources of funding: Conventional microfinance organizations are backed by international donors. They even get their money from the clients' savings accounts. Islamic microfinance organizations also receive capitals from religious organizations such as Waqf, Zakat, and Anfal, among others.

Financing methods: Interest-based lending is used by Conventional microfinance organizations, whereas Islamic microfinance organizations do not. Murabaha, Ijarah, Mudarabah, Istisna, Bay Bithaman Ajil, and Musharakah are only about of the Islamic financial instruments used by Islamic microfinance organizations.

Transferring the loan balance in a certain way: Conventional microfinance organizations offer loans to clients in the form of cash, while Islamic microfinance organizations provide services and goods to clients directly rather than in the form of cash.

Community of people to target: Conventional microfinance organizations cater to women in society, while Islamic microfinance organizations cater to the entire family. The empowerment and advancement of women entrepreneurs in society is the aim of Conventional microfinance organizations. It is believed that women are making good use of their extra cash to increase their earnings. Family, on the other hand, is the cornerstone of Islam; it is not an impulsive public business, but a carefully planned institution. Family is held in high regard as a social institution. Islamic microfinance programs are designed to benefit the entire family, not just women. As a

result, in Islamic microfinance, both the beneficiary and a family member (spouse) are responsible for the loan.

Program for social growth: The secular social and ethical conduct is being established by Conventional microfinance organizations. Islamic microfinance organizations are evolving religious values such as ethics, social behavior, and so on.

Employee morale is important: Conventional microfinance organizations reward their employees with monetary incentives, while Islamic microfinance organizations reward their employees with both monetary and religious incentives.

Bangladesh has pioneered the microcredit movement. However, the sector faces numerous challenges in terms of operational capability, service quality and diversity, and political and macroeconomic determinants, among others. Though researchers have looked into the consequence of microcredit on beneficiaries, the performance of microfinance organizations in Bangladesh has received less attention. The research compared the performance of Conventional microfinance organizations and Islamic microfinance organizations to illustrate the challenges that they face in providing financial services to Bangladesh's rural and urban households. This is likely the initial research in Bangladesh to show empirical evidence comparing the performance of conventional and Islamic microfinance organizations, as well as analyzing their performance and cost-effectiveness.

1.2 The Study's Motivation and Research Gap

Microfinance organizations provide lending, credit, term deposits, insurance products, and bank transactions to small business owners. Microfinance organizations are critical because they provide services and capital to the financially underserved, people who cannot acquire bank accounts, lines of credit, or financing from traditional banks. If they do not have enough access to microfinance organizations, these people may be compelled to rely on high-interest loans or advances, and even borrow money from relatives and friends. Microfinance organizations assist them in investing in their companies, and thus in themselves.

Microfinance organizations are well-targeted in that their primary goal is to steadily reduce poverty in society. In 2017-18, 1,201.91 billion BDT worth of microcredit and microenterprise loans were disbursed, up 14.91 percent from the prior time. The total number of beneficiaries has risen to 25.40 million, with women, accounting for 93 percent of them. It is home to 15.88% of Bangladesh's population (www. mra.gov.bd, visited 19/03/2021).

The figure describes the underlying mechanism for the decline of investing assets in the economy in the condition of the discontinuation of microfinance. The MFI-intensive sectors would take the first blow, as demand would fall, contributing directly to a drop in actual GDP. There will still be several economic effects: the current value of capital will rise, and wage demand will rise to compensate for the decline in capital stock, the extent of which will be considered by the degree of substitutability concerning wealth and employment (Raihan, S., Osmani, s . R., & Khalily,M. B., 2015).

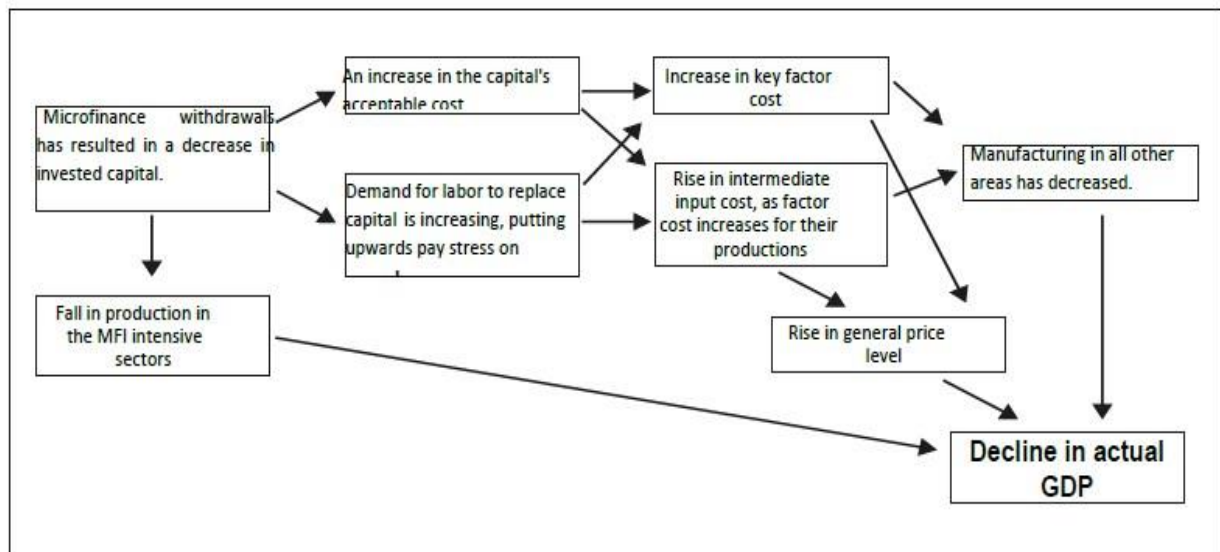


Figure 1.1: The Impact of Background MFI Investment to Zero: The Transmission Mechanism

Source: Raihan, Osmani, & Khalily, (2015)

If the cost of asset and labor grows, the principal aspect cost in the economy rises, as does the cost of intermediate inputs. Increases in key features and midway raw material costs will outcome in

lower output in all additional industries, in addition to an increase in the overall value level, resulting in lower real GDP (Raihan, S., Osmani, S. R., & Khalily, M. B., 2015).

Table 1.1: Effect on Real Gross Domestic Product (GDP) and Macro Determinants

	Both qualified and unqualified labor wage rates are expected to be changeable.	For unqualified workers, a competitive wage rate is assumed, while for qualified workers, a variable wage rate is assumed.	Both skilled and unskilled workers are considered to have fixed workers' wages.
Actual GDP	-11.9	-10.0	-8.9
Gross manufacture	-12.0	-9.9	-8.8
Exports volume	-11.7	-8.6	-6.9
Volume of local sales	-12.1	-10.1	-9.0
Source: Calculations based on CGE			

Source: Raihan, Osmani, & Khalily, (2015)

The simulation results for actual GDP and additional macro determinants concerning three separate employment market conventions are shown in the table below. There will be undesirable effects on actual GDP, gross manufacturing, exports, and local sales if microfinance were to be phased out of the economy. Actual GDP will be affected by 8.9% to 11.9 percent, gross output by 8.8% to 12%, exports by 6.9% to 11.7 percent, and domestic sales by 9% to 12.1 percent (Raihan, S., Osmani, S. R., & Khalily, M. B., 2015).

Microfinance organizations assist low-income or vulnerable citizens in improving their financial situation. From the study standpoint, microfinance organizations' success receives the most attention. As a result, the researcher's aim with the research is to assess and contrast the achievement of Conventional and Islamic microfinance organizations in Bangladesh.

Some researchers have evaluated the consequence of microfinance on poverty decrease and contributed to socio-economic change in the world (Samer, Majid, Rizal, Muhammad, Halim and Rashid, 2015; Agbola, Acupan, and Mahmood, 2017; Adonsou and Sylwester, 2016; Miled, and Rejeb, 2015; Hasbi, 2015; Nashihin, 2014; Amran, Rahman, Yusof, Intan and Mohamed, 2014; Uddin, and Barai, 2016). The performance of microfinance organizations in the auspicious markets of Asia, diminutive has been explained about the effectiveness of microfinance organizations in Bangladesh (Karel, and Batbayar, 2013; Alamgir, Hassan, and Dewan, 2011; Bhuiyan, Siwar, Ismail, and Talib, 2011; Rahman, and Mazlan, 2014; Ahmed, Bhuiyan, Ibrahim, and Said, 2016). This study aimed to determine the institutional performance of Conventional and Islamic microfinance organizations in Bangladesh, focusing on the financial effectiveness of the organizations in terms of productivity and profitability and examining the effectiveness of Conventional and Islamic microfinance organizations in Bangladesh.

1.3 The Research Questions and Objectives

The research questions are endeavoring to address the issue. This issue is often mentioned that, is handled in the study's findings by data evaluation and interpretation.

The researcher's research objectives, identify what he or she hopes to accomplish through the study. The study objectives are usually stated in simple words and directed to both the client and the researcher. A declaration of research objectives can be used to guide research activity.

1.3.1 Questions for the Research

1. What are the determinants that concern the performance/achievement of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh?
2. How do the determinants that concern the performance of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh?
3. How to compare the performance/achievement of Conventional and Islamic microfinance organizations in Bangladesh?

1.3.2 The Study's Objectives

This study assesses and compares the performance/achievement of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh to see which is more successful. The following are the broad and precise research goals:

The general objectives of the study work:

- To evaluate the performances of Conventional and Islamic microfinance organizations/institutions Bangladesh and compare them.

The specific objectives are:

- To determine the elements that influence the performance/achievement of Islamic and Conventional microfinance organizations/ institutions in Bangladesh.
- To evaluate the performance/achievement of Conventional and Islamic microfinance organizations in Bangladesh.
- To compare the performance/achievement of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh.

1.4 Methodology of Research

This research adheres to the interpretive model, which entails gaining information that will allow researchers to explain social phenomena to a layperson (Saunders, Lewis, & Thornhill, 2007). The analysis is descriptive and causal. The performance/ achievement of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh is examined in this report, with the two types of organizations being compared.

The methodology is a set of guidelines that leads researchers through the study process. It's both a theory and a review of how science is or should be done. The process of discovering intellectual property and converting it into knowledge, according to Ryan, Scapens, and Theobald (2002), is

called analysis. As a result, the researcher would have a better understanding of the facts in their immediate environment (objects and subjects from the present world to assist the users of the information). According to Sarantakos (2005), learning new things and broadening one's horizons in terms of knowledge, confidence, and new perspectives on different aspects of life are all part of studying.

According to Collis and Hussey (2003), is "the overall method for the exploration procedure, from the hypothetical context of data gathering and review." Ryan et al. (2002) describe research in terms of accounting from a social science viewpoint. They say that accounting and finance study studies are also part of social science. In the social sciences, research methods, tools, and techniques for collecting and analyzing primary and secondary data are all covered. People may trust social science research because it provides genuine, scientifically validated proof. It also helps us find solutions to a variety of social problems. It is a form of scientific investigation that can also be used to solve social issues.

Any research study's methodology, data collection process, variable selection criteria, analytical methods, and desired outcomes must all be explained depending on the research objectives. Bangladesh's financial sectors, specifically Conventional and Islamic microfinance organizations, are the subject of the research. This study employs epistemology and the positivism paradigm. The study's goal is to see if there is a connection between a few main determinants and the success of Conventional and Islamic microfinance organizations. The performance of these two types of microfinance organizations is also compared in the analysis. In the natural and social sciences, quantitative research focuses on the aspect of quantity or degree. It refers to anything that can be counted or expressed numerically. A systematic experimental analysis of observable phenomena using numerical techniques such as numbers, percentages, and other numerical techniques is what this form of research involves. The empirical study is solely focused on observation or personal experience. It is a method of gathering knowledge by direct and indirect observation or experience. Experimental research is another term for it. Until actively engaging in practices that will promote the production of the desired information, it is critical to first obtain the facts and data, as well as their source (Mishra, S. B., & Alok, S., 2017).

The deductive analysis aims to find causal correlations between variables, which leads to the development of hypotheses. As a consequence, qualitative data must be obtained to test the developed hypothesis in a systematic manner such that the findings can be repeated (Gill and Johnson 2002). Data was gathered from published annual reports from 2015 to 2018. Using quantitative methods, the affiliation between selected determinants and performance variables of Conventional microfinance institution (CMFI) and Islamic microfinance institution (IMFI) in Bangladesh is examined. The study also contrasted the outcomes of Conventional and Islamic microfinance organizations.

This research used both qualitative and quantitative methods to achieve its objectives. The analysis in this report was conducted using secondary data. The study's population is both Conventional and Islamic microfinance organizations in Bangladesh. Interest-based microfinance organizations are classified as Conventional, whereas interest-free (Islamic Shariah-based) microfinance organizations are classified as Islamic. The researcher looked at the Microfinance Regulatory Authority's registered Conventional and Islamic microfinance firms. The missing data was ignored in the analysis. The study collected information from 328 different microfinance organizations/firms (both conventional and Islamic microfinance companies). The study collected data from 320 Conventional microfinance organizations and 1280 observations (see page 159). Furthermore, the study picked 8 Islamic microfinance organizations and gathered 32 observations (see page 159).

The study gathered secondary data from microfinance national and foreign journals, organizations' annual reports, blogs, books, Bangladesh Bank's annual report, journals, MRA annual report, newspapers, and other sources to provide the status of Conventional and Islamic microfinance organizations in Bangladesh. The researcher selected a total sample size of 328 (both Conventional and Islamic microfinance organizations) for data collection (Fersi and Boujelbéne, 2016).

The researcher used the "Hausman Test" to evaluate which form of the panel regression model to use. The Hausman test technique is applied to assess the fixed and random effect models in a sample (Omri, and Chkoundali, 2011; Kipesha, 2013). The Breusch Pagan Lagrange Multiplier tool was also employed to choose the appropriate model, whether it was a random effect model or a pooled regression analysis (Kipesha, and Zhang, 2013). The term "multicollinearity" refers to a strong association between two independent variables (Kennedy, 2008) To measure

multicollinearity, the research enforced the variance inflation factor (VIF) or pairwise correlation coefficient (Boulila, Boudriga, and Ajmi. 2010; Kipesha, 2013; Kiganda, 2014, Kipesha, and Zhang, 2013). Financial ratios were used to compare and measure the performance/achievement of Conventional and Islamic microfinance organizations in the research. The descriptive statistics were applied to assess the condition of Bangladesh's Conventional and Islamic microfinance organizations. To analyze the research data, the researchers used Microsoft Office Excel (MS Excel) and STATA -16.

1.4.1 Framework for Thought

An organization's financial output is used to determine its effectiveness. Fersi and Boujelbéne (2016) define financial performance as an MFI's capacity to manage all types of expenditures with all types of income, as well as its ability to grow financially. Financial results are determined by economic and operational efficiency, as well as the achievement of maximum profitability. Return on assets (ROA) financial performance indicator used by organizations (Akala, I., 2018; Rahman, and Mazlan, 2014; Séne, 2010). Operating self-sustainability (OSS) is a financial metric that measures how well operating income covers operating expenses (Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., 2016; Omri, and Chkoundali, 2011; and Kipesha, 2013; Anduanbessa, T., 2009). Another percentage of the portfolio yield (PY) is a ratio used by financial companies to figure out how much money a company makes on its loans. The average of the entire loan portfolio is normally used to measure this ratio. Portfolio yield is a vital indicator of an organization's price benefit or disadvantage relative to other firms in the same sector. The business will determine whether to increase or lower interest and fees on new loans after comparing the portfolio yield to the market average. Based on the typical loan book, this metric depicts the MFI's ability to collect cash through interest, fees, charges, and commissions. A downward yield trend may signal a change in commodity mix, a change in loan rates, or a problem with increasing arrears (Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., 2016; Mersland & Strm, 2009). Return on asset is another efficiency metric. The MFI's return on assets (ROA) ratio demonstrates how it handles its cash. A favorable ROA demonstrates the sophistication of the MFI. Return on Assets (ROA) is a significant aspect of a business's economic position and profitability (Mallin, et al., 2014; Wasiuzzaman, Ramlan, and Adnan, 2016). The most popular technique for calculating profitability

and representing financial institution operating efficiency is to use ratio data (Hassene, and Kais, 2016; Anduanbessa, T., 2009). It evaluates a company's ability to produce profit by effectively using its properties (Rahman, M. A., & Mazlan, A. R., 2014; Usman, and Khan, 2014). After adjusting for production expenditures such as employment and input costs, but previously repaying charges or taxes, the operating income indicates what more profit a corporation generates from a sales revenue. It is intended by dividing an organization's sales revenue by its operating earnings. Until deducting debt and taxes, the operating margin is estimated. Operating margin (OM), also known as earnings before interest/charges and taxes, or EBIT, is measured by dividing operating earnings by sales or income. This is sales minus merchandise processing costs and general and administrative expenses. To put it another way, the profit is generated by the company's core operations (Anduanbessa, T., 2009).

The sum of beneficiaries (NOB) has an optimistic consequence on the outcomes of microfinance organizations, according to Ahmed et al. (2016). The rate of increase in financial performance is proportional to the number of beneficiaries. According to Fersi, M., and Boujelbéne, M. (2016) the log number of beneficiaries improves the performance/achievement of microfinance institutions. The number of beneficiaries, on the other hand, has a constructive consequence on an organization's achievement/performance, according to Kipesha (2013). The number of beneficiaries is proportional to the rate of increase in the company's output. According to Omri, W., the log number of beneficiaries has a positive effect on the productivity of organizations (2011). The number of beneficiaries is inversely proportional to the rate of increase in financial results. According to Rahman and Mazlan (2014), the number of beneficiaries has a major effect on the economic self-sufficiency or production of Bangladeshi MFI, but it harms their productivity.

According to Rahman, M. A., and Mazlan, A. R., the average loan per beneficiary (ALPB) has a marginal and negative consequence on MFI financial performance in Bangladesh (2014). The average loan per beneficiary is unfavorably involved with the success, profitability, and economic status of both Conventional and Islamic microfinance organizations. The productivity of the institution is affected by the average loan per beneficiary (Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., 2016; Mersland & Strm, 2009). The average loan amount per beneficiary is a measure of outreach (Navajas et al., 2000).

To investigate the positive affiliation between management quality (MQ) and MFI effectiveness, this assumes that management quality, as shown by statistical analysis, has a noteworthy influence on MFI achievement/performance. According to Fersi and Boujelbéne (2016), management efficiency is supposed to be productive. It proved that providing management with interesting data and a high level of performance can be an effective tool for monitoring and managing financial reporting and decision-making. MFI has a strong grip on the value of their portfolios and has an optimistic consequence of their financial results. According to Faizulayev (2011), management performance affects the bank's competitiveness and effectiveness in attracting new deposits from depositors as well as the elimination of non-payment debts owed by beneficiaries. According to Rostami, M., (2015), the management quality approach is used in this study to select clear and appropriate indicators, and it can help managers track and evaluate financial data as well as an institutional role in the industry.

Another critical consideration is the consistency of the earnings quality (EQ). It is statistically related to both Conventional and Islamic MFI's financial results. Rostami, M., (2015) illustrated how the earnings quality technique can be used to select clear and appropriate criteria, as well as how it can assist managers in monitoring and analyzing financial data and their institutional role in the industry, in this article. Financial organizations may use this approach to measure and evaluate ratios, concentrate on a situation, and make the best possible decision if a profitable problem occurs. They often employ it to inspire workers and gain a more influential and innovative position among competitors. One of the most critical aspects of earnings quality is comparing a company to others in its industry, both internally and externally. According to Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., the earnings quality technique has a constructive and substantial affiliation with organizational achievement/performance (2011).

The study discovered an optimistic and substantial connection between capital adequacy (CA) and organizational economic performance. According to Fersi, M., and Boujelbéne, M. (2016), there is a clear positive connection between capital appropriateness and financial achievement and efficiency of microfinance organizations. Capital growth reduces external borrowing, resulting in increased MFI efficiency. The capital must certify the overall steadiness and feasibility of the microfinance organizations. This metric evaluates an MFI's ability to withstand anticipated losses. Having enough capital allows MFI to improve overall efficiency. As a result, the MFI's diverse

cash flows help them to improve their financial efficiency. M. Rostami (2015) discovered that capital appropriateness and microfinance organizations' economic efficiency, as well as profitability identified by the operating margin, have a direct causal relationship. By increasing its capital, MFI will increase its effectiveness. This methodology can be used by financial organizations to calculate and analyze ratios, focus on a situation, and ensure that the right decision is taken if a profitable issue arises.

A company's age (AGE) reflects its level of experience, which has a constructive effect on profitability and financial performance. Age has a optimistic significant impact on an organization's overall efficiency, according to Fersi, M., and Boujelbéne, M., (2016). It affects the efficiency, productivity, and profit of a company. Kipesha, F. E., (2013) discovered that the age of the organizations evaluating a company's competence has a major impact on the organization's overall effectiveness, stability, financial results, and income-generating capacity.

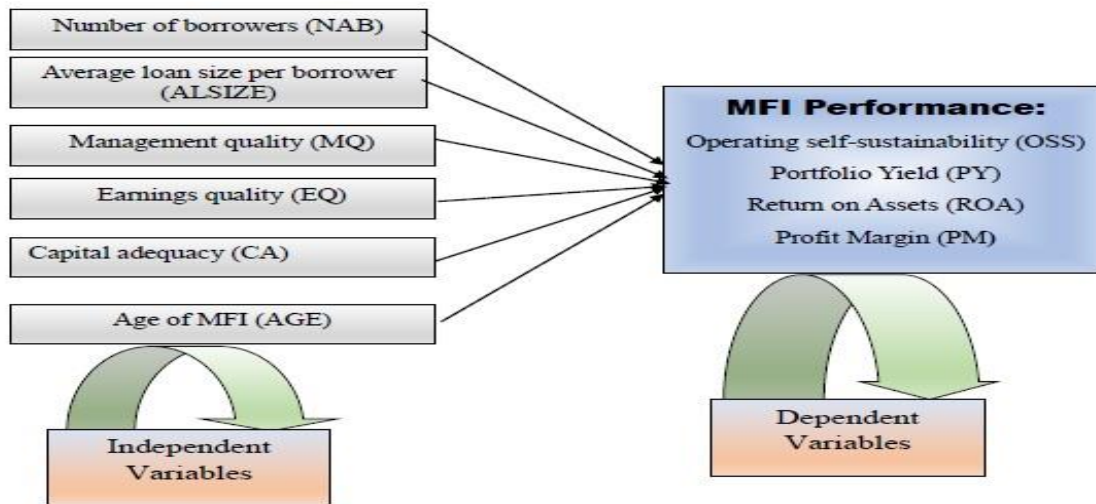


Figure 1.2: The Researcher's Researcher Model

Source: Construction by the researchers

1.4.2 Diagram of the Operation

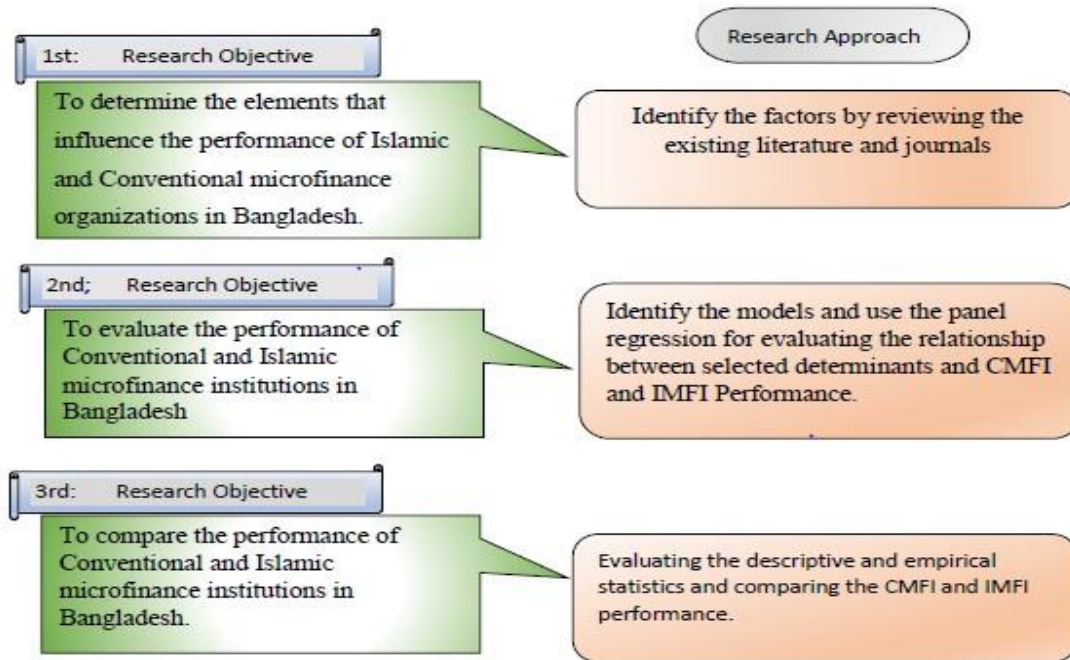


Figure 1.3: Conceptual Framework for the Research Work

Source: Constructed by Researcher

1.5 Microfinance Sector in Bangladesh

Bangladesh has been a leader in the microcredit movement, demonstrating to the rest of the world that the poor can repay their debts (Faruqee & Badruddoza, 2011). As a consequence, microfinance has reached a huge number of people worldwide. In this regard, MFI has risen to prominence as the primary financial institution for the deprived who lack access to recognized banking (Bangladesh Microfinance Statistics, 2017-2018, CDF). Non-governmental organizations (NGOs) are involved in providing microfinance services in Bangladesh, in addition to MFI. In 2018, Bangladesh had 705 microfinance organizations operating, with a total of 18,196 branches and 153,919 employees. Microfinance organizations have been very employed, with loan

disbursements totaling BDT 1,201.91 billion, loan outstanding of BDT 673.90 billion, and 25.40 million beneficiaries (Bangladesh Microfinance Statistics, 2016- 17).

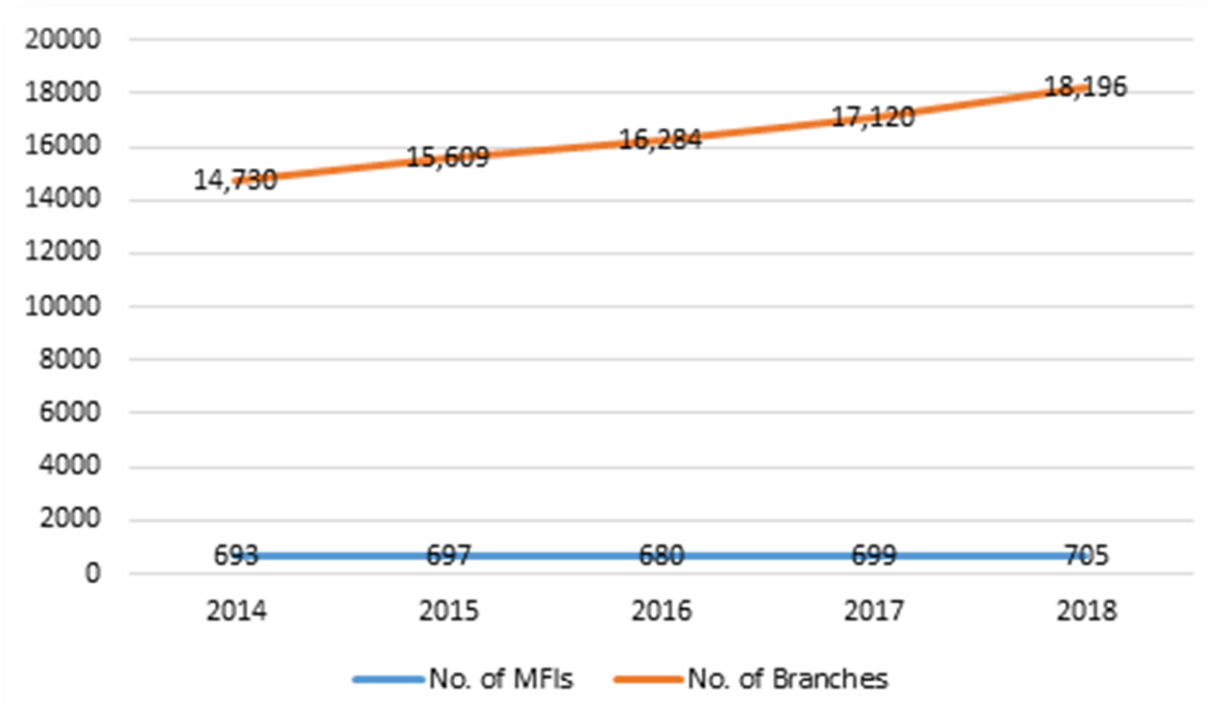


Figure 1.4: No. of MFI in Bangladesh

Source: Bangladesh Microfinance Statistics, 2017-2018, CDF

Microfinance Loans are well focused in that their primary goal is to steadily reduce poverty in society. In 2017-18, the total amount of microcredit and microenterprise loans disbursed was 1,201.91 billion BDT, up 14.91 percent from the prior year. The overall number of beneficiaries has greater than before to 25.40 million, with 93 percent of them presence females. Grameen Bank, which disburses BDT 207.85 billion, BRDB, which disburses BDT 13.96 billion, and Jubo Unnayan Adhidoptor, which disburses BDT 1.44 billion, are other major micro-loan programs in Bangladesh.

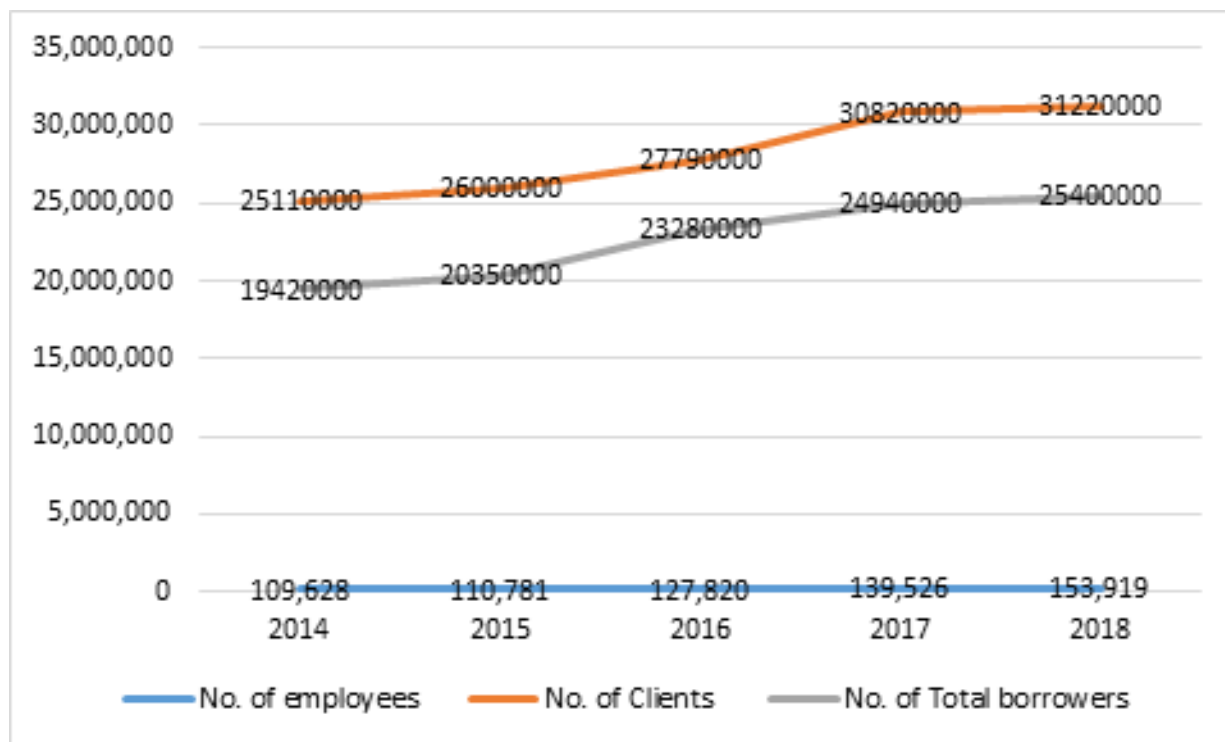


Figure 1.5: MFI Expansion analysis of Mathematical Variables

Source: Bangladesh Microfinance Statistics, 2017-2018, CDF

People directly profit from microcredit, especially microenterprises, as a source of working capital. General microcredit, ultra-poor loans, microenterprise loans, house loans, and other forms of loans are available in this market. MFI disbursed BDT 462 billion in 2013-14, up 37.23 percent to BDT 634 billion in 2014-15. Total loan distribution was BDT 787 billion in 2015-16, and BDT 1,046 billion in 2016-17, a rise of 32.93 percent. The sum was raised to BDT 1,201.91 in 2017-18.

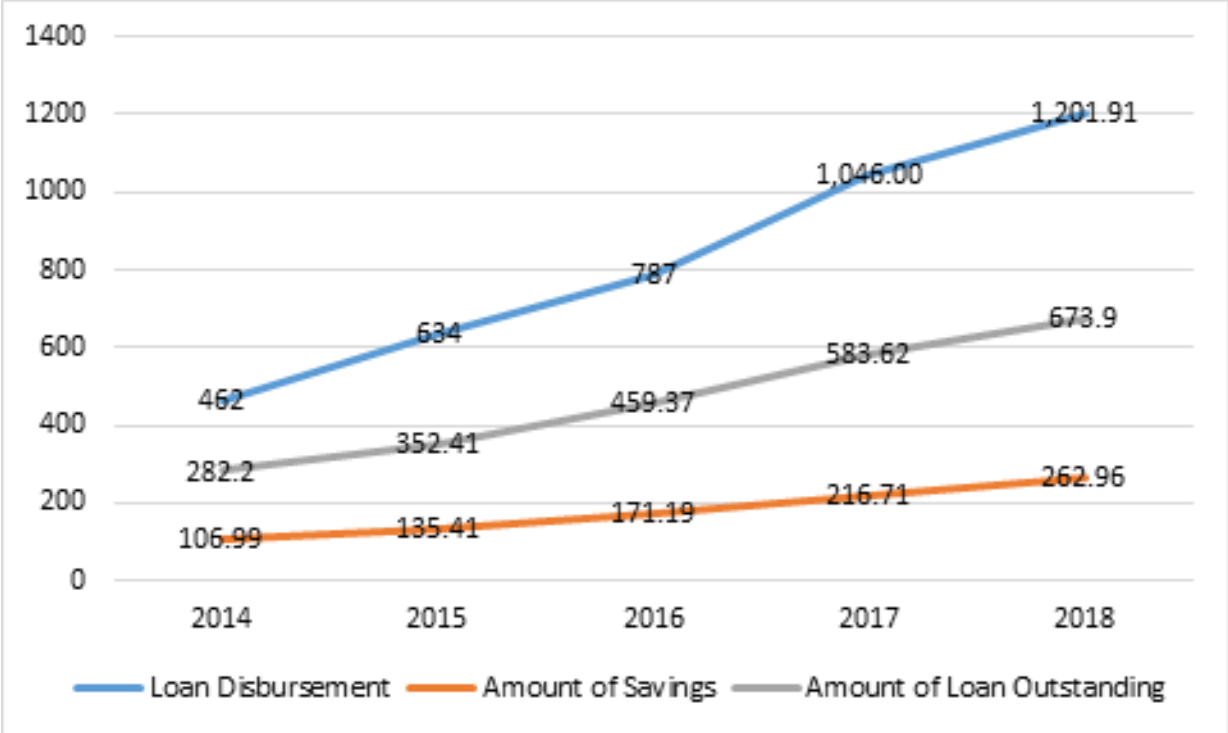


Figure 1.6: MFI Expansion Assessment of Quantitative Variables (TK. Billion)

Source: Bangladesh Microfinance Statistics, 2017-2018, CDF

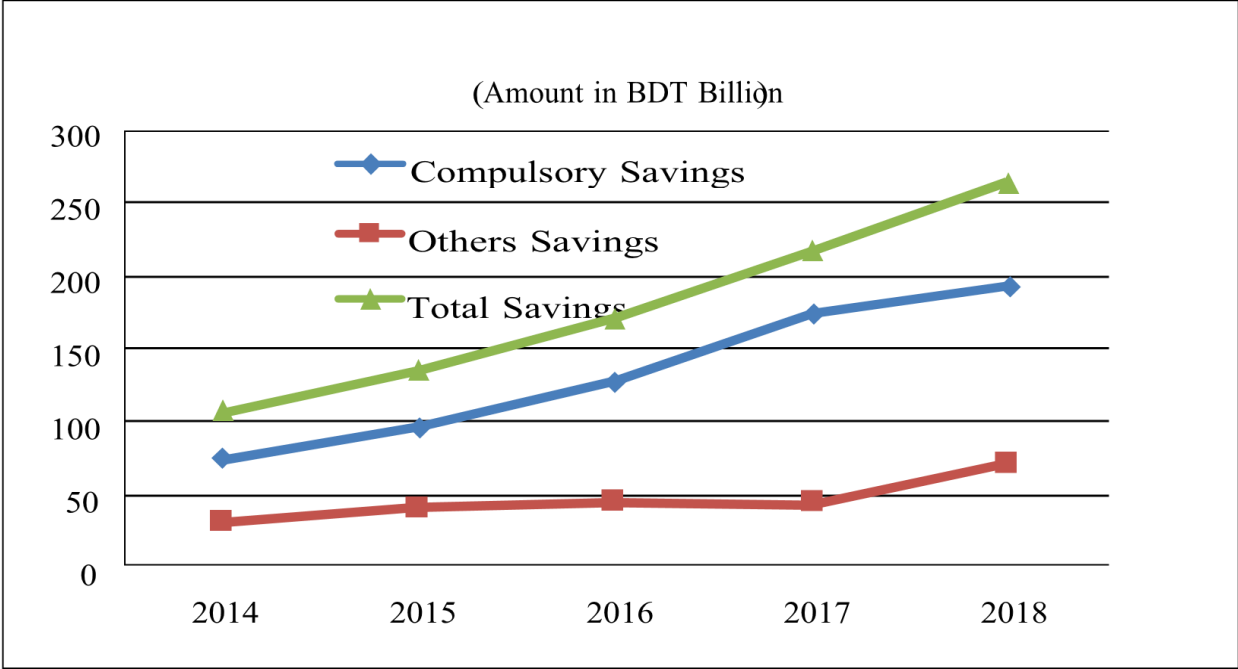


Figure 1.7: Trend of Savings in the Microfinance Industry

Source: Bangladesh Microfinance Statistics, 2017-2018, CDF

Client savings, cumulative surplus, bank borrowing, and PKSf were the MFI's primary sources of funding (nearly 97 percent). Savings increased by more than 29% from one year to the next. Commercial banks, on the other hand, are lining up to invest in the sector, as is the PKSf, a government-subsidized fund designed to boost the sector's fund size. As of June 30, 2018, net savings accounted for 50.66 percent of total debt, bank loans accounted for 29.25 percent, and PKSf accounted for 9.20 percent.

The top two microfinance organizations in Bangladesh account for roughly half of the overall loan outstanding and savings in the part. BRAC and ASA, the two largest MFI, serve over four million beneficiaries each. A few more are in the works. In terms of both customers and overall economic portfolios, the official concentration ratio is heavily skewed in favor of huge MFI: only 20 organizations regulate 75% of the market-share, while the two chief organizations regulate over 50%.

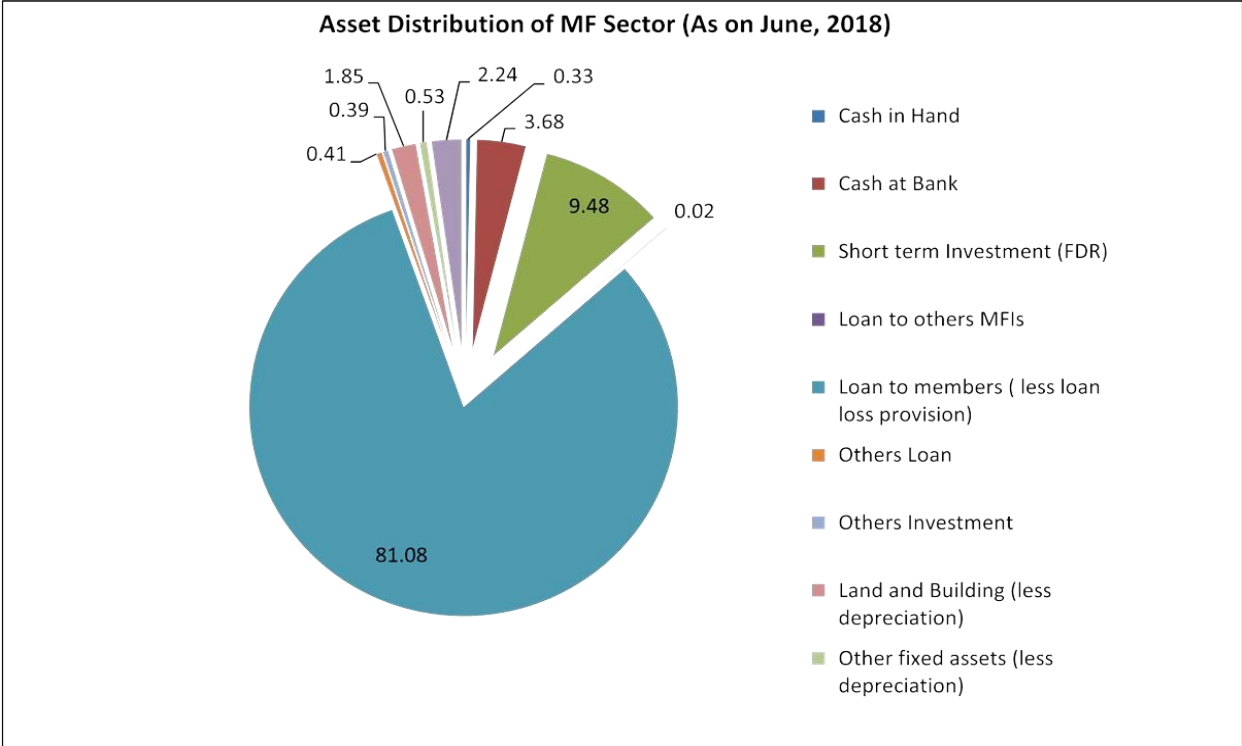


Figure 1.8: Asset Distribution of the Microfinance Industry

Source: Bangladesh Microfinance Statistics, 2018, CDF

In 2018, the asset distribution of microfinance organizations was 0.33 percent cash in hand, 3.68 percent cash at bank, 9.89 percent FDR, 2.24 percent loan to others MFI, 81.08 percent loan to others, 0.41 percent others loan, 0.39 percent others investment, 1.85 percent land and construction, and 0.53 percent other fixed assets.

MFI also improved its members' ability to manage larger loans. Most of MFI's business clients will soon be replaced by SME clients. These women are now financial managers from impoverished families, which was unimaginable even three decades ago. Many women are now found sitting in their businesses to conduct business. Millions of members have been able to accumulate financial assets because of the microcredit scheme. They are not only creating jobs for themselves, but also for others, and they are stopping people from flocking to cities in search of work. MFI makes a huge contribution to the national economy through credit. They contributed 15.38 percent of total credit in the published financial year, compared to bank credit. They also contributed 3.47 percent

to the deposits of the national banks. MFI keeps their deposits in commercial and other accounts and only disburses them to their clients from there. As a result, the savings of MFI clients are used by banks as well. MFI and banks would benefit from improved savings services. Since microfinance is mostly used in rural areas, most funds go to agriculture financing. Total microcredit disbursement is predicted to account for 43% of the nation's agricultural GDP (Bangladesh Bureau of Statistics, 2021)

Microfinance's Contribution to Socio-economic Development

Microfinance is an important part of Bangladesh's economy, and the financial sector's development is heavily influenced by the country's socioeconomic, macroeconomic, and financial stability. Microfinance has indeed been considered a reduction of poverty and accessible financial program since that focuses on and serves the poor, particularly women, and micro-enterprises and businesspeople who frequently have restricted access to official financial organizations. Bangladesh's economy has outperformed the rest of Asia over the last decade, according to the World Economic Forum. Microfinance now performs a much bigger part in Bangladesh than it did in 1990 when its key goals were funds utilization and loan distribution. Microfinance's importance as a vehicle for creating jobs is increasingly acknowledged even more than its traditional role of aiding businesses that lack accessible access to formal finance and encouraging impoverished people to save. As its purpose is becoming more varied over the period, microfinance became more endearing to policymakers as a vehicle for allowing widespread financing, rather than only microfinance services for economic development and poverty alleviation. Even after accounting for various program memberships, over 30 million individuals are MFI members in total—which denotes a significant improvement in Bangladesh's access to institutional economic services. MFI is more representative of the lower-income community. This means that 65 percent of Bangladesh's 110 million rural population has access to formal financial organizations.

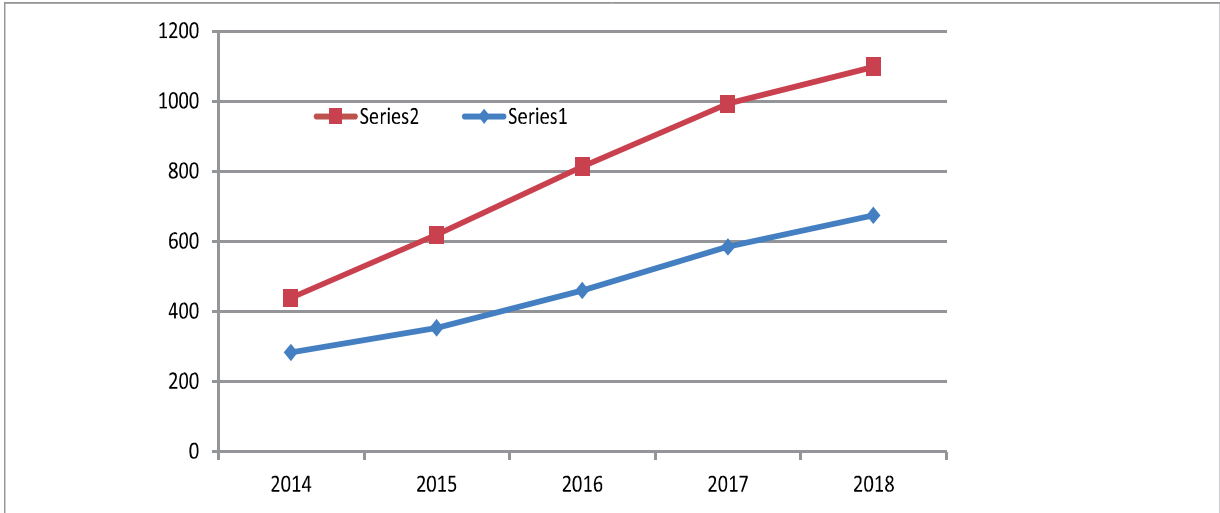


Figure 1.9: Year-wise Agriculture Loan Disbursement and Outstanding in Microfinance Industry

Source: Bangladesh Microfinance Statistics, 2017-2018, CDF

Over the five years from 2014 to 2018, the microfinance sector's Agriculture loan disbursement and outstanding Agriculture loans have been steadily increasing. Microfinance organizations are doing well, with BDT 423.69 billion in loan disbursements and BDT 673.90 billion in loans outstanding in 2018. (Bangladesh Microfinance Statistics, 2017- 18). It has provided opportunities for jobs in society. As a result, microfinance organizations created jobs and helped to improve the country's financial condition.

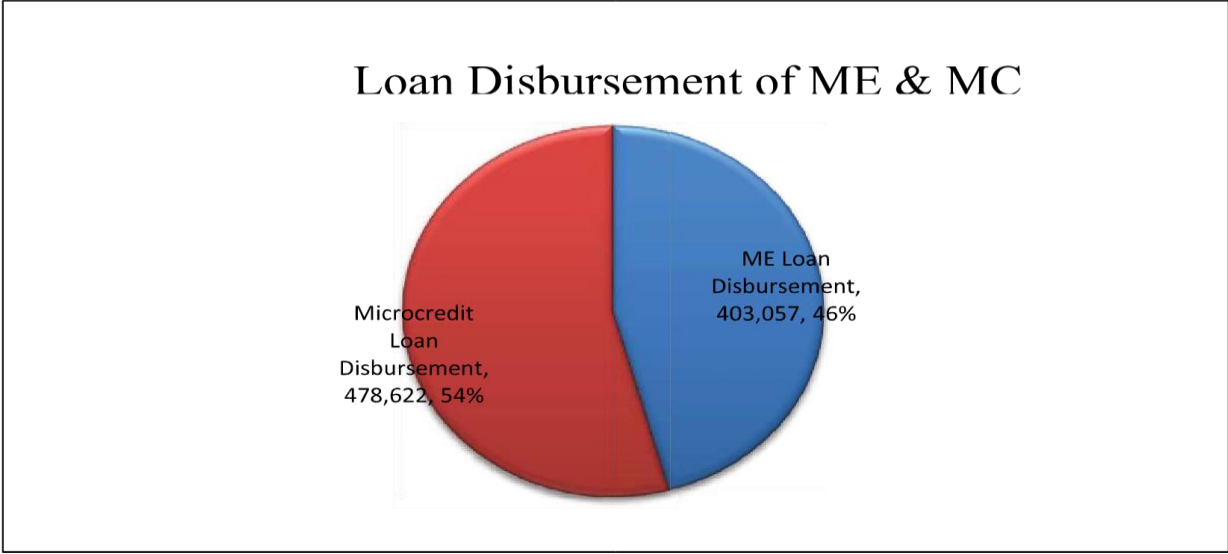


Figure 1.10: Share of Microcredit and Microenterprise Loan Disbursement in the Microfinance Industry

Source: Bangladesh Microfinance Statistics, 2018, CDF

The scenario of a microenterprise loan and a microcredit loan from a microfinance institution is depicted in the diagram. MFI disbursed BDT 403.057 billion in microenterprise loans in 2018, and BDT 478,622 billion in microcredit loans. These loan facilities resulted in self-employment and developed the country's economic situation.

1.6 The Study's Contribution

Microfinance is not a new thought. It dates to the 19th century, when the function of the present formal financial organizations was informally performed by money lenders. Different approaches to growth have been developed over the past two decades by policy makers, international development agencies, non-governmental organizations, and others intended at reducing poverty in developing countries. One such technique, which has become progressively common since the initial 1990s, includes microfinance systems that provide the poor and working classes with economic services in the way of reserves and credit opportunities (Johnson and Rogaly, 1997).

Finance is an exceptionally powerful instrument for disseminating economic opportunities and fighting poverty. Entry to finance enables the poor to take advantage of their rich talents or to open doors for greater possibilities. One of the means of growing the productivity and income of the deprived is to provide sustained economic service. Despite the exponential growth and phenomenal outreach of the banking system in Bangladesh, empirical studies in the 1980s have shown that a large number of the underprivileged people continue to remain beyond the scope of the formal financial system. And, even in this condition that the solution to microfinance has come. Starting with the Grameen Bank founded in the 1970s by Mohammed Yunus, microfinance represented a form of lending to be tailored directly to the poorest population in the world. Initially, microfinance was a form of voluntary aid for the most vulnerable population. Today, however, it represents a market solution to poverty alleviation and serves as a development and economic instrument to achieve financial inclusion in Bangladesh. Microfinance organizations are referred to various services such as deposits, credit, insurance, and remittance services to the needy (MFI). Microfinance institution (MFI) has emerged as a bridge between the banks and the poor. They are actively involved in money lending in particular. Micro-credit seeks to provide beneficiaries with a lifeline by offering loans at lower interest rates, thus reducing the need for moneylenders and raising living standards. The MFI sector has huge potential and should concentrate on the rural group to bring about economic development in the region. Microfinance is a hot topic at the United Nations. Mohammad Yunus received the Nobel Peace Prize in 2006 for his association with the Grameen Bank. (Christen, R.P., Rosenberg, R., Jayadeva, V., 2004).

Analysis of commercial results is the method of determining the company's economic strengths and weaknesses by correctly establishing the relationship between the items in the statements. It also assists in forecasting for the short and long term. With the assistance of a financial performance review, progress can be established. Knowing financial results leads to improving profitability MFI and sustainability. In terms of ratios and indicators, an MFI can deduce its financial results from its activities and indicators. The MFI sector continues to develop and should, with the help of the government, ensure a regulatory structure for smooth functioning. The MFI meets the vertically and horizontally axes of society's elevation.

The study's first contribution is to describe the critical determinants that concern the achievement/performance of Conventional and Islamic microfinance organizations. The thesis looks at similar literature and pinpoints a few variables.

The research's second contribution is to assess the association between the chosen variables and the achievement of Conventional microfinance organizations and Islamic microfinance organizations. These selected determinants had a significant effect on the Conventional and Islamic microfinance organizations, according to the findings.

The third contribution of this research work is to evaluate and contrast the success/achievement of Conventional microfinance organizations and Islamic microfinance organizations. Conventional microfinance organizations outperform, according to the study.

The study's final contribution is to present standards to decision makers, administrators, scholars, and researchers for ensuring the expansion of Conventional and Islamic microfinance organizations in Bangladesh.

1.7 Outline of the Dissertation

The **first chapter** discusses the topics that will be covered throughout the study. The **second chapter** reviews important literature in the field of microfinance organizations' performance, and some selected determinants and identifies research gaps that need to be addressed. This chapter also offers a theoretical context for further study by describing the fundamental theories relating to microfinance organizations' performance and identifying the research questions. **Chapter three** presented an overview of microfinance organizations in Bangladesh. The study's analysis methodology is presented in **Chapter four**. The foundation for the research hypotheses is laid out in this chapter. It also covers testing methods, sampling techniques, model selecting methods, operationalization of the instruments used, and data analysis techniques. Using the methods outlined in the fourth chapter, **Chapter five** illustrates the research outputs. Both descriptive and empirical analysis was included in the findings. This chapter also discusses how the outcomes of the study relate to earlier research. The conclusion is presented in **Chapter six**, which contains a summary of the results, theoretical implications, administrative implications, and finally, the

study's limitations and potential research scope are addressed. The study outlines of the theses were revealed in Figure 1.11.

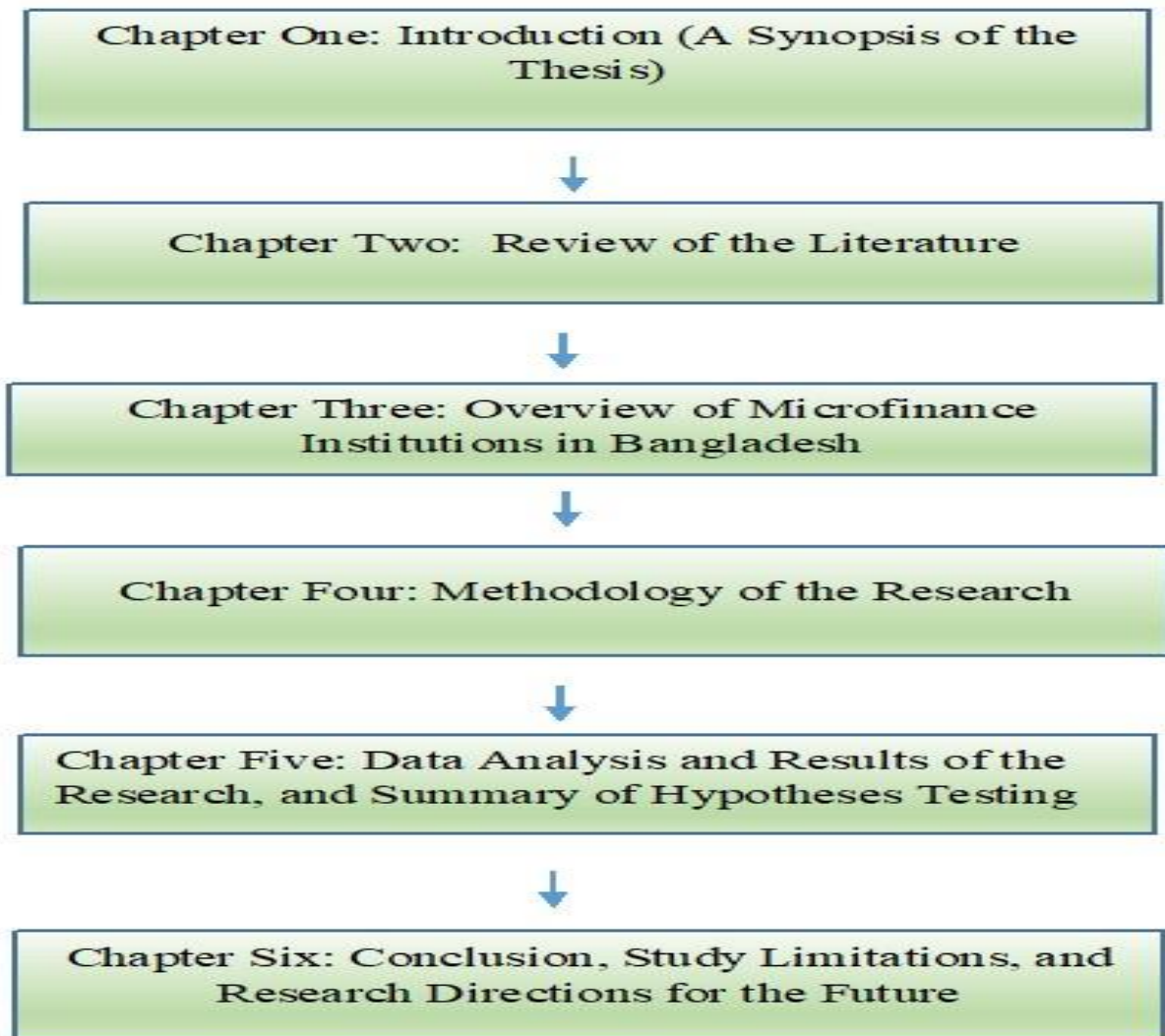


Figure 1.11: Outline of Research (Researcher's Framework)

Source: Constructed by Researcher

CHAPTER TWO: REVIEW OF THE LITERATURE

Contents	
2.1	Introduction
2.2	Theoretical Literature
2.2.1	The Concept of Performance
2.2.2	Review of Performance Indicators
2.2.3	The Concept of Microfinance
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2.2.5	The Concept of Islamic Microfinance
2.2.6	Differences Between Conventional and Islamic Microfinance
2.2.7	Microfinance Delivery Models
2.2.8	Performance Evaluation Methods of Microfinance Organizations
2.3	Empirical Literature Review
2.4	Summary of the Chapter

CHAPTER TWO: REVIEW OF THE LITERATURE

2.1 Introduction

A literature review is a summary of key publications and other resources on a specific topic that has been published. The study can comprise academic journal articles, books, credible government documentation, Web pages, as well as other sources. The literature review describes, summarizes, and analyzes each source. It is frequently included in a graduate dissertation or thesis as a separate section. The following is how this chapter is structured: The theoretical literature is discussed in Section 2.2 from the viewpoints of numerous scholars from around the world. The idea/concept of performance is discussed in Section 2.2.1 A review of performance indicators is discussed in Section 2.2.2 Sections 2.2.3 addresses the concept of microfinance. The concept of Conventional microfinance is seen in Section 2.2.4. The concept of Islamic microfinance is presented in section 2.2.5 Section 2.2.6 presents the distinctions between Conventional and Islamic microfinance, the microfinance delivery models are highlighted in section 2.2.7 Section 2.2.8 represents the performance evaluation of microfinance. The empirical literature review for this study is detailed in section 2.3, and the chapter summary is presented in section 2.4.

The goal of this method is to investigate the collection of the theory which has been gathered concerning a specific issue, concept, or phenomenon. Conceptual literature reviews are useful for discovering what ideas are already present and their interconnections. In addition, literature reviews will help to formulate new hypotheses to investigate. This format is widely applied to show a lack of appropriate theories or to validate that recent theories are unsuitable for explaining new and future research concerns. A theoretical concept, a whole theory, or a theory may be the focus of the analysis unit.

2.2 Theoretical Literature

The conceptual review of literature assists in determining which concepts also now present, their associations, the extent to which relevant theories have indeed been evaluated, and the formulation of new assumptions to be assessed.

2.2.1 The Concept of Performance

The performance of an enterprise usually refers to the sum of tangible and intangible services provided during a specific period. Banking operations are defined as the production of facilities for investors and other stakeholders in the production policy. Land, capital, and labor are existing Conventional aspects that are needed as inputs to achieve expected outputs. The production model sees banks as capital and labor-intensive producers of deposit and loan services. (Hassan, Mohamad, and Bader, 2009). Organizational performance can be referred as "the capacity of the enterprise to attain its objectives through employing organizational wealth proficiently and successfully" (Daft, 2000).

The survey of different research studies in the specified area indicates that the terms performance/achievement assessment, merit rating, and performance review are mostly applied in determining the performance of employees or employers (D.S.S., 1976), while organizational consequence is being applied to measure the performance level of an enterprise (Ralph, 1980). Sobhan and Ahmed (1980) applied value-added, capacity utilization, sales, and profitability of the nationalized industries as well as production trend as performance indicators. Some Government agencies were found to prefer physical indices and economic indicators for measuring the performance of public enterprises to other measures (BBS, 1989). Kast and Rosenzweig (1981) identified three dimensions of organizational performance like, consequence, efficiency, and participant satisfaction. Three categories of performance, according to Van de Van (1976), appear suitable for the comparative research of organizational achievements over time: productivity, consequence, and employee morale.

Performance is the achievement of the organization. It has relation to its goals. The goals are determined by the managers of the organization, the outcomes are achieved by the individuals and teams. The goal of profit-oriented companies is to achieve maximizing shareholder value. There are two reasons: first, shareholders invest their money in the company, and second, stakeholders are the lawful proprietors of a business, and their portions represent a right on the returns from the enterprise. Profitability can be determined by the return on the invested capital of an enterprise. Shareholder value means shareholders earn by purchasing shares in a company. Profit growth of a company means the increase in net profit over some time (Charles W. L. Hill, and Gareth R. Jones, 2010).

Organizational performance (OP) assesses how well an enterprise achieves its objectives (Hamon, 2003). OP can be measured by a business's consequence and success in objective attainment (Robbins and Coulter, 2002). Andersen (2006) points out that the idea of efficiency is the proportion, involving those two objects is essential when computing efficiency (e.g., return on assets). He also discusses that when efficiency is a point of aim achievement, that is, the attainment of consequence. Schermerhorn et al. (2002) state that achievement/performance means the excellence and measure of individual or team accomplishment. According to Hancott (2005), since the middle of the 1900s, many parameters have been applied to evaluate OP, including revenue growth, net or overall asset growth proportion, profit on sales, shareholder yield, market share growth, and the number of modified products, and return on assets. Return on resources and return on wealth were considered to measure performance in 1990. Steer (1975) measures organizational performance into three measurements such as economic achievement, commercial performance, and organizational efficiency. Furthermore, Delaney and Huselid (1996) show two techniques to evaluate organizational achievement/performance: first determining organizational achievement/performance; second, determining market performance. These are applied on tangible or intangible service quality, modified product or new service, worker involvement, worker retention, buyer delight, etc. The BSC measures business performance in all the categories of the Balanced Scorecard while balancing economic and noneconomic criteria in a single report (Horngren et al., 2003).

The idea of cost efficiency is calculated to judge an organization's performance. Organizational efficiency can be calculated in different ways; it is determining the organizational operations at the

lowermost price of inputs and maintaining the quantity of production/output. The best general determination of organizational competence, and functional efficiency, is revealed by operating overheads as a proportion of the average gross credit portfolio or overall resources (Shahidur R. Khandker, M.A. Baqui Khalily, and Hussain A. Samad, 2016)

Economic management covers decision-making in working capital management, financing, and dividend policy. Wealth maximization is calculated by the market price of shares. The finance functions depend on the extent/size of the organization. Economic management is a dynamic aspect of the firm. The economic proportion analysis is a substantial main record contained in the economic statements and the substantial relationships that exists between them. The type of association to be evaluated by an analyst would mostly depend upon his aim and reason for the assessment. The efficiency with different assets of the organization is applied by the activity/efficiency proportions. From the theme of perspective of management, debtors, inventory, present assets, networking capital, total assets, etc. are more useful. Some proportions are useful from the point of view of operational efficiency of an organization; these are the percentage of return on overall assets and invested capital, etc. (Khan, and Jain, 1999; Horne, 2002).

Organizational performance is typically applied based on organizational viewpoint and economic viewpoint. Organizational viewpoint builds on behavioral as well as sociological forms of service value, product/service quality, and competitiveness. However, the economic viewpoint shows the scale/magnitude of external market characteristics of the organization's competitive commercial circumstances, and everything related to business viewpoints (Tvorik, and McGiven, 1997).

Samad (2012) evaluated organizational performance. The study identified 10 types of organizational activities and 3 broad areas: consequence of the organization, economic-related performance, and business-related performance. Performance of the organization is measured depending on profitability, yield on assets, gross income, return on capital, return on investment, profit on sale, market share, income growth, trades growth, share price, export progress, and operational consequence and liquidity.

Jones, et al., (2001) assessed organizational performance in various ways such as

- monetary performance like profitability and return on investment

- performance of the market such as market share, customer satisfaction
- performance of the products in terms of product reliability as well as the number of unique production attributes).

Organizational performance is an imperative matter for the organization itself, and the shareholders of the organization. Organizational achievement/performance measures how well organizations do their tasks. Organizational efficiency is the proportion of physical raw material/input to physical finish product/output (English, and Marchione, 1983). Organizational performance is multi-dimensional. It is concerning economic achievement/outcomes (market value and firm profit,), organizational achievement/outcomes (customer satisfaction or productivity), and human resource management (job satisfaction of the employee).

2.2.2 Review of Performance Indicators

Until now there has not been any study detailing a comprehensive set of performance indicators. This leads one to examine further some of the studies on performance evaluation of an enterprise to evolve an acceptable mechanism of measuring the performance of a given enterprise concerning other enterprises. During the 70s, Steers (1975) discovered 19 aspects that have been utilized in studies. Performance was measured by worker or peer assessment ratings, profitability was measured by exact output data, worker engagement was evaluated by self-report survey questions, rate of returns was calculated using economic statements, and withdrawal was calculated using archival turnover and absence of data. Islam, Uddin, and Ahmad (2002) identified the operating performance of firms, which includes operating revenue margin, actual profit margin, operating income on assets, profit on assets, and yield on equity. Another research was evaluated by Chowdhury, Anwar, and Masum (1998) and measured the performance, and included general business measures, commercial profitability measures, and employee efficiency measures. They included the growth of deposit, advance and net profit for general business measures, return on equity, profit per unit of deposit and advance for commercial profitability measures, and deposit each employee, advance each employee, profit each worker, and income per employee for employee efficiency. Jannatunnesa (2016) identified the performance of the firm based on economic consistency and profitability. Hartarska (2005) also considered the profitability and

sustainability of an enterprise are dignified by Economic Self-Sufficiency, Operational Self-sufficiency, Return on Assets, and Return on Equity.

The economic condition and structure of a corporation typically decide its economic performance. This data comes from the economic statement, which serves as a benchmark for evaluating and monitoring results. Economic statements are applied by business leaders to create a structured economic plan that maximizes shareholder equity while minimizing potential risks. Economic statements assess a company's economic status and results. External stakeholders, such as shareholders, government officials, and lenders, are served by these claims (Rahaman, 2010).

Economic performance evaluates how well an organization makes value for the authorities. Financial organizations' monetary performance can be assessed using a set of economic evaluation systems, benchmarking, and accomplishment against budgeting, or a combination of these methods. Financial organizations' economic announcements also include several economic methods that are applied to assess the company's results (Oye, 2006). Coleman and Osei (2008) identified the performance/achievement indicators, that are return on assets (ROA) and Outreach from the MFIs at degrees in their economics.

Return on assets (ROA), operating self-sufficiency (OSS), incomes (portfolio yield), and functional expenditure are considered to evaluate business performance. Overall consequence, quality, and risk are applied to determine economic results. Profitability refers to a lender's capacity to recoup the entire amount of economic services while still making a profit. (Quayes, 2012). Samad, (2004) analyzed internal causes, those associated with economic statement items and income statement items of banks, following an analysis of the income sheet and balance statement of Islamic and Conventional commercial monetary organizations in Bahrain, this research employs eight economic percentages to relate the economic performance/achievement of Islamic financial organizations and Conventional financial organizations in Bahrain. The economic performances are classified into three categories in terms of performance, as follows:

- a) Liquidity
- b) Profitability
- c) Credit or loan

Economic proportions have been usually applied to assess the success of banks. The loan and lease proportions are commonly considered to quantify the quality of a bank's resources, and they may also be applied to calculate the credit uncertainty connected with a specific asset (Wasiuzzaman, Gunasegavan, 2013). The economic condition and structure of a corporation typically decide its economic performance. This data comes from the economic statement, which serves as a benchmark for evaluating and monitoring results. Economic statements are applied by business leaders to create a structured economic plan that maximizes shareholder equity while minimizing potential risks. Economic statements assess a company's economic status and results. External stakeholders, such as shareholders, government officials, and lenders, are served by these claims (Rahaman, 2010). The study shows the usefulness of yield on assets (ROA) and yield on equity (ROE) as economic performance deals together with functional and monetary self-sufficiency (OSS and FSS, correspondingly). As no MFI in our sample is planned, market performance metrics are unlikely. The raters' comments are applied to measure ROA, ROE, and FSS. Portfolio sales separated by operating expenses equals OSS. Because of the MFI's different asset construction, access to sponsored funds, and potential discrepancies in default strategies, this measure is free of bias. FSS is a modified calculation of OSS that takes economic costs, default charges, sponsorships, and additional MFI-specific changes into account. In MFI evaluations, OSS and FSS are extensively applied metrics (Armendáriz and Morduch, 2010). ROA, OSS, portfolio yield (sales), and Operational prices are applied to evaluate economic results in terms of overall profitability (Christen, 2000). The most popular methods for measuring performance are proportion indicators, parametric and non-parametric methods, and proportion indicators (Wijesiri, Vigano, and Meoli, 2015).

MFIs' organizational success is mainly determined by their human resource capability. This necessitates some specific duties (management, activities, audit, human resources, etc.) as well as codified protocols that must be strictly followed (Fersi, and Boujelbene, 2016).

Kipsha, (2013) identified four aspects as the determine of performance/achievement of microfinance organizations, the aspects include relative efficiency score, operating self-sufficiency, adjusted return on asset, and economic revenue generated. Consequently, and bearing in mind the enough prospective of microfinance as well, many Conventional MFIs have converted themselves into formal banking systems and non-bank economic intermediaries with various

ground-breaking arrangements of products. As a result, MFIs have developed stronger ties to economic markets, and mutual funds have been established as part of the shareholder structure. Because debt puts force on administration to maintain efficiency and consequence, these trends have some ramifications for MFIs' wealth structure, functions, and efficiency (Armendaritz de Aghion and Morduch 2005). According to Boye et al. (2006), an organizational system is feasible if it has the infrastructure, procedures, and human resources to function efficiently by the strategy attached to it. MFIs' long-term survival depends on such structuring efforts. The organizational consequence of microfinance organizations measures their capacity to overcome the expenses of their functions (Fersi, and Boujelbene, 2016).

Performance measures and determinants are listed in the table below. These concepts are explained briefly.

- Performance measurement: Systematic measurement of outcomes and results, which gives accurate data on operation of efficacy and efficiency, is commonly classified as performance measurement. It is a dependent variable.
- Determinant: A determinant is a factor that has an important consequence on the progress or outcome of an institution. It is an independent variable.

Table 2.1: Determinants of Organizational Performance

(Based on some substantial literature review)

Sl. No.	Authors	Year	Performance Measure	Determinants
1.	Abubakar, Y., and Olowe, J. G.,	2019	ROE	The proportion of short-term loan to the entire asset, the proportion of the extended term loan to the whole asset, the proportion of complete debt to entire equity, firm size (total resources)
2.	Mittal, S., Mittal, M., and Lavin	2018	ROA	Present Proportion, Borrower Income Proportion, Credit Equity Proportion, Charge Coverage Proportion, Overall, Payment as % of PAT.
3.	Odusanya, et al.,	2018	Profitability	The long-time leverage proportion, Short-time leverage proportion, Age (the sum of years considering that the organization began the activity), Growth Opportunities, Asset tangibility, Size, Inflation Proportion, Charge Rate, Economic Risk
4.	Omollo, et al.,	2018	ROA, ROE	Short-term Debit, Long-term Debit, Overall Debt, Enterprise Size (total assets).

5.	Işık Özcan	2017	Return on assets	Size (total assets), Growth, Liquidity, Tangibility, Debt Structure, Return Volatility, age (years since the organization started operations), and Economic Crisis
6.	Turki Alshammari	2017	ROA, ROE	Liquidity, Capital Adequacy, Bank Size (total assets).
7.	Velid Efendic, and Nejra Hadziahmetovic	2017	Economic Loan Portfolio, Revenue, Gross Number of Full of life Borrowers,	Number of Employees, and Total assets.

8.	Aziz, S., Husin, M., & Hashmi, S. H.	2016	Economic Activities, Economic Proportions,	Return, asset quality, advances, investment, liquidity, deposits, and investment.
9.	Muraleetharan, P.,	2016	Return on Investment, Return on Assets.	Debt to Equity Percentage, Gearing Percentage, Debt to Overall Assets Proportion
10.	Jannatunnesa	2016	Net Profit	Firm Size (overall assets), Enterprise age (ages since the institution began operations), Leverage Proportion, Market Share, Organization Growth, Inventory Income Proportion, Marketing Intensity, Per Capita Revenue, Export.

11.	Fersi, M., & Boujelbéne, M.	2016	Number of Active Loan Receiver per Loan Officer, ROA	Operating Proportions, Expenditure Proportions, Portfolio at Risk, Risk Coverage, Debit to Equity Proportion, Capital/Overall Portfolio Proportion, and Advance Receiver each Staff Member.
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12.	Abdul Rashid, Sana Jabeen	2016	Economic Performance	Overheads Proportion, Reserves, bank Size, Operating Efficiency, Deposit Proportions. Market Capitalization Proportion, Gross Domestic Product, and Real Interest Rate.
13.	Akter, M., Hoque, M., and Chowdhury, M. A. L.	2016	Organizational Performance	Achievement Rate of modified Product, Buyer Happiness, Level of Invention, Response to Rivalry and Changes in Situation, Pleasure and Training of Staffs, Personnel Efficiency, Pays each Share, Revenue Margin, Wealth Adequacy Proportion, ROA, Overall Asset Income, ROI
14.	Jafari and Samman	2015	ROA, Return Margin	Size (total portfolio), Progress, Fixed Portfolio, Functioning Capital, Leverage.
15.	Salhuteru, F., & Wattimena, F. C	2015	ROA, and Net profit margin	Capital Adequacy, Profit before tax to assets, and Loan to Deposit

16.	Rostami Malihe	2015	Economic Performance	Capital Proportions, Asset Quality Proportions, Management Quality, Incomes Proportions, Liquidity Proportions, and Risk Proportions.
17.	Hashim, M. J., Osman, I., & Alhabshi, S. M.	2015	Organizational Performance	Human Capital, Buyer Capital, Organizational Capital, Community Wealth, Spiritual Wealth, Technological Investment.

18.	Owino O. Joseph1 & Kibera Francis1	2015	Organizational Performance	Organizational Culture and Market Orientation.
19.	SoranaVātavu	2014	ROA	Debit, Size, Physicality, Liquidity Variable of Inflation and Risk.
20.	Chandani, A., Mehta, M., & Chandrasekaran, K. B.	2014	Economic Performance	Wealth, Asset Excellence, Management Quality, Pays, and Liquidity.
21.	Kiganda, E. O.	2014	ROA	Economic Progress (real GDP), Inflation and Exchange Rate
22.	Pratheepan	2014	ROA	Tangibility and Size (total assets).
23.	Adam, M. H. M.	2014	Return on Assets, Return on Deposits, and Return on Equity.	Bank size (total portfolio), Capital proportion, and total pay for loans on total assets

24.	Al-Gazzar, M. M.	2014	Return on Assets, Net Interest Margin, and Return on Equity.	Capital Adequacy, Asset Quality, Management Quality, Earnings Quality, Liquidity, Gross Domestic Product, and inflation rate.
25.	Shah S. Q., and Jan R.	2014	ROA, Interest Income	Size (total assets), Asset Management, and Operational Efficiency
26.	Strøm, R. Ø., D'Espallier, B., & Mersland, R.	2014	ROA	Lady Main Managerial Officer, and Lady Chairman of the Board

27.	Rahman, M. A., & Mazlan, A. R	2014	Return on Assets, Return on Equity, Operational Self- Sufficiency	Actual Operating Revenue, Total Assets, Total Equity, Economic Revenue, Economic Expenses.
28.	Velnampy, T., and Anojan, V.	2014	ROA, and ROE	Capital Structure (Gearing Proportion), and Liquidity Management (Current Proportion).
29.	Habimana Olivier	2014	ROE	Leverage, Institutional ownership, Size (total assets), Region, and systematic risk.
30.	Anojan, V	2014	ROA, and ROE	Capital Structure (Gearing Proportion), and Liquidity Management (Current Proportion).

31.	Kipesha, E. F.	2013	Efficiency, operating self-sufficiency (OSS), adjusted return on asset (AROA) and economic revenue,	Assets, No. of staffs, No. of Borrowers, and Age of the Microfinance Institution (years since the enterprise started operations).
32.	Roman, A., & Şargu, A. C.	2013	Economic Proportions	Capital, Total asset quality, Managing quality, Incomes, Risk, and Liquidity.
33.	Rozzani, N., & Rahman, R. A.	2013	Economic/Economic Performance	Wealth, Asset Excellence, Management Excellence, Incomes, Equity, and Risk
34.	Elsiefy, E.	2013	Economic Proportions	Liquidity, Profitability, Efficiency, Asset quality, Risk and Solvency.
35.	Chandrapala and Knapkova	2013	ROA	Total assets (Size), Inventory, Total Debit/Overall assets, Trades Growth, Period Dummy, and Investment Turnover Proportion.

36.	Sufian Saeed, Farman Ali, Baber Adeeb & Muhammad Hamid	2013	Efficiency Measure	Lending Funds, Deposits, Portfolio Investments, Borrowed Funds and Capital.
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37.	Mention, A.L., & Bontis, N.	2013	Organizational Performance	Return on Equity, CAMELS Rating by Bangladesh Bank, Organizational Reputation, Outlook, Business Growth, Market Share
38.	Tehulu, T., A.,	2013	Economic Sustainability	Managing efficiency, Leverage, Size of MFIs (Micro Finance Organizations) or total resources, Portfolio of risk, Loan intensity, Breadth of outreach, Deposit Deployment.
39.	Sekabira	2013	Performance of Microfinance Organization or Economic Sustainability	Capital construction (Debt and allowances)
40.	Kipsha and Zhang	2013	Outreach	Profitability, Economic Sustainability
41.	Kamaluddin and Kasim	2013	MFIs Performance	Human Resource Management, and Human Capital.
42.	Kouser, R., & Saba, I.	2012	Economic Activities	Investment Adequacy, Management Capability, Resources Quality, Fund and Incomes.

43.	Islam, M. A	2012	ROA, ROE	Debit to Assets Percentage, Interest to Earned Proportion, Debit to Equity Percentages, Advance to Deposit Percentage, Investment to Assets Proportion, Advance to Asset Proportion, , Operating Expenses to Payment, Asset Utilization Proportion, Income to Expense Proportion, Operating Expense to Revenue,
44.	Soni, R.	2012	Performance	Investment, Asset Value, Managing Quality, Incomes, and Liquidity.
45.	Rai	2012	Sustainability of Finance	Capital to resources proportion, yield firm, number of active loan receiver, Operational expense to loan portfolio, debt equity proportion, portfolio at risk, women loan receiver, inception for firm.
46.	Kinde	2012	Economic Sustainability	Range of outreach, dependency proportion, depth of outreach, cost per loan receiver, staff productivity, and capital structure.
47.	Zerai and Rani	2012	Economic Sustainability	Outreach
48.	Quayes	2012	Economic Sustainability	Depth of outreach

49.	Ali, K., Akhtar, M. F., & Ahmed, H. Z.	2011	ROA and ROE	Economic Institution Size or total properties, Capital, Credit Risk Operating Efficiency, Economic Growth and Consumer Price Inflation Portfolio Composition and Asset Management.
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50.	Sufian, F.,	2011	Success of banks through ROA and ROE	GDP, Percentage of increase product price, Dummy for economic catastrophe, Proportion of stock market capitalization to GDP.
51.	Dincer, H., Gencer, G., Orhan, N., & Sahinbas, K.	2011	Economic Performance	Capital, Management Value, Liquidity, Earnings, Asset Quality, and Risk.
52.	Omri, W., & Chkoundali, R.	2011	Return on Assets (ROA), Return on Equity (ROE), Operational Self Sufficiency (OSS)	Mean value of Credit, Target Population, Women Targeting Products, Number of outstanding loans, MFIs Age (ages since the enterprise began operations), and Assets.
53.	Ayayi and Sene	2010	Economic sustainability	Portfolio at risk, noble management, interest rate, productivity proportion, good managing team, client outreach, age of microfinance, and women business.

54.	Short et al.	2009	Number of Sales, Sales Progress.	Size (log of workers), Industry Classification, and new venture funding.
55.	Mersland, R., & Strøm, R. Ø.	2009	ROA, Portfolio Yield, OSS, Operational Costs, Credit Clients, and Average Loan.	Chief Executive Officer /Chairman Duality, Domestic Board Auditor, Global Directors, Board members size, Female Chief Executive Officer, Individual Loan, Urban Market, Accomplishment, Bank Regulation, MFI Age, Portfolio (Total Asset) at Risk, Human Development Index, and Institution Size.

56.	Bogan	2009	Economic sustainability	Capital structure
57.	Hisako	2009	economic self- sufficiency (FSS)	Competition with sellers
58.	Jeremy Galbreath, Peter Galvin	2008	Trades Revenue, Profitability, and Market Portion	Size means total sales, Age of the firm, Firm-specific issues Intangible portfolios, Abilities, Industry Structure-Entry, Substitutes BPOW.
59.	Bogan et al.,	2007	Economic Sustainability	Capital Structure, Organizations' age, finance instruments

60.	M. Patibandla		Sales and net profit	Size (total assets), Marketing, Overseas Equity, Direct Foreign Investment, Deposit/Overall Assets, Period.
61.	Hallward et al.,	2006	Total factor of productivity, Sales development rate, Investment rate,	Domestic and Foreign ownership, Corruption, Governing affliction, , Labor market flexibility, Technical infrastructure.
62.	Goddard et al.	2005	ROA	Size (total assets) , Market portion, Liquidity proportion.
63.	Kumar J.	2004	ROA, ROE, Proxy of Tobin's Q	Size (total assets), Import, Advertising, Tariff, Age of the institution, Debt, Institutional and Managerial Ownership.
64.	Kakani et. al	2001	ROA, RONW, ROCE, MBVR, Cash flow margin, and Proxy of Tobin's Q	Total Assets, Leverage, Age of the MFI Net Export, Marketing Expenses and Overseas Diversification,
65.	Macdonald, J.	1999	The proportion of turnover to sales	Capital strength, market share of the organization, Import tendency, Union opportunity, Income inflation and Market awareness, Unemployment number, Real salary inflation
66.	Glancey, K.	1998	Profitability of the organization and Growth	Size (number of employees), Age (ages since the organization began operations), Location, Industry Dummy, Profitability and Growth

67.	Fama and French	1993	Return on Stock	Size (total assets), Business Earnings/Management Earnings.
68.	Chibber and Majumdar	1991	RONW	Debit/Equity Proportion, Size or total assets of the organization, Age of the organization, Diversity, Liquidity, Group Belongingness, Advertising, and Inventory.

Source: Researcher's construction

2.2.3 The Concept of Microfinance

Microfinance is the option of economic services to the clients who belong to the low-income tier of society, according to Ledgerwood (1999). Asian Development Bank (ADB) states microfinance is the facility of a wide variety of economic facilities including credits, finances, monetary transactions, and coverage to small businesses and families. CGAP (2003) expresses microfinance as an advanced method that engagements active guarantee alternatives to provide and maintain short-time operating capital advances to small scale-entrepreneurs. Microfinance is believed to help to overcome many socio-economic problems related to poverty alleviation programs in the form of diverse types of assistance – economic, non-economic, and NGO-based loan giving activities (Janda, and Turbat, 2013).

Hartarska (2005) mentions microfinance as an empirical economic initiative for the poor people against economic scarcity because the traditional banking system or financial organizations ignore the need of the deprived individuals. Dokulilova et al, (2009) and Robinson, (2001) describe microfinance as small-scale economic activities which deal with credit and saving for those persons who mainly engaged with 1) farming and fishing, 2) operating small businesses where products are made, sold, recycled, or repaired, 3,) providing labor for commissions or wages, 4) renting mercenary, land, vehicles, and tools, and animals for daily earning. Need to mention here that microfinance service is widely accepted by developing and under-developed countries around the world.

Menon (2005) thinks microfinance is the addition of small-scale loans to persons who are underprivileged to get traditional loans, as they have no properties to give as a guarantee. MFIs offer economic services to poor households in under-developed and developing regions all over the globe. The attention of various, microcredit and microfinance are the same. However, microfinance denotes an array of economic services that contain savings, credit, and insurance, while microcredit is the facility of credit that is typically applied as an investment for small enterprise development. Microfinance organizations work as nongovernmental organizations (Bogan, 2011). Microfinancing may be well-defined as the offer of convenient economic activities to a substantial number of the low-income wage earner and/or economically active persons to advance their situation and native economies (Kosiura, 2001). In the production method, banking activities are defined as the creation of services for borrowers and depositors. Conventional production features like capital, labor, and land, are considered the tool of production to get the expected results or outputs. According to the production, approach, financial organizations like banks work as creators of loan and deposit facilities employing the labor and capital of mass people (Hassan, Mohamad, and Bader, 2009).

MFIs offer economic facilities to marginal people who are typically not measured as creditworthy by the conventional economical system. These financial organizations are capable to explain the difficulties of statistics irregularity and offer credits without security necessities. They do so by starting strong individual relations with customers and by using other systems of security, such as group advancement, which creates community security (Assefa, et.al., 2013). According to Mwenda and Muuka (2004), microfinance works with a wide range of economic activities including loans, payments, deposits, insurance, and money transfers for poor people, farms, and micro-enterprises. The definitions of microfinance from the different scholars and organizations may seem different from one another, but all definitions more or less give the same sense. Hartarska, 2005 mentions that microfinance is one kind of economic service for those people who live their lives with low income or have no connection with the banking system.

The first and foremost role of a microfinance organization is growing economic facilities and economic market for the marginalized people (Seibel, 2008), which is granted as an active outcome in attaining deficiency reduction and other socio-economic welfare (Li et al., 2011).

2.2.4 The Concept of Conventional Microfinance

From its inception, microfinance, or microcredit institution (MFIs) has been working to support underprivileged people to abolish poverty in society (Baru & Woller 2004). Certainly, microfinance can be seen as an influential instrument to lessen rural economic scarcity because it has created an opportunity to work with the economic institute (Islam, Nguyen & Smyth 2014). Nowadays, however, most MFIs deal with a variety of facilities like deposit-taking, schooling, insurance, and training, organizational help, and consultancy. Since MFIs include all classes of people in society, it is called the highest economic revolutions in the last 25 years (Servin, Lensink & Berg 2012). Remarkably, microcredit moneylenders are capable to reach greater loan recovery amounts and earnings than the official financial organizations, even still the loan receivers are deprived and do not focus on any surety (Suzuki, Barai & Uddin 2013)

Microfinance, according to Microcredit Summit 2013, covered more than 175 million families with \$78 (USD) billion in total loans. There are mostly two direct systems that deliver microcredit facilities to the debtors: (i) MFIs, the core suppliers of direct loan, and NGOs, and (ii) the topmost creditors which include financial organizations and banks (Suzuki & Miah 2015). This process can differ from country to country. However, the Grameen Bank (GB) method of microcredit is universally acknowledged and accepted by various states without or with minor amendments (Suzuki, et al., 2011). Till now, MFIs received a huge amount of transaction costs like large lone. This charge is increased for the poor borrowers for 3 aspects; 1. The little amount, 2. Location, and 3. group-lending technique to alleviate credit s (Diop et al., 2007).

Nevertheless, a high-charge rate is difficult for poor people. It is recognized that high-charge rates with high indebtedness and credit mismanagement often ultimately led to high ranging from loan receivers caught in growth debit (Hashemi et al., 2007), suffered by deprived borrowers marketing so forth strength they have to the exciting causes of microcredit-linked recklessness in India (Van Rooyen et al., 2012), and in Sri Lanka (Obaidullah & Mohamed-Saleem, 2008). Additionally, MFIs functioning habitually found to act equally with loan sharks in improving reimbursement (Servin et al., 2012).

Microcredit is today's well-recognized poverty alleviating package that is being executed in various portions of the earth to report diverse economic development actions. Moreover, offering credit

opportunities, all such organizations also run training to grow expertise and proprietorships of the underprivileged individuals. Regrettably, all these organizations offer interest-based loans, and the interest rate is often immensely high. (Rahman, 2010). The interest/charge rates for organizational sources differ from 15 to 20%, though those for non-organizational support levels from 33% to 120% (Mahmood, 2006). In some cases, the charges of interest/charge of non-organizational setups can level be 120 to 140%.

2.2.5 The Concept of Islamic Microfinance

It is projected that at present there are around 650 million Muslims are earning less than \$2 /day and most of them prefer Islamic finance rather than conventional finance. Despite its extensive achievement, the traditional microcredit system is facing problems in Muslim-dominated countries. Similarly, unlike other traditional economic systems, Conventional microfinance offers many kinds of interest rates to borrowers or customers. The Islamic microfinance system never agrees to offer any kind of product or scheme which has minimum relation to interest because interest is completely prohibited (haram) in Islam (Looft 2014). Another study by the UNDP (2012) shows that 80% of Muslim participants like to get Islamic products rather than conventional products. In addition, 45% of the population prefer to buy the products by paying a higher rate if it belongs to Islamic microfinance. The survey also indicates that 85% of the present land receivers from Conventional of MFIs showed their interest to change to Islamic goods if accessible. Seemingly, the Muslim customers have the consciousness to satisfy the socio-economic purposes of social integrity through the ideologies of Islamic Law Shari'ah (Suzuki & Miah 2015). Therefore, the Islamic Microfinance system has an extreme and obtainable appeal in different countries around the world.

Islamic microfinance or economic notion was later established as a substitute in the territory with an enormously Islamic community penetrating spiritual interdict of interest. It purposes to deliver a good method in highlighting embedded concerns of great interest rates and others in mainstream microfinance (Ahmed, 2007). Although comparatively minor in scale, Islamic economic or general microfinance has risen worldwide succeeding the progress of the broader Islamic finance sector (Karim et al., 2008). Using an interest-free contract system, an Islamic Microfinance Organization (IMFO) hypothetically spreads, in instead of economic, backing for the marginalized people

thereby disabling waste and excessive indebtedness (Obaidullah, 2008). Islamic Microfinance expands the idea of microcredit- training by including a charity in the financing, terms of Zakah (charities) and Waqf (Donation), aiding the great underprivileged in demands and ignoring abuse of fruitful credits into intake drives (Wilson, 2007). Islamic microcredit organizations offer small loans under the Shari'ah compliance. So Shari'ah obedience is the elementary and central point in the working ethics of this monetary system. Having the hints of this, we can attempt to discover some dissimilarities in Islamic microfinance and Traditional/Conventional microfinance. Besides, these two could be divided into many fields like the bases of funding, method of investment, way of fund allocation, target population, and so on. Nonetheless, the basic issue which makes difference between the two microfinance opportunities is the interest; in Islam, Sariah's interest is completely prohibited (haram) while in the conventional system interest is allowed. Islamic Finance, on the other hand, use Islamic principles in the administration and proprietorship arrangements to deal with. Interestingly, the birthplace of Conventional Microfinance, Bangladesh, run the list in terms of the total credit takers even though Indonesia is a maximum nation in terms of the total exceptional credits. Lebanon and Afghanistan are the other two models, which use Islamic microfinance consequence.

The Rural Development Scheme (RDS) was established in 1995 by Islamic Bank Bangladesh Limited (IBBL). The primary goal of this strategy is to help relieve rural poverty through involving Shari'ah-based small financing to the agricultural sectors to raise occupation and boost the revenue of the inadequacy community. The initiative also offers welfare and virtuous and ethical uprising to the village public of the state. At present, the system is being executed through 129 offices servicing 10,023 communities in 60 areas. Approximately 0.52 million cluster members are enclosed: 94% are ladies (Rahman, 2010). By recognizing the incredible demand for Islamic microcredit, various, NGOs, MIFs conventional and Islamic banks have been proposing many types of Islamic Microfinance initiatives. Now a day, approximately more than 255 financial organizations provide Shari'ah-related Microfinance offers to about 1.28 million customers worldwide. Nevertheless, about 82% of the customers live in 3 countries, namely, Sudan, Indonesia and Bangladesh. In addition, two important issues are the huge number of customers served by the organizations and the proportion of females in those customers. It considers that the member of service receiver per organization is the top in Bangladesh and while Indonesia has 105 MFIs to work for a smaller number of clients. Remarkably, the institute in the West Bank and Gaza

appears to have only woman memberships to receive Islamic microfinance while woman debtors found ninety percent of the overall clients of the dual microfinance organizations in Bangladesh. Therefore, the rising amount of finance receivers are females for every Islamic microfinance institution in Bangladesh (Uddin, Barai, 2016).

2.2.6 Differences between Conventional and Islamic Microfinance

Islamic microfinance organizations are not much different from Conventional microfinance organizations unless the profit system is considered (Rozzania, et al., 2015). Conventional microfinance organizations (CMFIs) run purposely an interest-based economic activity while Islamic microfinance organizations are administrated based on Islamic Sariah. Conventional microfinance organizations follow the popular model of the Grameen Bank of Bangladesh. This model is based on interest. Though Islamic microfinance institution also follows the Grameen Bank model, it is interest-free and imposes Islamic methods of financing like Mudārabah, Mushārahah, Bay Bithaman Ajil, etc.

Hence, Conventional microfinance organizations and Islamic microfinance organizations have some differences which are given below:

- **Sources of microfinance organizations fund:**

Conventional microfinance organizations are supported by overseas donors. They also finance themselves from the savings accounts of the clients. Apart from these foundations of funds, Islamic belief microfinance organizations also acquire reserves from spiritual foundations such as Waqf, Zakat, Anfal, etc.

- **Methods of financing:**

Conventional microfinance organizations deal with interest-based financial support while Islamic microfinance organizations maintain interest-free financing. Islamic microfinance organizations perform with various Islamic instruments of financing like Murabaha, Ijarah, Mudarabah, Istisna, Bay Bithaman Ajil, Musharakah, etc.

- **Way of transferring the loan amount:**

Conventional microfinance organizations transfer loans to the clients in cash form, while Islamic microfinance organizations provide services and products for the clients directly rather than in cash.

- **Target group:**

Conventional microfinance organizations target women in society and Islamic microfinance organizations target the entire family members. The purposes of Conventional microfinance organizations are the empowerment and development of women entrepreneurs in society. It is assumed that women are using their supplementary money efficiently to boost their earnings.

However, in Islam, the family is the keystone of society; it is not an impulsive business of the public, but it is an exquisitely intended institution. Family is regarded as a noble social institution. The Islamic microfinance services focus on the whole family, not just on women. Consequently, in the case of Islamic microfinance, both the beneficiary and the family member (spouse) are liable for the loan.

- **Social development program:**

Conventional microfinance organizations are developing secular social and ethical behavior. Islamic microfinance organizations are developing a religion that includes ethics, social, and behavior.

- **Employee motivation:**

Conventional microfinance organizations are providing monetary benefits to satisfy their employees and Islamic microfinance organizations are providing monetary and religious involvement to motivate their employees.

2.2.7 Microfinance Delivery Models

Various methods are followed for delivering microfinance services in India and elsewhere (Basu and Srivastava, 2005).

It is possible to divide delivery models into two large categories.

- A. Group models
- B. Individual models

There are three different types of group models.

- The Grameen Model
- Self-help Groups (SHG)- Bank-linkage
- JLG or Joint Liability Clusters

The Individual Method refers to the Individual Funding Model.

By March 2009, more than 1.716 million performed Self-Help Groups (SHG) working in India had more than 54 million microfinance clients, and another 22.6 million served as the microfinance organization model, rising at a remarkable 60% per year.

The Grameen Method:

The Grameen method was introduced by Prof. Dr. Mohammad Yunus in Bangladesh. By this system, the organization loans 5 individuals to sympathy or affinity groups. In form, the created groups are rather optimized. They arrange weekly sessions and participants are obligated to conserve. Credits are not granted simultaneously to all participants, but all belief to have their chance and all represent the duties of each other. Under the oversight of the MFI, the groups are generated giving to a distinct framework to promote contact with microfinance facilities.

Self-help Group-Bank-linkage:

In the early 1990s, the SHG method was presented by the National Bank of Agriculture and Rural Development, under the terms of the SHG Bank Linkage Program (SBPL) (NABARD). The Self-Help Groups (SHG) linkage is based on the 'first savings' theory. This saving is not just a way of building community unity and constantly checking people's readiness to cash out, they also create a credit fund that the team can draw from. Normally 15-20 women are in these groups. Peer- ii pressure is an alternative for conventional assurances, such as introducers and properties, or security. The existing network of government financial organizations ties SHGs to credit networks and reveals how successful this initiative is in economic terms. Private Banks are gradually approaching this area as well (Morduch and Rutherford, 2005). The members of the SHG must first develop creditworthiness by keeping diligent savings and joint lending records, usually for 6 months, to secure loans from banks. In addition, when no new member may obtain a new loan before the previous arrears are resolved, the system protects against defaults on loan payments. The right to entrance bigger recurrence loans upon timely completion is another reimbursement opportunity. The credits given to the SHGs are normally a numerous (2 to 4 periods) of their deposits and are provided to the SHG entirely, and then independently determines amongst the members on the distribution. It is said that the gatherings improve a tradition of consistency, regular payments, and transparency, although some oppose the view that the burden of the creditors is amplified by the congregation on a frequent or a weekly basis and at times discourages new entrants. The 'group leader' can also exert excessive power over loans given to the other members.

Joint Liability Groups or Individual Liability:

MFIs act as 'lending intermediaries' for depositors and microcredit consumers (private equity firms/ banks). They live as NGOs (Non-Government Organizations) or as Non-Banking Finance Companies in India (NBFCs) (Schreiner, 2003). The Joint Liability Group policy was developed as popular in Bangladesh by Grameen Bank and has been repeated around the world by MFIs. According to the JLG model, MFIs split participants into groups with the assumption that the community as a whole will be responsible for repayment, even if members will be granted individual loans. Social pressure, as in the case of SHGs, assures that repayment levels in India

remain above 98 percent. With each group containing 5 women, the group size is much smaller than an SHG. Few MFIs also offer loans to people with individual responsibilities. Members would have shown an affirmative economic rating for one or two years to apply for a larger individual loan.

2.2.8 Performance Evaluation Methods of Microfinance Organizations

For the period of the 1990s, financial organizations became increasingly involved in Microfinance Economic System. As a result, numerous performance assessment aspects developed in many extents of management are measured the most substantial aspects in assessing the performance of microfinance organizations. In reality, various methods of assessment were granted universal and have been recently accepted by organizations to screen and assess the enterprise. Each of the established models was designed to focus on a particular type of study. These methods underwrite growing the degree of instructive pellucidity concerning the procedure of credit administration of MFIs (Anand, 2012).

CAMEL Method (1993) from ACCION International: The CAMEL model includes 21 aspects that are presently employed by the North American banker to assess performing concentrating chiefly on the economic feature of the administration.

C- Capital adequacy

A- Asset quality

M- Management

E- Earnings

L- Liquidity

GIRAFE Method (1999) from Planet Score: It's a tool for assessing the MFI's success and risks in both qualitative and quantitative terms. The qualitative research emphasizes the approach's

performance in ensuring the internal control functions by checking the consistency of administrative procedures and the reliability of the available information structure.

G- Government and judgement making

I- Information and administration tool

R- Risk exploration and control

A- Activities and advance portfolio

F- Financing: Equity and obligation

E- Efficiency and consequence

Microfinance Info Exchange Method: It gathers monetary and portfolio data produced by MFIs through its facts and figures such as the Small Banking Bulletin, which is unique to the main productions of the Consultative Group to Assist the Poor (CGAP). It is funded by the Micro Banking Standards Project. It aims to aid MFI officials and board participants to realize their achievements in the evaluation of other microfinance organizations. The secondary aims include launching industry behavior and performance principles and increasing the transparency of monetary reporting of MFIs around the world. In this model, there are eight large parameters. They are as below.

1. Institutional Features
2. Financing Procedure
3. Overall Economic Performance
4. Revenues and Expenses
5. Competence or Efficiency
6. Outreach Indicators

7. Macroeconomic Indicators
8. Risk and Liquescency

MIX Method for Performance Assessment:

MIX is a non-profit organization having regional offices in Peru, Senegal, India, and Indonesia, as well as a headquarters in Washington, DC. It was established in June 2002. MIX was established by CGAP (Consultative Group to Assist the Poor) and is backed by City Foundation, IFAD, Deutsche Bank Americas Foundation, and Bill & Melinda Gates Foundation. MIX offers MFIs with precise social and economic performance data, as well as commercial data from market initiators, key donor administrations, and microfinance investors. It has introduced a peer group structure to attain the matter of variety in the functional situation of microfinance organizations when comparing portfolio and monetary data, where the economic performance of microfinance organizations is related among peer cluster members on eight extensive aspects. There are certain performance indicators for each of these characteristics. The following are the specifics of these indicators.

1. Institutional characteristics: Organizations are purposeful in the way that they each have their own set of goals and objectives to meet social needs. They have a relatively permanent structure. Thus, every institution is a unified structure that operates as a single entity.

The metrics under this heading are listed below in detail.

- Quantity of microfinance organizations: Sample extent of the cluster
- Number of Employees
- Total Asset: Overall assets are accustomed for increase and steady provisioning to the credit deficiency and write-offs
- Age: Years running as an MFI
- Number of Workplaces

2. Outreach Metrics: It's the framework for calculating the amount of effort put in to offer services or information to people where they work or spend their time.

The indicators under this heading are listed below in detail.

- **Quantity of Active Recipients:** Adjusted for uniform write-offs, the quantity of active recipients is the number of recipients with credits outstanding.
- **Women Borrowers as a Percentage of Total Borrowers:** Total active female borrowers/Adjusted Total Active Borrowers
- **Quantity of Outstanding Credits:** Total quantity of outstanding credits, adjusted for identical write-offs.
- **Gross Credit Portfolio (applied for uniform write-offs):** Gross Credit Portfolio (accustomed for uniform write-offs)
- **Adjusted Gross Credit Portfolio / Adjusted Mean Value of Loan Balance per Borrower**
- **Mean Value of Deposit Account Steadiness:** Voluntary Depositors/Voluntary Depositors/Voluntary Depositors/Voluntary Depositors/Voluntary Depositors
- **Gross National Income (GNI) per Individual/ Mean Value of credit balance each recipient:** Mean Value of Credit Balance each Recipient/GNI per Individual (adjusted)
- **Mean Value of outstanding equilibrium/modified gross credit portfolio/modified credit portfolio/aligned credit portfolio/adjusted, modified portfolio/adjusted credit portfolio/adjusted credit portfolio/assets.**
- **Mean Value of Outstanding Balance/Gross National Income per Individual:** Adjusted Mean Value of Outstanding Balance
- **Voluntary Depositors:** The total of individuals who have a voluntary deposit or a time deposit account.

3. Macroeconomic Indicators: Macroeconomic predictors evaluate current and forthcoming tendencies and how investors can measure an economy's position. The plurality of economic assessments is state-owned organizations or non-profit organizations' official statistics disclosures.

The indicators mentioned under this heading are as follows.

- Gross National Income per Capita (GNI per Individual): Total revenue determined by a state's population, regardless of locality or total population.
- GDP Growth Rate: The yearly increase in the total production of services and goods produced within a state's borders.

4. Funding Structure: The funding structure is a economic method applied to analyze how organizations finance the best option. This enables banks to raise cash as a means of refinancing without jeopardizing their value.

The following are the specifics of the metrics under this heading.

- Adjusted Total Equity/Adjusted Total Assets (Capital/Asset Proportion)
- The proportion of Business Fund Accountability: $(\text{Voluntary and Period Deposits} + \text{Loan at a Fixed Percentage}) / \text{Adjusted Mean Gross Credit Portfolio (commercial interest rates)}$
- Voluntary Deposits/Adjusted Overall Assets (Deposits to Total Assets)
- Adjusted Overall Accountabilities/Adjusted overall Assets is the debt-to-equity proportion.

5. Overall Economic Performance: Overall economic achievement is a prejudiced index of a business's capability to receive earnings from its key form of action. The phrase is commonly utilized as an extensive parameter of a business's economic position over the period.

The metrics under this heading are listed below in detail.

- Return on Assets is determined as follows: $(\text{Balanced or Adjusted Net Functional Revenue} - \text{Taxes}) / \text{Adjusted Mean Value of Overall Assets}$.

- $\text{Adjusted Economic Income} / \text{Adjusted (Economic Expenditure)} = \text{Economic Self-Sufficiency} + \text{Credit Impairment Losses} + \text{Functional or Operating Expenses}$.

6. Efficiency: "Efficiency is defined as the ability to complete tasks efficiently, consequence, and without wasting resources." As a result, efficiency is not a goal in and of itself.

The following are the specifics of the metrics under this heading.

- Loan Portfolio/Operating Expense: $\text{Adjusted Operating Expenditure} / \text{Adjusted Mean value of Gross Loan Portfolio}$
- Loan Recipients each employee: $\text{Quantity of Active Loan Recipients} / \text{Quantity of Employees}$
- Credits each employee: $\text{Adjusted or Balanced Amount of Outstanding Credits} / \text{Total Employees}$
- Credit Officer Borrowers: $\text{Adjusted/Balanced Amount of Active Loan Recipients} / \text{Quantity of Credit Officers}$.
- Credits per credit employee (Adjusted/Balanced quantity of outstanding credits divided by the quantity of credit employees)
- Voluntary Investors each Employee: $\text{Personnel Member} / \text{Voluntary Investors}$
- Amount of Payment Accounts each Employee: $\text{Amount of Payment Accounts} / \text{Quantity of Employees}$
- Loan Officers to Personnel Allocation Proportion: $\text{Loan Officers to Personnel}$
- $\text{Adjusted Functional Expenditure} / \text{Adjusted Mean Value of Quantity of Credits} = \text{Charge per Credit}$.

7. Income and Expenses: The term "income" refers to a company's profit over time and expense runs through the income statement and is deducted from revenue to arrive at net income.

The metrics under this heading are detailed as follows.

- Economic Assets/Revenue: $\text{Economic Income Adjusted} / \text{Mean Value of Overall Assets Adjusted}$

- Yield Margin: $\text{New Functioning Revenue Adjusted} / \text{New Economic Income Adjusted}$
- Gross Portfolio Income (nominative): $\text{Adjusted Economic Income from Credit Portfolio} / \text{Gross Portfolio Income (nominative)}$; Gross Portfolio Yield (nominative): $\text{Gross Portfolio Return (nominative)} / \text{Gross Portfolio}$.
- Admin Cost/Assets: $\text{Modified Admin Expense} / \text{Adjusted Average Assets in Total}$
- Expenses/Assets Adjustment: $(\text{Adjusted New Operating Revenue} - \text{Unadjusted Net Revenue})$

$\text{Adjusted Mean Value of Overall Assets} / \text{Functioning Income}$.

- Heavy Portfolio Return (actual): $(\text{Revised Gross Portfolio Return (nominative)} - (1 + \text{Inflating Proportion})) / (1 + \text{Inflating Percentage})$.
- Revised $(\text{Economic Expenditure} + \text{Net Credit Losing Provision})$ Total Expenditure/Wealth Revised Mean Whole Investment / $(\text{Expense} + \text{Operating Expenditure})$

2.3 Empirical Literature Review

Liu, Y., Saleem, S., Shabbir, R., Shabbir, M. S., Irshad, A., & Khan, S. (2021), In the context of fintech technology, the research evaluated the connection between corporate social obligation and economic achievement. At present time, fintech technology is a very intriguing and rapidly increasing field in economic organization, particularly in terms of how it influences economic performance in various aspects of the banking business. Using data from Chinese banks (2009 to 2018), this study explores the linear and non-linear relationship between corporate societal achievements and those in the banking sector. The result reveals that the linkage factor of the societal realization of enterprises has a non-substantial consequence on the return on assets and equity of the dependency determinant, and nominal interest margin profit (NIMP). In addition, one more CSR parameter, GOV*ENV, has a major affirmative consequence on ROA and ROE. The coefficient of determination of the GOV "governance disclosures scores" does not affect ROA, ROE, or NIMP. Lastly, fintech technology has a substantial and favorable impact on ROE and

NIMP in both situations (the linear and non-linear approaches) of the findings and purposeful but inconsequential consequences on ROA.

Omran, M., Khallaf, A., Gleason, K., & Tahat, Y. (2021) investigated the link between executive compensation to non-economic performance measures, they looked at the association between inside performance assessment and the capability of outside market contributors to evaluate the efficacy of administration's quality approach. They discovered that when administration compensation is knotted to non-economic performance/achievement measures, economic performance/achievement, as calculated by the return on investment, has no substantial straight relationship with the level of non-economic performance initiatives disclosure in Australian manufacturing firms' economic reports. They discovered that with the execution of a quality-based approach, the development of a company's non-non-monetary accomplishment predictor has an oblique and substantial concern economic the economic performance of the organization. They also noticed that industrial businesses that have a greater preference for standard plans publish better nonmonetary performance assessments in their yearly reports and that the announcement of nonmonetary accomplishment test has a favorable concern on functioning economic achievement solely standard companies that adhere to quality plans.

Oudat, M. S., & Ali, B. J. (2021) evaluated the economic threats and monetary achievement/performance of business and investment banks recorded on the Bahrain Stock Exchange from 2015 to 2019. Liquidity threat, capital risk, and exchange rate threat are some of the economic dangers, whereas the occurrence of equity is a determination of economic activities. The panel regression analysis of the data method was applied to accomplish the research goal. The information was gleaned from the banks' yearly economic reports. Insubstantial connections between capital threat, liquidity threat, and conversation rate threat and economic performance were identified for both mentioned models, excluding the liquidity threat for investment banks, which was found to have a substantial link with economic performance.

Akhter, P. (2020) looked at the features that stimulate the activities of microfinance organizations in Bangladesh. The goal of this research is to figure out what influences microfinance organizations' performance (MFOs). A questionnaire with a five-point Likert scale was utilized in the study, which was self-administered. The information was gathered from 200 workers at ten microfinance organizations in Bangladesh: Grameen Bank, ASA, BRAC, BURO Bangladesh,

CDIP, GMSS, UDIPA, RDRS Bangladesh, SFDW, and SAJIDA Foundation. The aspects affecting the performance of MFIs were discovered using a principal component factor analysis. To determine sample statistics that represented population parameters, a single sample t-test was utilized. The research discovered five elements that influenced the success of MFIs, which are: risk management approach, management system, auditing method, loan lending procedure, and marketing tactic. The research also discovered that sample data accurately signified the population and that all the variables were statistically substantial in determining MFI activities in Bangladesh.

Almagtome, A., & Abbas, Z. (2020) analyzed the usefulness of economic performance indicators in providing investors with information on business performance. Operating income, total revenue, and dividend are employed in this research work to highlight the affiliation between economic performance measurements and market indicators, such as stock prices and total traded shares. The purpose of this exploration is to investigate the usefulness of economic performance indicators in providing investors with information on business performance. Operating income, total revenue, and dividend are employed in this research to highlight the affiliation between economic performance measurements and market indicators, such as stock values and total operated shares. It is based on economic data from 33 banks listed on the Iraqi Stock Exchange over eight years (2010-2017), totaling 264 observations. The results demonstrate the value of the Operational income, total income, and dividend indicators. The outcomes of the investigation of economic performance determine exhibit that the functioning revenue catalog has a more complex association with stock values and entirely operated shares than the additional pointers of performance such as total dividends and revenue. The outcomes of this paper will help capital marketplaces by providing investors healthier information on the worth of numerous economic performances calculates and by what method they influence stock prices.

Prieto, A. B. T., Shin, H., Lee, Y., & Lee, C. W. (2020) evaluated in the Ecuadorian economic sector, the relationship between business performance and CSR actions. The first model uses both returns on resources and profit on equity as proxies for economic performance, whereas the second approach incorporates non-economic corporate achievement/performance components gathered via an online questionnaire. They discovered a statistically substantial link between business, societal concern initiatives and economic and non-economic performance measures. They discovered that monetary, lawful, moral, and charitable duty efforts have a favorable control on

the Ecuadorian banking environment's non-economic company performance. Similarly, consumer-brand belief, brand devotion, client impression of value, and client happiness all have strong beneficial control on noneconomic company success. The conclusions of the research are mainly in track with other nations' banking environments, particularly in Bangladesh, Pakistan, and Lebanon.

Eklof, J., Podkorytova, O., & Malova, A. (2020) evaluated the empirical links between customer loyalty and satisfaction and profitability as assessed by ROA, ROE, turnover margin, and Operational income, as well as market indices like market capitalization and Tobin's Nine Scandinavian banks were observed from 2004 and 2014 in the research sample. They found that customer contentment and reliability have considerable beneficial power on bank viability and can be employed as a forecast of forthcoming consequence, as the previous period's contentment catalog improves the economic performance of the next period. They were also able to prove that there was a favorable association between the prior period's customer gratification and the existing period's market signs. The findings were critical for together bank managers and stockholders.

Vyas, V., & Jain, P. (2020) Vyas, V., and Jain, P. (2020) looked into how to enumerate and arrange economic performance (EP) aspects in Indian small and medium-sized firms (SMEs). The Systematic Pyramid Method was employed as a multi-criteria managerial approach. Experts were permitted to explicit their opinions on the relative relevance of each component and sub-factor by using a designed survey form with a nine-level parameter to make pairwise comparisons. In SMEs, the best essential EP contributing factor was market orientation, shadowed by business positioning and business societal accountability.

Abubakar, Y., and Olowe, J. G., (2019) observed the consequence of the Wealth approach on the economic performance/achievement of selected quoted organizations in Nigeria. The research work applied a purposeful sampling technique to determine the sample. They considered a nine-year dataset from 2012 to 2018. They applied multiple regression tools for analyzing the data. The study showed that temporary debt, durable debt, and the debt-equity had a substantial and progressive stimulus on the economic performance of organizations.

Almansour, B., Almansour, Y., & Almansour, A. (2019) evaluated the elements that influence the performance of Jordan's industrial small and medium companies (SMEs). Economic, management, marketing, technology, and government policy and laws are among the reasons. A descriptive

questionnaire research design is applied as a qualitative method. The study's data was acquired from Jordanian individuals who work in industrial SMEs. The judgments reveal that there are constructive and substantial correlations between all of the criteria stated and the achievement/performance of SMEs, implying that if these characteristics are enhanced, so would the performance.

Panno, A. (2019) investigated the current small and medium companies (SMEs) in the tourist business following perceived and define commercial performance, and measurement and observing methods. Giving shape to a resource-based view (RBV) context, which delivers the theoretical standpoint to link resources, competencies, and actions to strong performance, they developed a model founded on the economic, functioning, and institutional dimensions of a business's achievement through the choosing of key aspects. The balanced achievement/performance measurement methodology is then put to the test in arena research based on a semi-structured questionnaire that approached 540 SMEs that were functioning in the tourism industry. The results recommend that small and medium Italian guesthouses, which are traditionally family businesses run by proprietors, use a balanced approach of performance /achievement measurement that preserves track of both monetary and non-monetary aspects of the hotel's activities; customer relation is found to be the main indicator of non-monetary commercial performance.

Prawirodipoero, G. M., Rahadi, R. A., & Hidayat, A. (2019) analyzed the significance and impact of economic tools. The investigation of economic proportions concerning the economic achievement of enterprises in Indonesia is referred to as performance measurement. The prominence and stimulus of economic proportions assessment on the economic performance of enterprises in Indonesia will be further demonstrated in this study. The report provided recommendations to enterprise owners on how to use economic proportions analysis.

Tarurhor, E. M., & Osazevbaru, H. O. (2019) analyzed the balanced scorecard by Minor and Middle-Level Enterprises (SMEs) in Edo State, Nigeria, is investigated using a case study methodology. The research discovers an affirmative statistical association between the whole achievement as measured by the balanced scorecard (BSC) and the Kaplan and Norton (1986) model's four standpoint meters (economic, client, core business procedure, and learning culture & progress). Furthermore, the paper discovered that noneconomic aspects are the primary motorists

of SMEs' consequence in Edo State. Instead of relying just on the economic assessment tool, SMEs in Edo state are advised to use the BSC model.

Golovkova, A., Eklof, J., Malova, A., & Podkorytova, O. (2019) studied the association between customer happiness as evaluated by the Extended Performance Satisfaction Index (EPSI) and banking sector economic performance in seven European nations from as 2004 to 2014. This study applied panel models to discover that EPSI has a considerable favorable influence on the bank's economic performance at the country level. They claimed that the value of the customer satisfaction index was crucial in explaining the banking industry's economic performance at the aggregate country level. For the several North European countries investigated, the EPSI customer satisfaction index had a considerable beneficial impact on the banking industry's economic performance. It was discovered that EPSI had a favorable impact on both total assets and total equity, with a bigger relative impact and importance on the banking sector's total assets than on total equity.

Ousama, A. A., Hammami, H., & Abdulkarim, M. (2019) examined the influence of knowledgeable assets on the monetary enactment of Islamic banks in the Gulf Corporation Council (GCC) regions. The value-added knowledgeable coefficient method is applied to regulate knowledgeable assets in this research. The effect of knowledgeable assets on economic performance was studied using regression analysis. From the years 2011 to 2013, the study sample included Islamic financial organizations operating in GCC states. Yearly reports of Islamic Banks provided the source of the data. The findings confirmed the theory that knowledgeable assets have a good influence on Islamic banks' economic performance. Even though the typical knowledgeable assets were smaller than in other research, the affirmative impact on economic performance was clear. Human capital was also shown to be more than capital working and operational wealth. In comparison to capital working and human capital, the study found that operational wealth did not move the economic consequence of Islamic establishments.

Akhter, P. (2018) studied the aspects Influencing microfinance organizations' success in Bangladesh. Microfinance organizations (MFOs) had helped disadvantaged residents and young entrepreneurs attain economic stability by providing economic services. Microfinance organizations had to contend with a variety of challenges to attain long-term viability. The focus of the exploration is on major aspects that stimulus the achievement of Microfinance Organizations

in Bangladesh. On a five-point Likert scale, a self-directed survey form (structured and unstructured questionnaire) was applied. The top five microfinance organizations were chosen as a sample (Grameen Bank, ASA, BRAC, TMSS, and BURO Bangladesh). To acquire primary data, it polled 170 workers who work in these microfinance organizations in Dhaka city. Based on the underlying literature, many hypotheses and conceptual frameworks were created in this study. To evaluate hypotheses, it applied reliability statistics, one-way ANOVA, and Multiple Regression Tool. According to the findings, the credit lending method, staff management, appropriate management, operative risk management approach, and state regulatory structure all have a major consequence on MFI consequence. It also implies that the achievement of microfinance organizations in Bangladesh is unrelated to innovation and information technology (IT). It displays that the debt-giving system, the management of worker, suitable management scheme, and state regulatory structure has an affirmative association with MFIs' performance and the non-efficient risk mitigation approach has a adverse association with the achievement/performance of MFIs. It also displayed that the loan-giving system is the most substantial matter in the performance of MFIs.

Erwin, K., Abubakar, E., & Muda, I. (2018) evaluated the affiliation between loaning, funding, wealth, human resource management, asset-liability administration, and non-economic durability of the Rural Banking (RB) sector in Indonesia. Because the microfinance sector presents an essential part in the growth of the Indonesian parsimony, this review was performed to measure the scope of RBs in Indonesia. The study's purpose is to explore the association between the independent aspects and the RBs' economic and non-economic durability in Indonesia. The total set of indicators is designed to assess the use of RBs in Indonesia. To determine the link, data commencing 92 rural banks in Indonesia were gathered and analyzed applying SPSS. The findings show that lending, finance, human resource, and asset-liability management all have a substantial impact on non-economic durability. The connection between wealth and noneconomic durability, on the other hand, is not important. The conclusion of this investigation has actual consequences for the Indonesian government in terms of developing and revising legislation and standards customized to the region's particular circumstances.

Oduanya, et al., (2018) investigated the aspects which were influencing the firm profitability. They examined 114 companies in the Nigerian Stockpile Exchange (NSE) and a dataset from as

1998-2012. They took advantage of the Generalized Mode of Moments (GMM) tool. The study found that lagged productivity had a substantial and affirmative impact on contemporary firm's profitability, but short-range leverage, price rises in value at economic risk, and the interest percentage had substantial and negative impacts on firm profitability.

Ombi, N., Ambad, S. N. A., & Bujang, I. (2018) analyzed the impact of Business Development Services (BDS), namely non-monetary and monetary services, on industrialized Small Medium Enterprises (SMEs) in Sabah, Malaysia. Industry development activities are defined as support facilities for SMEs that are targeted at assisting SMEs in overcoming internal and external development limitations, hence boosting their performance. Data was collected from as 161 SMEs in the industrializing zone in Sabah, according to a self-self-managed survey form. Statistical data were evaluated by applying the partial least square (PLS) technique. The outcomes demonstrate that the only economic assistance has a consequence on SMEs' achievements, whereas non-monetary assistance, contrary to expectations, has no effect on SMEs' achievement in Sabah, Malaysia. The findings of the research were useful, particularly for government entities accountable when the growth of SMEs in Malaysia. They increase the performance/success of SMEs in Malaysia, mainly in Sabah, by evaluating existing programs and guidelines and enforcing more consequence policies.

Omollo, et al., (2018) evaluated the impact of debt proportion, namely short-run debt, long-run debt, and total liabilities on the company's economic accomplishment in Kenya. The study applied datasets from as 2009-2015. The research applied panel econometric tools termed pooled ordinary least squares (OLS), random consequences (RE), and fixed consequences (FE) to evaluate the impacts of liability on firm economic accomplishment. The results showed that short-run, long and total liability had notable and adverse impacts on business accomplishment (returns on assets) throughout OLS and RE methods, but the liability assessment had insubstantial impacts on firm performance (returns on equity) across OLS, RE, and FE methods.

Oyewumi, O. R., Ogunmeru, O. A., & Oboh, C. S. (2018) considered the impacts of corporate social responsibility (CSR) investment and transparency on business economic performance/success using a panel data set from banks in Nigeria, a developing country. The Wallace and Hussain calculator of component variances (random and fixed consequences tool) revealed that business social responsibility expenditure would have minor or no impact on business

economic performance if it were not properly disclosed. This paper claimed that a strategic CSR agenda may help businesses both economical and non-economical.

Werdani, R. E., & Djoko, W. H. (2018) studied the impact of Business Development Services (BDS), particularly non-monetary and monetary assistance in the accomplishment of commercial SMEs in Sabah, Malaysia. BDS is specified as bolster amenities for SMEs that are targeted at assisting SMEs in overcoming internal and external development limitations, hence boosting their performance. Data was collected from as161 SMEs in the industrialized area in Sabah applying a self-directed survey structure. The findings of this research were useful, particularly to government entities accountable for the growth of SMEs in Malaysia. The scholars need to increase the consequence of SMEs in Malaysia, mainly in Sabah, by evaluating existing programs and guidelines and enforcing more consequence policies.

Astawa, I. P., Sudana, I., & Suci Murni, N. (2017) investigated the progress and assess of noneconomic performance metrics based on native philosophy that may be applied to evaluate microfinance organizations consequence. To observe cultural practices, a qualitative study using an ethnomethodology technique was applied. Managers were seen as crucial sources of information. To evaluate the descriptive research outcome, the Fuzzy-Analytic Pyramid Method was applied, and the Weighted Stated in the research was employed to measure the characteristic and micro, as well as the final evaluation. Country's cultural practices that could be utilized to evaluate consequence management in financial organizations also include facilitating the organization of sites of worship, promoting religious activities, helping with the construction of buildings and infrastructure in communities, based on cultural celebration relief actions, aiding in funerals, bridal favors, education loans, and medical services.

Nawaz, T., & Haniffa, R. (2017) analyzed the impact of immaterial resources, such as Intellectual Wealth, on the economic achievement of 64 Islamic Financial organizations functioning in 18 states from 2007 - 2011, while regulating firm-specific parameters like bank dimension, listing status, risk level, and firm system complexity. The facts needed to determine the various components of IC come from the Bank scope database. The Public's Worth Additional Intellect Coefficient (VAIC) technique is applied to assess the influence of IC on IFI economic performance. There was a substantial affirmative association between VAIC, and accountancy accomplishment developed on the yield on assets, according to the findings. The findings also

revealed a strong affirmative association between accountancy accomplishment and employed efficacy and human being capital proficiency, but not structured capital proficiency.

Velid Efendic and Nejra Hadziahmetovic, (2017) evaluated the society and economic efficiency of microfinance organizations in Bosnia and Herzegovina. The study considered the secondary data as well as Data Envelopment Assessment. The research collected information over the period 2008 to 2015. The outcomes indicated that economic consequence is extensively higher than the social consequences of microfinance organizations.

Işık Özcan, (2017) conducted a study about the control of enterprise-specific aspects on the profitability of publicly traded real sector businesses in Turkey. He gathered secondary data from 2005 to 2012. He applied panel analysis. In this study, success was calculated by Return on Assets (ROA), and enterprise-specific aspects were enterprise size, funding level, resource tangibility, debit structure, stock yield volatility, enterprise age, and economic crisis. He found that firm size, firm age, and liquidity level was a substantial and progressive association with the enterprise's profitability (ROA). He also found that tangibility proportion, leverage proportion, stock yield volatility, and the economic crisis were important and negative affiliations with the consequence (ROA) of enterprises.

Agyeman, B., Bonn, J., & Osei, C. (2017) evaluated the four viewpoints of the balanced scorecard applied as a device to manage success/performance in particular Ghanaian banks that were investigated in the research. The method of survey research was applied for the study. The economic viewpoint was determined to be the most employed balanced scorecard perspective by particular Ghanaian banks to achieve performance, tracked by the client viewpoint, knowledge and progress view, and inside commercial procedure view. The ANOVA tool exposed that the average points of the four balanced scorecard viewpoints were statistically and considerably dissimilar. According to the findings, Ghanaian banks largely rely on an economic view to assess performance.

Non-economic performance assessment systems have evolved because of the increased practice of modern manufacturing techniques where it is capable to progress key actions for achievement/performance improvement, according to Ahmad, K., and Zabri, S. M. (2016). Using a survey questionnaire, this study investigates the impact of non-economic performance calculation structures on company performance in Malaysian manufacturing enterprises. The

findings show that non-economic performance calculation structures are widely applied for internal efficiency, product creation and growth, and corporate social responsibility, based on 118 usable questions. Furthermore, the findings show that non-economic performance calculation structures have a optimistic influence on company performance in a manufacturing context. As a result, the findings show that noneconomic performance calculation structures show an essential part in the performance and operations environment, particularly in terms of improving the enterprise's performance.

Fersi and Boujeelbene, (2016) evaluated the aspects of the performance of Islamic microfinance organizations and Conventional microfinance organizations. They applied panel data from 1996 to 2012 and applied the simple linear regression method. They considered the return on assets (ROA) as an economic achievement. They determined that CMFIs had a constructive connection with economic performance and microfinance target groups. They also found that IMFIs had an affirmative association between economic performance and asset structure.

Anojan (2016) evaluated the aspects of the effectiveness/profitability on the economic success of the chosen listed manufacturing organizations on the Colombo Stock Exchange. He collected the economic data from 2009 to 2014. The research followed descriptive analysis, regression method, and Person correlation exploration tool. The regression results showed that there was a substantial connection between capital structure, organizational growth, and liquidity management on the effectiveness/profitability of the chosen manufacturing organizations. The correlation outcomes established that there was a noteworthy affiliation between wealth structure, liquidity position, and profitability of the selected manufacturing organizations.

Ahmed, Bhuiyan, Ibrahim, and Said, (2016) assessed a research work to calculate the profitability of microfinance organizations (MFIs) in South Asia. They applied a quantitative research technique and applied secondary data from 2008 to 2012. They gathered the data set from the Microfinance Information Exchange (MIE) database. They applied economic proportion analysis, descriptive analysis, and econometric tools to determine the profitability of MFIs. They found that the age of the microfinance organizations and operating cost proportion had a substantial negative relationship with MFIs' profitability; besides, the number of live debtors and the profit on a gross credit portfolio had a substantial optimistic connection with the profitability of MFIs. They also found that the cost per borrower had no substantial consequence, and the liquidity proportion had

an insubstantial but constructive consequence on the economic achievement of microfinance organizations.

Calu, A., Negrei, C., Calu, D. A. S., & Viorel, A. (2016) evaluated non-economic information reporting practices using indicators recommended by the Global Reporting Initiative (GRI), as well as the extent to which affirmative elements are preferred for marketing purposes. In this regard, they applied data from 19 organizations that participated in the International Integrated Reporting Council's pilot program for non-economic reporting (IIRC). They chose 30 environmental and social indicators that reflect both affirmative and negative aspects, and they examined how they are presented in the organizations' reports, focusing on the activities that must be considered in the development of a sustainable marketing strategy: supply – production – distribution. The study's findings highlighted the fact that, regardless of the sector in which firms operate, they report mostly the indicators that present good information, with only 33% reporting the indications that present negative information. When these findings are interpreted via the lens of institutional theory, it becomes clear that certain companies' decision to voluntarily report according to a specific referential is primarily motivated by a desire for rightfulness. Furthermore, the primary market competitors' long-term behavior results in a mimetic-type isomorphism.

Ibrahim et al. (2016) analyzed the aspects of profitability of IMFIs in Malaysia. The study applied secondary data over the period 2006 to 2012. The paper applied OLS regression tools to examine the data. The research displayed those macroeconomic environmental aspects had an important power on the performance of IMFIs. The study exposed that the price of fuel had an undesirable impact on the performance of IMFIs, and the capital proportion, GNI per capita, cost proficiency, and inflation had an optimistic consequence on the achievement of IMFIs in Malaysia.

Matsoso, M. L., & Benedict, O. H. (2016) investigated that economic performance standards are the best often employed output and efficiency measurement in enterprises with non-economic performance predictors received less considerable. Economic performance standards are traditionally evaluated that influence enterprise's long-run feasibility thus they cautiously be carefully maintained and controlled. This article examines how much SMEs understand the importance of FPMs in their Supply Chain Management (SCM). The research applied a positivist pattern, collecting information from proprietors and executives of SMEs in the manufacturing area in Cape Town via questionnaires. The study found that, while these organizations value economic

performance measures, they lack the expertise to appropriately establish their economic measures and are unsure whether economic performance indicators are relevant to their enterprises.

Uddin and Barai, (2016) investigated the intervention of Islamic microfinance in Bangladesh to aggregate the earnings of borrowers. They interviewed 87 Islamic microcredit borrowers of Islamic Bank Bangladesh Ltd (IBBL). It was a Rural Development Scheme of IBBL. They developed a structured questionnaire for interviewing Islamic microcredit borrowers. They found that Islamic microfinance supports poor people to generate income.

Ramlan and Adnan, (2016) evaluated the profitability/effectiveness of Islamic financial organizations and Conventional financial organizations in Malaysia. They collected data from 2006 - 2011 and applied T-test, regression, and correlation analysis. They identified that Islamic financial organizations were earning more profit than Conventional financial organizations based on total loans to the overall wealth for Islamic banks were better than Conventional financial organizations.

Lebovics, Hermes, and Hudon, (2016) studied the tradeoff between the economic viability of microfinance organizations and their outreach to deprived people. The study applied dataset from 28 Vietnamese MFIs and applied Data Envelopment Assessment (DEA) to measure the presence of a trade-off. The study found that the economic and social consequence was not related to Vietnamese MFIs. The study also found that there was no support for a trade-off between economic and societal efficiency; subsidies helped MFIs to achieve high economic and social efficiency.

Jannatunnesa, (2016) investigated the consequences of the determinants on the profitability of the pharmaceutical industry. The research applied Altman's Z-score test for measuring the economic steadiness of the pharmaceutical industry. The research also exploited descriptive analysis, correlation matrix, and regression analysis to assess the determinants of profitability. The study found that growth, advertising intensity, and leverage proportion had a substantial affiliation with the profitability of pharmaceutical companies. The study suggested that proper management policies and government support helped to develop organizational performance.

Muraleetharan, P., (2016) evaluated the connection between the investment structure and profitability of the beverage food and tobacco organizations in Sri Lanka. The study applied 7 years' dataset from 2008 - 2014. Correlation matrix and regression study tools were applied to

analyze the data. The study found that there had a noteworthy and constructive relationship between investment structure and viability of beverage foodstuff and tobacco organizations.

Usman, et al., (2016) examined the aspects of sustainability of microfinance organizations in Pakistan. They gathered data from 49 microfinance organizations in Pakistan. They applied panel data analysis tools. The study showed that capital to asset proportion, size of MFOs, operating expense to asset proportion, portfolio at risk, and the income on gross portfolio had a substantial connotation with the economic sustainability of MFOs in Pakistan.

Jafari and Samman (2015) examined the elements of profitability for manufacturing companies in Oman. The study selected 17 industrialized businesses listed on the Muscat securities market. The study applied the data from 2006 to 2013. The study also applied the ordinary least squares tool to assess the dataset. The research work identified that the firm size, growth, fixed assets, and working capital had a optimistic and trivial connection with profitability. However, the economic leverage variables and the average tax rate had a negative association with profitability, but this connection was statistically noteworthy only for the economic leverage variables.

Chhatoi (2015) investigated the correlation between dividend payment and profitability in the steel and iron industry in India. He applied data over the period 2004 to 2012. He also applied EPS, DPS, and Payout Proportions of selected companies. He took inferential and descriptive statistical tools to investigate the data. He found that dividend decisions had a substantial association with the profitability of the organization. He also found that the dividend decision was straightly related to the financing and investment decision.

Milhem and Istaiteyeh, (2015) evaluated the achievement of Islamic faith banks and traditional/Conventional banks. They gathered the dataset for 2009 - 2013. They considered 13 Conventional/traditional banks and 3 Islamic faith banks in Jordan. They showed that there were substantial variations between Islamic belief banks' performance and traditional banks' performance. The result also explained for Islamic faith banks were less risky, less efficient, less profitable, but more liquid.

Hashim, Osman, and Alhabshi, (2015) investigated the association between intellectual capital and institutional achievement. They applied as a structured questionnaire method for collecting data.

They applied multiple regression assessment models. They showed that intellectual capital has an important liaison with organizational performance in Malaysia.

Hasbi, (2015) examined the affiliation between economic structure, growth, profit, and value of organizations in Indonesia. He showed that economic structure, profit, and growth had a progressive association with the worth of organizations. He also showed that economical healthy microfinance organizations hired more employees and earned more profit.

Wijesiri, Vigano, and Meoli, (2015) analyzed the technical competence and elements of microfinance organizations in Sri Lanka. They selected 36 microfinance organizations and applied Data Envelopment Analysis (DEA). The study followed two different DEA models from economic and social perspectives. The study found that many microfinance organizations faced problems from economic and social perspectives. They also found that microfinance organizations' age and wealth of assets were substantial variables of economic competence, and microfinance organizations' age, type of organization, and the yield on assets were the vital variables of social competence.

Widiarto and Emrouznejad, (2015) evaluated and compared the achievement of Islamic microfinance organization and Conventional microfinance organizations. The study applied a 2stage of the examination process to measure and compares the performance. They developed the Data Envelopment Analysis (DEA) to measure the Islamic and Conventional microfinance institution's economic and social efficiency. They also followed non-parametric experiments to compare the performance and identified variables that influenced the proficiency of Islamic belief and Conventional microfinance organizations. They found that Conventional microfinance organizations performed well over Islamic microfinance organizations worldwide, and SA meta frontiers. They also found that both organizations were doing well in the MENA meta-frontier.

Quayes Shakil, (2015) evaluated the outreach and enactment of Microfinance Organizations (MFOs). The research selected 764 microfinance organizations from 87 countries to collect the data. The research identified that outreach had an optimistic and substantial influence on the MFO's economic performance. The empirical results showed that outreach boosted the economic performance of microfinance organizations.

Widiarto and Emrouznejad, (2015) assessed the economic and social efficiency of Conventional microfinance organizations (CMFOs) and Islamic microfinance organizations (IMFOs) in three areas (East Asia and the Pacific (EAP), South Asia (SA), and MENA). They selected 231 MFOs as a sample and collected data over the period 2009 to 2010. They applied Data Envelopment Analysis (DEA) tools to evaluate and compare the data. The result showed that IMFIs (EAP and SA) were less efficient in terms of economic and social than CMFOs. The input-based DEA result showed that the performance of CMFOs and IMFOs was close at the global level, in terms of collective and economic in all regions.

Kiganda, (2014) investigated the consequence of macroeconomic issues on the achievement of banks in Kenya. This study considered 5 years of data from 2008 to 2012. The study employed the Cobb-Douglas manufacture function converted into a natural logarithm. The research work applied the OLS tool to determine the affiliation between macroeconomic aspects and the profitability of banks. The study showed that macroeconomic aspects (actual GDP, inflation rate, and exchange proportion) had an immaterial impact on the bank viability in Kenya.

Adam, (2014) analyzed the economic achievement of the Erbil Bank in the period of 2009 to 2013. He applied economic proportions analysis for evaluating the performance. He found that economic aspects in terms of profitability proportion, asset quality proportions, and liquidity proportion were influenced and improved by the economic performance of Erbil bank.

Rahman and Mazlan, (2014) evaluated the economic success/performance of microfinance organizations in Bangladesh. The researchers applied multiple regression tools to measure economic self-sustainability. They found that all microfinance organizations were economical sustainable to manage their regular operations.

Strøm, Espallier, and Mersland, (2014) considered the affiliation between female management, firm achievement, and commercial governance in their study. They gathered secondary data from about 329 microfinance organizations in 73 countries. They found that female leaders had a substantial relationship with MFIs performance, but governance had no substantial relationship with performance.

Anojan, (2014) investigated the connection between liquidity position and capital structure, and profitability of designated listed Food, Beverage, and Tobacco companies in the CTE (Colombo

Stock Exchange). He considered the fiscal year from 2008 to 2012 to accumulate the dataset. The research work applied regression and correlation matrix analysis to determine the connection between the outcome variable and the explanatory variable. The regression results confirmed that there was no substantial association between wealth structure and liquidity position on the profitability of Beverage, Food, and Tobacco organizations. The correlation results presented that there was no substantial connection between capital structure, liquidity position, and viability of Beverage, Foodstuff, and Tobacco organizations.

Farooq and Khan, (2014) analyzed the economic and community performance of Pakistan. The study considered two Islamic microfinance organizations (IMFOs) and two Conventional belief microfinance organizations (CMFOs) over the period of 2005 to 2012. The study applied five groups of indicators to calculate the economic and social performance of microfinance organizations. These indicators were portfolio value; competence and productivity; profitability; economic structure; and social performance (outreach). The results showed that CMFOs were more economical capable than IMFIs. However, CMFOs and IMFOs were remarkably close in terms of social performance (outreach).

Mahmood et al., (2014) assessed the consequence of Islamic microfinance organizations (IMFOs) and two Conventional microfinance organizations (CMFOs) in Pakistan. They considered nine CMFOs and three IMFOs over the period 2008 to 2011. They applied Data Envelopment Assessment (DEA) tools to measure and compare the competence of CMFOs and IMFOs. They found that IMFOs were more efficient than CMFOs in Pakistan.

Velnampy and Anojan, (2014) evaluated the relationship between liquidity administration and capital management, and the profitability of telecommunication enterprises in the Colombo Stock Exchange. They considered the fiscal year from 2008 to 2012 to collect the data. The study applied regression and correlation matrix analysis to measure the association between controlled and response variables. The regression results presented that there was an insubstantial relationship between capital management and liquidity administration on the feasibility of telecommunication organizations. The correlation results represented that there was an unimportant association between capital management, liquidity administration, and earnings of telecommunication organizations, but the capital structure was negatively connected with its profitability.

Habimana Olivier, (2014) investigated the connection between capital management and the economic performance of the firm. The research collected cross-sectional data from firms in Africa, Asia, the Middle East, Eastern Europe, China, and Russia. He applied the Ordinary Least Squares Technique. He found that capital structure and systematic risks substantially influenced the firm's economic performance and leverage was substantially and negatively affected by it.

Matsoso, M. L., & Benedict, O. H. (2014) evaluated the effectiveness/performance metrics in the supply chain managing have developed one of the most important aspects in boosting the progress and consequence of small size and medium size businesses (SMEs), with an emphasis on economic rather than non-economic indicators. This study aims to restore steadiness by exploring how noneconomic performance determines are applied by SMEs and arguing for their value. It is based on positivistic research with survey forms to purposively particular SMEs in the industrialized sector in Cape Town, South Africa. SPSS was applied to investigate the data and give descriptive results. The main findings show that SMEs reflect almost and recognize the prominence of non-economic determines and that they execute them into their supply chain administration to an extent level. These protections, still, are not officially realized.

Eltinay, N. B., & Masri, R. (2014) used the Performance Measurement System (PMS) to evaluate the success of banks. The study looked at how a wide range of non-economic performance variables influenced the usage of nine economic performance metrics and how that influenced overall bank performance. To examine the survey data responses to the primary questionnaire, a survey research technique was utilized, which included a quantitative method, structure equation modeling (SEM). Sudanese banks utilized a variety of economic and non-economic metrics, and they were also subject to strong institutional and government control, according to the findings. In addition, the findings revealed that some banks employ a variety of performance metrics to improve their PMS rather than as a strategic choice alternative. The amount to which performance measurement are applied was shown to be influenced by innovative technology, diversity strategy, rivalry, uncertainty, and trained staff. The conclusions of the research exposed that non-economic parameter had an extensive consequence on overall organizational success.

Abdelkader and Salem, (2013) investigated the achievement of Islamic belief and Traditional /Conventional belief microfinance organizations in the MENA region (the Middle East and North

Africa). They concluded that Conventional microfinance organizations are more competent than Islamic belief microfinance organizations in the instance of products in the MENA countries.

Kamaluddin and Kasim, (2013) evaluated the affiliation between human resource administration and the performance of Islamic microfinance organizations (IMFOs) in Malaysia. They developed a questionnaire for collecting the data. The research applied regression analysis tools to evaluate the data set. The result showed that there was a substantial association between organizational manpower administration and the performance of IMFOs.

Wasiuzzaman, and Gunasegavan, (2013), evaluated the achievement of Islamic belief and Tradition/Conventional belief banks/organizations in Malaysia. They considered earnings, liquidity, asset superiority, capital suitability, and operational competence for the analysis of the paper. They also included corporate governance concerns and economic situations in the study. They collected 14 banks' data over the period of 2005-2009 for analysis. In this study, they applied descriptive statistics, independent t-tests, and regression analysis. They found that bank size, the board size, and return on average assets of Islamic financial organizations were lower associated with conventional financial organizations or banks. They also found that portfolio quality, capital sufficiency, operational efficacy, liquidity, and board independence of Islamic belief banks were higher paralleled to Conventional belief Banks. They established that there were noteworthy variances between Conventional and Islamic Banks for all the variables, except for board independence and profitability. They also concluded that liquidity, type of bank, and board characteristics were a substantial affiliation with the profitability of banks.

Fayed Esam Mona, (2013) analyzed the consequence of Islamic belief and Conventional belief banks in Egypt. They applied secondary data during the period from 2008-2010. The study took economic proportions (profitability, liquidity, and credit risk) to estimate the achievement of Islamic belief and Conventional belief banks. They also applied a well-known model as the "Banko-meter" to measure the banks' solvency. They found that profitability, solvency, liquidity, and credit risk management were higher in Conventional banks compared to Islamic banks.

Mersland and Urgeghe, (2013) examined debt financing and its consequence on the achievement of microfinance organizations (MFOs). The researcher selected 319 MFOs from 68 developing countries. The study applied 9 years of data from 2001-2008. The paper applied correlation analysis, descriptive statistics tools, and regression analysis methods to evaluate the collected data.

The research found that commercial funding had an adverse consequence on economic performance and subsidized funding had a affirmative relationship with the economic achievement of microfinance organizations and poverty alleviation and social development.

Chandrapala, & Knápková, (2013) evaluated the impacts of internal aspects on the economic performance of enterprises in the Czech Republic. The research applied 974 enterprises in the Czech Republic and the year 2005 - 2008. The study applied Pooled and panel data tools for the exploration of the dataset. The research work identified that the company size, capital turnover, and trade growth had a constructive and statistically substantial consequence on the economic performance of companies. However, the debit proportion and inventory had an undesirable and statistically substantial consequence on the economic performance of companies.

Mention, A. L., and Bontis, N. (2013) investigated the optimal consequences of intellectual capital and its aspects on organizational consequence in banking organizations in Luxembourg and Belgium. According to the findings, intellectual capital contributes to economic efficiency in the banking industry both directly and indirectly. Although the results are not statistically substantial, structural, and interpersonal capital is associated with business performance. Surprisingly, interpersonal assets have been shown to have a detrimental consequence on performance when compared to structural capital.

Tehulu, (2013) identified the aspects of economic viability of microfinance organizations (MFOs) in East Africa. The research collected a dataset from 2004 to 2009 and considered 23 MFOs in East Africa. The study applied panel regression assessment tools to investigate the information. The scholarly work found that the size of MFOs and loan intensity had a constructive and substantial link with the economic viability of MFOs. Besides, management inefficiency and portfolio at risk had a substantial and negative relationship with MFO's economic sustainability. The research also showed that deposit mobilization and breadth of outreach had an insubstantial association with the economic viability of MFOs in East Africa.

According to Vaught, (2013) Conventional microfinance institution services have been victorious in Muslim common nations, but these services do not meet the requirements of Muslim customers. Many Muslims desire Islamic faith services more than Conventional microfinance services.

Hernaus, T., Bach, M. P., & Vukšić, V. B. (2012) analyzed the empirical data from Croatian enterprises, this article examines how a strategic technique to business procedure management (BPM) affects organizational performance, including economic and noneconomic phases. The consequence of a strategic BPM approach on procedure performance measurement (PPM) is also investigated. The findings indicate that the PPM exercise is linked to a strategic technique for BPM. PPM has been found to have an impact on non-economic performance/effectiveness, as well as the stimulus of non-economic performance/achievement in economic performance, demonstrating that PPM has an indirect influence on economic achievement.

Yahya, Muhammad, and Hadi, (2012) evaluated the efficiency level of Conventional economic organizations and Islamic banks in Malaysia. They applied to the dataset envelopment examination to define the efficiency levels of Conventional belief and Islamic belief financial organizations or banks. They observed that Islamic belief and Conventional belief banks had the same degree of efficiency.

Islam, (2012) examined the economic performance of two financial organizations (Bank Rakyat, and Bank Simpanan Nasional) in Malaysia. He applied in the most common economic proportion analysis to analyze their performance. They found that Bank Rakyat and Bank Simpanan Nasional were economically sound, but Bank Rakyat was economically more efficient than Bank Simpanan Nasional. They also identified that economic conditions helped the society in achieving the collective and economic growth of the nation.

Kinde, (2012) examined economic sustainability and identified the variables that affected the monetary performance of microfinance organizations in Ethiopia. The research applied a quantitative exploration technique and gathered a dataset from the period 2002-2010. They collected 126 observations from 14 microfinance organizations. He found that microfinance debit of outreach, range of outreach, cost of each debtor, and dependency proportion influenced the economic performance of microfinance organizations. He also found that staff productivity and capital structure had no substantial consequence on the economic performance of MFOs in Ethiopia.

Mohd Harif, M. A. A., Hoe, C., & Ahmad, M. I. (2012) discovered the economic and noneconomic success indicators of framers' companies. The research focused on rice farmers' groups in the Muda Agricultural Development Authority (MADA), which is in Kedah's northernmost state. MADA's

rice-growing region is known as the "rice bowl" of Malaysia since it is the country's most important and largest rice-producing region. On the Farmers Organization in MADA, this study applied a qualitative convergent interview methodology. The MADA Farmers' Organization's performance metrics were identified because of the study.

Khan, H. U. Z., Halabi, A. K., & Khan, M. (2011) assessed the significance of environmental uncertainty and corporate culture in the link between non-economic performance metrics and organizational performance in manufacturing enterprises in Bangladesh is investigated experimentally in this research. It investigates the concept that non-economic performance metrics lead to greater organizational performance in the face of rising environmental uncertainty and corporate culture. Data were collected from 61 industrial enterprises recorded on the Dhaka Stock Exchange (DSE) in Bangladesh. The data was then evaluated using a multivariate statistical method that included multiple regression and factor analysis.

Bhuiyan, Siwar, Ismail, and Talib, (2011) researched the achievement analysis of the Rural Development Scheme (RDS) of the Islamic Bank Bangladesh Limited. They applied 14 years of (1996-2009) data for evaluating the overall activities of Islamic Microfinance Organizations (IMI) in Bangladesh. They found that RDS was more competent in employee management, center management, and branch management. They also suggested that RDS required proper evaluation of the financing (investment income, operating income) for avoiding the upcoming risk.

Alamgir, Hassan, and Dewan, (2011) studied the functional consequence of Islamic Microfinance Institutions and Conventional Microfinance Institutions. They evaluated the performances of the Rural Development Scheme (RDS) and BURO Bangladesh. They found that, in the case of functioning, Islamic microfinance of RDS was more competent than Conventional microfinance of BURO Bangladesh.

Ika and Abdulllah, (2011) investigated the economic state of Islamic belief and Conventional belief financial organizations in Indonesia. The information was gathered from Islamic and Commercial financial organizations from the years 2000-2007. They applied various economic proportions (earnings, liquidity, solvency and risk, and efficiency) to measure the economic achievement of Islamic devotion and Conventional devotion banks. They applied the MannWhitney test to test the assumptions. They found that the financial performance of Islamic

devotion and Conventional devotion banks was no major different. They also found that Islamic devotion banks had more amount of liquid than Conventional devotion banks.

Jaffar and Manarvi, (2011) studied and assessed the performance of Conventional belief and Islamic belief banks in Pakistan. The study applied 5 Conventional banks and 5 Islamic banks' secondary data from the period 2005-2009 to measure and evaluate their performance. They applied the CAMEL test and considered asset worth, wealth adequacy, earning capacity, management excellence, and liquidity position to analyze the bank's performance. The research found that Islamic belief banks achieved well in liquidity position and adequate capital however Conventional belief banks attained sound earning ability and management excellence.

Javaid, Anwar, and Zaman, (2011) appraised the elements of banks' capability in Pakistan. They choose the top 10 banks in Pakistan and collected data from 2004 to 2008. They applied the Pooled Ordinary Least Square (POLS) technique to study the influence of portfolio, equity, deposits, and credits, on profitability (return on assets). The study considered internal variables only. The study found that these variables had a substantial relationship with the bank's effectiveness/profitability. The research also found that greater total resources did not help to achieve top-notch profits. They concluded that higher credits lead to success, but it was not substantial. They also concluded that deposits and equity had a substantial impact on profitability.

Sufian, F., (2011) evaluated the achievement of banks in Korea. The exploration considered specific aspects and macroeconomic parts to influence the bank's achievement. The study applied panel data and the year 1992-2003. The study found that liquidity and the Asian economic crisis had a substantial and negative association with financial organizations' profitability. The paper also found that free-based activities, in the banking system had a substantial and affirmative relationship with bank performance.

Safiullah, (2010) evaluated and estimated the performance of interest-dependent and interest-free banks in Bangladesh. The research applied secondary data over the period 2004-2008 and selected 4 Islamic and 4 Conventional banks for collecting data. In the study, proportion analysis was applied to evaluate profitability, solvency, commerce development, liquidity, the obligation to the economy & society, productivity, and efficiency. The research identified that Conventional based banks performed well over Islamic-based banks in assurance to family & public, efficiency, and productivity.

Wasiuzzman and Tarmizi, (2010) evaluated the power of bank characteristics and macroeconomic aspects on the consequence of Islamic belief banks in Malaysia. They applied ordinary least squares (OLS) to assess the collected data. They considered asset quality, capitalization, operational efficiency, and liquidity as profitability. They also considered gross domestic product and price rises as macroeconomic aspects. They found that operational efficiency and liquidity had an affirmative affiliation with bank viability and asset superiority and capital had an adverse association with bank effectiveness. They also found that gross domestic product and inflation had an affirmative connection with the viability of banks.

Mersland and Strøm, (2009) studied the association between organizational performance and business governance. They applied a self-constructed international dataset. They found that economic performance was enhanced by local rather than global directors and there was no difference between nonprofit organizations and shareholder organizations in monetary performance. They also found that bank regulation had no substantial consequence on economic performance.

Abdul, (2009) examined the overall achievement of Conventional-based and Islamic-based Banks in Pakistan. He evaluated the performance/achievement and profitability and collected datasets from primary and secondary bases of data over the period 2006-2008. He considered proportion analysis techniques to determine the performance of Islamic and Conventional Banks. The researcher recognized that the performance and feasibility of Islamic-based banks were greater likened to Conventional-based banks. The resources, deposits, investments, using the portfolio, collecting back of loans, and good quality of services were outperforming Islamic banks.

Wu, H. Y., Tzeng, G. H., & Chen, Y. H. (2009) investigated banking performance by using the Fuzzy Multiple Conditions Decision Making (FMCDM) technique. This study initially shortened the assessment indexes produced in previous scholarly work relevant to banking overall activities, using the four perspectives of a Balanced Scorecard (BSC). Then, using expert surveys, 23 measures suitable for evaluating banking performance were chosen for screening. The Fuzzy Systematic Pyramid Process was applied to generate the relative loads of the given evaluation indices (FAHP). The three MCDM analyzing techniques of SAW, TOPSIS, and VIKOR were correspondingly accepted to highlight the banking overall performance and advance the breaches with three financial organizations as a realistic instance. The results suggest that the critical

features of evaluation standards and the drawbacks need to improve to develop banking total performance for attaining the expected level. It displays that the suggested FMCDM evaluation model of banking total performance using the BSC structure can be a convenient and operational assessment means.

Bader, Mohamad, Ariff, and Hassan, (2008) evaluated and compared the achievement of Conventional-based and Islamic-based banks. They considered the revenue, cost, and profit efficiency of 37 Conventional-based and 43 Islamic-based banks from the year 1990 to 2005. They applied data envelopment analysis to the efficiency. They also applied bank size, time of life, and area for static and dynamic panels. They stated that there were no substantial differences between the inclusive efficiency of Islamic-based and Conventional-based banks' performance.

Wajdi, (2008) described the concept of Islamic belief microfinance from the standpoint of Ibn Khaldun's awareness of 'Asabiyah' or social harmony that presents cooperative efforts and realism more than individual welfare. He found that Islamic microfinance organizations were providing more appropriate products or services for the development of underprivileged people.

Hoque, Z. (2005) studied the affiliation between non-economic performance and organizational achievement. This work contributes to this field by arguing that non-economic determinants are most appropriate in increasing organizational achievement when the environment is unpredictable. It examines empirical dataset from a selected sample of New Zealand industrial firms to see if noneconomic performance indicators can lead to better organizational achievement in the face of rising environmental uncertainty. According to a multiple regression investigation of the dataset, performance should decline as the extent of the 'mismatch' between a firm's atmosphere and the use of various non-economic performance indicators increases.

Kumar J., (2004) observed the influence of ownership construction on the overall performance of the firm. He considered the data from 1994-2000. He applied panel data analysis. He found that foreign shareholders and managerial shareholders were not substantially influenced the firm performance and institutional investors, shareholding by the directors were substantially and affirmatively influence firm performance.

Paul and Anantharaman, (2003) examined the association between human resource management practices and organizational performance (Operational and economic performance) in Indian

software companies. They identified that HRM practices had an indirect relationship with organizational performance.

Said, A. A., Hassab Elnaby, H. R., & Wier, B. (2003) evaluated the noneconomic variables such as buyer and organizational member satisfaction, superiority, market share, efficiency, and modernism are increasingly being tracked by companies using innovative performance assessment tools. The impact of non-economic performance determines in compensation management indentures on present and upcoming performance is investigated in this study. Contextual elements, environmental aspects, and strategic goals differ between organizations, and so the performance values of noneconomic determines are determined by how they are implemented. The results back up the theory that organizations that use a mix of economic and non-economic performance indicators have much greater mean value of asset returns and market earnings. They find only moderate support for accounting performance increases, despite evidence that noneconomic metrics increase organizations' current and future stock market performance. Overall, the findings show that the affiliation between non-economic metrics and firm achievement depends on the company's operational and competitive qualities

Hussain, M., & Hoque, Z. (2002) evaluate the performance measurement procedures. The performance measurement techniques of four Japanese banks are described in this research. The study is based on the new institutional sociology paradigm and is a field investigation. Its goal was to figure out what aspects influenced the policy and implementation of noneconomic performance monitoring methods in the organizations analyzed. The findings show that some institutional forces affected the banks' decision to deploy a specific performance measuring methodology. Economic restrictions appeared to be the most powerful influence, followed by regulatory oversight by the central bank, accounting standards/economic law, management's strategic emphasis, bank size, competitiveness, and the inclination of organizations to adopt best practices from others.

Iqbal, (2001) evaluated the performance of Islamic belief and Conventional belief Banks in the Nineties. The study considered data over the period 1990-1998 and developed a hypothesis. He applied trend analysis and proportion analysis techniques for examining the Islamic belief and Conventional belief bank's performance. In this research, the optimum achievement of Islamic

financial organizations was likened with the performance of Conventional belief financial organizations. He found that Islamic banks had done well during the study period.

Banker, R. D., Konstans, C., & Mashruwala, R. (2000) studied the articulation of the associations between noneconomic aspects like organizational member and buyer satisfaction and economic achievement metrics as an essential part of the balanced scorecard technique. There is, however, minor evidence of an affiliation between organizational member and buyer happiness, as well as their impact on economic performance. This study evaluated the impact of employee happiness and business on buyer satisfaction, as well as revenue and cost variables, using cross-sectional data from over 500 department stores.

Banker, R. D., Potter, G., & Srinivasan, D. (2000) studied the non-economic measures, including product excellence, buyer requirement fulfillment, and market share, which are progressively being applied in achievement measurement and pay systems recent research. They claim that because present noneconomic variables are better indicators of long-term economic performance /effectiveness than present economic measurements, they can help managers refocus their actions on the long period of time. However, there is slight empirical evidence on the affiliation between noneconomic metrics and economic performance/achievement, and much less on the performance implications of using noneconomic metrics in incentive contracts. The research presents empirical evidence on the conduct of non-economic variables and their power on company achievement using time series dataset from 18 hotels administrated by a hospitality organization for 72 months. The results display that non-economic buyer satisfaction aspects are vastly connected to future economic achievement and hold extra evidence not embodied in earlier economic metrics.

Table 2.2: The Following is a List of Notable Studies Organized by Theme (based on a literature review)

Theme	Authors and Year	Methods Applied	Main Findings
Non-economic performance measures	Omran, M., Khallaf, A., Gleason, K., & Tahat, Y. (2021)	A quality-based approach	The conclusions discovered that an organization's non-economic achievement metrics have a substantial and indirect power on its economic performance. They also discovered that only manufacturing organizations that implement a quality plan have a promising influence on operating and economic performance when noneconomic performance parameters are disclosed.
Economic performance	Oudat, M. S., & Ali, B. J. (2021)	Panel regression analysis	The dataset is achieved from the bank's annual economic reports. Except for liquidity risk for investment banks, which was found to have a strong link with economic performance, both models revealed negligible associations among capital risks, exchange rate risk, liquidity risks, and economic achievements.

Economic performance	Almagtome, A., & Abbas, Z. (2020)	Correlation and Regression analysis	The functioning revenue index has a better association with stock prices and total traded stocks than the other performance indicators, according to the results of the economic performance.
The association between a few key attributes and microfinance institution's success	Akhter, P. (2020)	A principal component factor analysis and one sample t- test methods	The study found five aspects that influenced the performance of MFIs (risk mitigation technique, administration strategy, assessing process, credit lending method, and marketing method). The research also showed that sample data adequately reflected the population and that all variables were statistically substantial in influencing MFI performance in Bangladesh.
Business Performance and Corporate social responsibility	Prieto, A. B. T., Shin, H., Lee, Y., & Lee, C. W. (2020)	Regression analysis	Financial, legal, moral, and charitable accountability initiatives have an affirmative control on the Ecuadorian banking environment's non-economic company performance, according to the study. Consumer brand trust, loyalty, customer perceptions of quality, and customer happiness all have a substantial affirmative control on non-economic company success.

Linkage between customer loyalty and satisfaction and profitability	Eklof, J., Podkorytova, O., & Malova, A. (2020)	Correlation	They discovered that client satisfaction and reliability have a substantial affirmative power on bank profits. Because the previous time's satisfaction index enhances the business performance, their observations can be applied as a predictor of future profitability. Both bank decision-makers and investors needed to know about these findings.
Quantifying and prioritizing economic performance (FP) aspects	Vyas, V., & Jain, P. (2020) Vyas, V., and Jain, P. (2020)	The Analytic Hierarchy Process	Market orientation was the most essential determinant of economic performance (EP) in SMEs, followed by entrepreneurial direction and corporate societal responsibility.
The influence of Asset structure on the economic performance	Abubakar, Y., and Olowe, J. G., (2019)	Purposeful sampling technique and multiple regression tools	Short-time debt, long-term debt, and debt-equity all had considerable and favorable control on business economic achievement, according to the study.
The elements that influence the performance	Almansour, B., Almansour, Y., & Almansour, A. (2019)	A descriptive questionnaire	The consequences reveal that all criteria have an affirmative and substantial relationship with SME achievement, implying that if these qualities/ characteristics are improved, so are the performances.

<p>Monetary and Non-Monetary performance</p>	<p>Panno, A. (2019)</p>	<p>Resource-based view (RBV) framework</p>	<p>According to the data, small medium Italian hotels employ a balanced approach to performance measurement that accounts for both economic and non-economic components of the hotel's accomplishment. Customer orientation has been discovered to be a substantial predictor of non-economic organizational performance.</p>
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<p>Economic Performance</p>	<p>Prawirodipoero, G. M., Rahadi, R. A., & Hidayat, A. (2019)</p>	<p>Economic proportion analysis</p>	<p>Liquidity measurement proportions, debt proportions, profitability indicator proportions, cash flow indicator proportions, and operating achievement proportions are the five primary features involved in the maximizing economic performance through economic proportions analysis. The writers have come to the conclusion that they will develop a conceptual framework that will be applied in future research.</p>
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Overall performance	Tarurhor, E. M., & Osazevbaru, H. O. (2019)	Descriptive, correlation, and regression analysis	The balanced scorecard shows a statistically substantial beneficial link with organizational performance, according to this study. When compared to economic variables, non-economic phases are the main features of BSC of SMEs in Edo state, contributing 64.05 percent and 23.78 percent, respectively, according to the sampling results.
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Association between customer happiness and banking sector economic performance	Golovkova, A., Eklof, J., Malova, A., & Podkorytova, O. (2019)	Panel analysis	The results imply that the importance of the customer fulfilment index in explaining banking industry economic performance on the aggregate country-level is substantial. For the several North European countries investigated, the customer satisfaction index, as assessed by the EPSI, has a strong affirmative impact on the banking industry's economic success. It was discovered that EPSI has a favorable impact on both total assets and total equity, with total assets having a higher relative influence and relevance than total equity in the banking area.
Intelligent capital (IC) and	Ousama, A. A., Hammami, H.,	Regression analysis	The study revealed that Intelligent Capital (IC) has an affirmative stimulus on the economic

economic achievement	& Abdulkarim, M. (2019)		achievement of Islamic organizations. Although the average IC was more minor than in previous studies, the affirmative influence on economic achievement was obvious. Human capital (HC) has also been proved to be more valuable than both Capitals Employed (CE) and Structural Capital (SC). SC has no consequence on the economic achievement of Islamic organizations when paralleled to CE and HC, according to the study.
The relationship between a few key characteristics and the performance of microfinance organizations	Akhter, P. (2018)	Reliability statistics, One-way ANOVA, and Multiple Regression Analysis	The credit lending strategy, employee inspiration, proper administration, a consequence risk administration approach, and the government rules and regulations all have a substantial power on the microfinance institution's performance, according to the research. It also argues that microfinance organizations' performance in Bangladesh has nothing to do with innovation or Information Technology (IT). It demonstrates that MFI performance is affirmatively correlated with credit lending system, staff inspiration, appropriate management method, and

			government regulatory framework, whereas Microfinance Institution (MFI) performance is negatively correlated with consequence risk management. It was also discovered that the most substantial issue affecting MFI performance is the loan lending system.
Economic performance and non-economic performance	Erwin, K., Abubakar, E., & Muda, I. (2018)	Regression analysis	Advancing, finance, human resources, and asset-liability administration all have a substantial control on non-economic sustainability, according to the research. On the other side, there is no substantial link between capital and non-economic stability.

Profitability	Odusanya, I. A., Yinusa, O. G., & Ilo, B. M. (2018)	Generalized method of moments (GMM)	The study found that lagged productivity had a substantial and affirmative impact on contemporary firm's benefit, but short-term leverage, inflation rate, economic uncertainty, and the interest percentage had substantial and negative powers on firm profitability.
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<p>Non- monetary facilities and monetary facilities on the achievement of manufacturing Small Medium Enterprises (SMEs)</p>	<p>Ombi, N., Ambad, S. N. A., & Bujang, I. (2018)</p>	<p>Partial Least Square (PLS) Method</p>	<p>The results indicate that simply economic help has an influence on SMEs' total performance, while noneconomic support has little influence in Sabah, Malaysia, contrary to expectations. The consequences of this research work were useful, particularly to government entities in charge of SMEs' development, such as SME Corporation Malaysia.</p>
<p>Economic performance</p>	<p>Omollo, B. A., Muturi, W. M., & Wanjare, J. (2018)</p>	<p>Pooled ordinary least squares (OLS), fixed consequences (FE) and random consequences (RE) analysis</p>	<p>The findings revealed that short-time, long-time, and total liability all had substantial and negative consequences on company performance (returns on assets) through OLS and RE techniques, but liability measures had no consequence on firm performance (returns on equity) through OLS, RE, and FE methods.</p>

Non-economic performance metrics	Astawa, I. P., Sudana, I., & Suci Murni, N. (2017)	Qualitative study with ethnomethodology approach, Fuzzy-Analytic Hierarchy Process method and Weighted Product Model	Assisting in the founding of places of worship, assisting religious activities, cultural festival relief activities, aiding in funerals, wedding favors, education benefits, and medical support are all examples of local cultural events that could be applied to evaluate common administration in microfinance organizations.
Economic performance	Nawaz, T., & Haniffa, R. (2017)	Value Added Intellectual Coefficient (VAIC) methods	Accounting totals achievement was found to have a substantial affirmative relationship with capital employed productivity and human resources efficiently, but not with organizational capital efficiency.
The collective and economic competence of microfinance organizations	Velid Efendic, and Nejra Hadziahmetovic, (2017)	Data Envelopment Analysis (DEA)	The findings revealed that microfinance organizations' economic consequence is far greater than their social consequences.
The influence of enterprise specific aspects of the viability of publicly traded real sector firms	Işık Özcan, (2017)	Dynamic panel data approach	The study discovered a substantial and affirmative association between business size, firm age, liquidity level, and firm profitability (ROA). He also discovered a substantial and negative association between tangibility proportion, leverage proportion, stock return volatility, and the economic crisis and business profitability (ROA).

Non-economic performance	Ahmad, K., and Zabri, S. M. (2016)	Descriptive, and Pearson correlation coefficients methods	Non-economic performance measurements connected to internal operations and consumers are the most widely applied, according to the findings. Techniques connected to quality control, on the other hand, are rarely applied. The findings also show that there are substantial links between business size, owner/manager engagement, current technology, and the practice of noneconomic success indicators.
The aspects of the performance of Islamic belief and Conventional based microfinance organizations	Fersi, M., & Boujelbéne, M. (2016)	Descriptive, and Panel analysis	Conventional microfinance organizations (CMFOs) had a beneficial relationship with economic activities and microfinance target groups, according to the study. They also discovered that IMFOs' economic performance and capital structure had a beneficial association.
The determinants of the profitability on the economic performance	Anojan (2016)	Regression, and correlation analysis	The results revealed that capital structure, company growth, and liquidity management all had an extensive influence on the success of manufacturing enterprises. The correlation results indicated that the capital structure, liquidity situation, and profitability of the selected

			manufacturing enterprises all had a substantial link.
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The profitability of microfinance organizations (MFIs)	Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J. (2016).	Economic proportion analysis, descriptive statistical analysis, and econometric technique.	They discovered that the age of microfinance organizations (MFOs) and operational cost proportion had a strong negative association with MFO profitability; nevertheless, the total of debtors and gross loan group yield showed a substantial affirmative link with MFO profitability. They also discovered that the cost per borrower had no substantial impact on MFO's economic performance, but the liquidity proportion had a minor but beneficial impact.
Non-economic information reporting practices are preferred for marketing purposes	Calu, A., Negrei, C., Calu, D. A. S., & Viorel, A. (2016)	Global Reporting Initiative (GRI) analysis	The study's findings revealed that, regardless of industry, they claim that providing appropriate information about suppliers' sustainability helps to develop brand value.

The aspects of profitability of IMFIs	Ibrahim, S. N., Kamaruddin, N. I., & Daud, S. (2016)	Least Square Method	Macroeconomic environmental aspects have considerable control over the achievement of IMFIs, according to the study. The paper establishes that the price of gasoline had an undesirable effect on the performance of IMFIs in Malaysia, while the capital proportion, GNI per capita, cost-effectiveness, and inflation had a favorable impact.
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The economic performance measure (FPM)	Matsoso, M. L., & Benedict, O. H. (2016)	Economic achievement metrics, and descriptive analysis	While these firms appreciate economic performance metrics, the survey found that they lack the expertise to properly construct economic measurements and are confused about whether economic performance indicators are relevant to their businesses.
Reduction of poverty and creation of jobs	Uddin, H., & Barai, M. K. (2016).	Descriptive and regression analysis	The findings of the study show that Islamic microcredit has increased the respondents' income. This beneficial relationship between Islamic microcredit and an increase in borrowers' income should also assist them in escaping poverty. This study adds to the knowledge about the impact of Islamic microfinance, particularly in terms of the participants' income growth.

The effectiveness in Islamic-based and Conventional based banks	Ramlan, H., & Adnan, M. S. (2016)	T-test, regression, and correlation analysis	They discovered that Islamic-based banks made more money than Conventional- based banks since their overall loans to overall assets proportion were higher.
Microfinance organizations (MFIs) economic viability and outreach to impoverished clients	Lebovics, M., Hermes, N., & Hudon, M. (2016)	Data Envelopment Analysis (DEA)	The study discovered that social and economic consequence has no relation to the Vietnamese MFIs. The study also found no evidence of a trade-off between economic and social efficiency, with subsidies assisting MFIs in achieving high economic and social consequence.

Profitability of the pharmaceutical industry	Jannatunnesa, (2016)	Descriptive, correlation, and regression analysis	Growth, advertising intensity, and leverage proportion all had a strong link with pharmaceutical company profitability, according to the research work.
The association between the wealth management and profitability	Muraleetharan, P., (2016)	Correlation-matrix and regression analysis	The paper discovered that the economic structure of beverage, food, and tobacco companies had a strong and affirmative association with their profitability.

The determinants of profitability for manufacturing companies	Al-Jafari, M. K., & Samman, H. A. (2015)	Panel ordinary least squares model	This study showed that profitability was found to have an affirmative and substantial association with business extent, progress, fixed resources, and operational capital. The economic leverage aspects and the average tax percentage, on the additional side, exhibited an adverse relationship with effectively, although only the economic leverage variables were statistically substantial.
The association between success and dividend payment in the iron and steel industry	Chhatoi (2015)	Descriptive and inferential statistical tools	The study discovered that dividend decisions had a main power on the firm's effectiveness. The research also discovered that dividend decisions were inextricably linked to finance and investment decisions.

The Performance/achievement of Islamic-belief banks and Conventional based banks	Milhem, M., & Istaiteyeh, R. (2015)	Descriptive statistics and t-test analysis	The study revealed that the performance of Islamic-belief banks diverged substantially from that of Conventional-based banks. The findings also disclosed that Islamic belief banks were less risky, less effective, and less profitable than Conventional-based banks, but they were more liquid.
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The association between intellectual capital and institutional performance	Hashim, Osman, and Alhabshi, (2015)	Multiple regression analysis	Their findings showed that intellectual capital had a substantial relationship with organizational performance.
The relationship among economic structure, growth, profit, and value of organizations	Hasbi, H. (2015)	Multiple regression technique	The research proved that the economic structure, profit, and growth of organizations all had an affirmative link with their value. The study also revealed that financially sound microfinance organizations recruited more people and made more money.
The technical proficiency and aspects of microfinance organizations	Wijesiri, M., Viganò, L., & Meoli, M. (2015)	Data Envelopment Analysis (DEA)	Many microfinance organizations, according to the report, confront economic and social challenges. They also discovered that the time of life and capital to assets proportions of microfinance organizations were important aspects in economic effectiveness, while the time of life, form of organization, and yield on assets proportions of microfinance organizations were important aspects in social efficiency.

<p>Evaluation and comparison of the achievement between Islamic-belief and Conventional based microfinance organizations</p>	<p>Widiarto, I., & Emrouznejad, A. (2015)</p>	<p>Data Envelopment Analysis (DEA)</p>	<p>In the global and SA meta frontiers, they discovered that conventional microfinance organizations outperformed Islamic microfinance organizations. Both organizations performed well in the MENA Meta frontier, according to the researchers.</p>
<p>The outreach and achievement of microfinance organizations (MFOs)</p>	<p>Quayes, S. (2015)</p>	<p>Panel analysis</p>	<p>The empirical findings revealed that MFIs' economic performance was increased by outreach.</p>
<p>The economic and social efficiency of CMFIs and IMFIs</p>	<p>Widiarto, I., & Emrouznejad, A. (2015)</p>	<p>Data Envelopment technique</p>	<p>In terms of economic and social effectiveness, IMFIs (Islamic microfinance institutions) were shown to be less efficient than CMFIs (Conventional microfinance institutions). They also found that at the worldwide level, CMFIs and IMFIs performed similarly in terms of social and economic performance in all regions.</p>

The influence of macroeconomic issues regarding the effectiveness of banks	Kiganda, E. O. (2014)	Cross-lagged panel analysis, and cross-lagged correlation analysis	Macroeconomic aspects (real GDP, price rises, and exchange percentage) have a negligible impact on the bank's effectiveness, according to the study.
The economic performance of the Bank	Adam, M. H. M. (2014)	Descriptive analysis, correlation, and regression analysis	The research revealed that economic aspects such as profitability proportion, asset quality proportions, and liquidity proportion were influenced and enhanced by the economic performance of the bank.
The economic performance of microfinance organizations	Rahman, M. A., & Mazlan, A. R. (2014)	Multiple regression	The research discovered that all microfinance organizations could run and manage their normal operations on their own economic settlement.
The association between women leadership, organizational performance, and company governance	Strøm, R. Ø., D'Espallier, B., & Mersland, R. (2014)	Regression analysis	The study revealed that female executives had a substantial association with the success of MFIs, but governance had no such relationship.
The connection between liquidity position and capital structure and profitability	Anojan, V. (2014)	Regression and correlation analysis	The findings indicated that capital structure and liquidity position had no substantial impact on the profitability of the companies. There was also no substantial link between wealth structure, liquidity situation,

			and effectiveness of organizations, according to the study.
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The economic and social performance	Khan, M. F. Z. (2014)	Descriptive analysis	CMFIs were shown to be more economically capable than IMFIs, according to the findings. In terms of collective performance, however, CMFIs and IMFIs were almost similar.
The consequence of CMFIs and IMFIs	Mahmood, H. Z., Khan, R., Mehmood, B., & Khan, K. (2014)	Data Envelopment Analysis	In Pakistan, the study revealed that IMFIs were more efficient than CMFIs.
The performance measurement system (PMS) of the banks	Eltinay, N. B., & Masri, R. (2014)	Structure equation modeling (SEM), Factor analysis, descriptive statistics	According to the research, some banks use several performance indicators to enhance their PMS rather than using them as a strategic choice. Non-economic characteristics have a substantial power on total organizational success, conferring on the research's outcomes.
The performance of Islamic and Conventional microfinance organizations	Abdelkader, I. B., & Salem, A. B. (2013)	Descriptive and DEA analysis	The research came to the conclusion that in the case of products in the MENA (the Middle East and North Africa) countries, conventional microfinance organizations are more efficient than Islamic microfinance organizations.

<p>The affiliation between the human resource administration and the performance of Islamic-belief microfinance organizations</p>	<p>Kamaluddin and Kasim, (2013)</p>	<p>Regression analysis</p>	<p>Human resource management and IMFI performance were showed to have a substantial relationship, according to the findings.</p>
<p>The achievement of Islamic-belief and Conventional based banks</p>	<p>Wasiuzzaman, and Gunasegavan, (2013)</p>	<p>Descriptive statistics, T-tests, and regression analysis</p>	<p>They revealed that board size, bank size, and yield on average assets of Islamic-based banks were lower than Conventional-based banks. Islamic-based banks had greater asset quality, capital adequacy, Functional efficiency, liquidity, and board individuality than Conventional-based banks. Except for board individuality and effectiveness, there were substantial disparities between Conventional and Islamic banks in all aspects. They also discovered that liquidity, bank type, and board qualities all had substantial control over bank profitability.</p>

The achievement of Islamic and Conventional banks	Fayed, M. E. (2013)	Proportion analysis and Descriptive analysis	The study discovered that Conventional-based banks had greater profitability, wealth, liquidity, and credit uncertainty management than Islamic banks.
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The debt financing and its impact on the performance of microfinance organizations	Mersland, and Urgeghe, (2013)	Descriptive statistic, correlation analysis and regression analysis	The funding had an undesirable power of economic achievement, while subsidized funding had a favorable control on microfinance organizations' economic performance, as well as poverty reduction and social development.
The impacts of internal aspects on the economic success of organizations	Chandrapala, P., & Knápková, A. (2013)	Descriptive and regression analysis	According to the findings, company size, capital turnover, and transactions growth all have an affirmative and statistically substantial impact on economic success. The debt proportion and inventory, on the other side, had an adverse and statistically substantial impact on the organization's economic effectiveness/performance.

The consequences of intellectual assets and its effect on business achievement	Mention, A. L., & Bontis, N. (2013)	Structural equation modeling (SEM)	According to the results, human capital supports both straight and circuitous company success in the finance sector. Despite the lack of statistical significance, structural and relational wealth is affirmatively linked to business achievement. Surprisingly, when compared to structural wealth, relational wealth has been confirmed to have an undesirable influence on performance.
The determinants of economic sustainability of MFIs	Tehulu, (2013)	Panel regression tool	The study discovered that MFI size and lending intensity had an affirmative and substantial relationship with MFI economic sustainability. Portfolio uncertainty and administrative inadequacy, on the other side, had an adverse and substantial link with MFI's economic viability. The study also showed that deposit mobilization and breadth of outreach had an outstanding link with the economic sustainability of MFIs in East Africa.

Source: Researcher's construction

Therefore, it is obvious from this literature evaluation that though some studies have been conducted in this context in Malaysia, Indonesia, Jordan, Pakistan, etc.; there is a massive dearth

of exploration data in the Bangladesh context in terms of performance and comparison of Conventional microfinance organizations and Islamic microfinance organizations.

2.4 Summary of the Chapter

Microfinance organizations, admittedly, are aimed at low-income or underprivileged people who are seeking to better their economic situation. Therefore, the output of microfinance organizations receives the most attention around the world. The researcher hopes to compare the performance/achievement of Conventional microfinance and Islamic microfinance organizations in Bangladesh through this study. Many studies have been emphasized to evaluate the effect of microfinance on poverty reduction and global socioeconomic growth (Samer, Majid, Rizal, Muhammad, Halim and Rashid, 2015; Agbola, Acupan, and Mahmood, 2017; Adonsou and Sylwester, 2016; Miled, and Rejeb, 2015; Hasbi, 2015; Nashihin, 2014; Amran, Rahman, Yusof, Intan and Mohamed, 2014). Very few issues have been identified about the success of microfinance organizations in Bangladesh, one of Asia's most promising markets (Karel, and Batbayar, 2013; Alamgir, Hassan, and Dewan, 2011; Rahman, and Mazlan, 2014; Ahmed, Bhuiyan, Ibrahim, and Said, 2016). The goal of this research work is to determine the institutional performance of Conventional and Islamic microfinance organizations in Bangladesh, focusing on their economic performance/achievement in terms of efficiency, success and profitability, and comparing the performance of both types of microfinance organizations.

CHAPTER THREE: OVERVIEW OF MICROFINANCE ORGANIZATIONS IN BANGLADESH

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CHAPTER THREE: OVERVIEW OF MICROFINANCE ORGANIZATIONS IN BANGLADESH

3.1 Introduction

Professor Muhammad Yunus, a Bangladeshi scholar, and Nobel Laureate lead the way in microfinance, which has grown up as development mean to mitigate poverty, allow women to empowerment, and encourage entrepreneurship in poor and developing countries. Microfinance relates to the provision of economic services to the vulnerable. Microfinance is exclusive in that it stimulates growth by assisting the commercial inclusion of commercially excepted citizens by meeting their monetary and non-financial needs. The noticeable long-term success of microfinance as a way of addressing scarcity and other types of socioeconomic growth illuminates the attractiveness of microfinance under the supports of multidimensional organizations (e.g., the World Bank, the UN, the Aga Khan Foundation), private donors, and individual investors. Prof. Yunus and Grameen Bank were jointly nominated for the Nobel Harmony Award in 2006 for the tangible effects of microfinance on poverty alleviation and socio-economic growth. Bangladesh has had a microfinance industry for nearly four decades (Dewan A. H. Alamgir, 2009).

The following is the structure of this chapter: In section 3.2. discussed the microfinance industry overview and expansion strategies. Section 3.3 addressed the evaluation of the microfinance industry in Bangladesh. The major microfinance organizations in Bangladesh are described in section 3.4. The impact of microfinance in Bangladesh is presented in section 3.5. The summary of the chapter is depicted in section 3.6.

3.2 The Growth of the Microfinance Sector in Bangladesh

Over the last three decades, there have been many distinct phases in the development of poor people's access to credit. The new microcredit system and model can be traced back to intervention research undertaken by academics and practitioners in organizations established to resolve the assistance and recovery needs of post-independence Bangladesh in the late 1970s. In the 1980s, an increasing number of nongovernmental organizations (NGOs) experimented with various methods of providing credit to the needy. At the start of the 1990s, the different models converged on a properly uniform "Grameen-model" of distributing microcredit. During this decade, it ignited a rapid increase in microcredit access. The basic Grameen model has gone through further modification in recent years to appeal to various related markets as well as diverse life-cycle circumstances (Hassan Zaman, 2004).

The Decade of the 1980s

Several Non-Governmental Organizations (NGOs) experimented with various methods of loan distribution in the early 1980s. One critical mode of comparison was the effectiveness of providing loans for community projects versus individual loans with peer supervision. The general conclusion was that the latter was more successful due to the benefits and that it did not suffer from the "free-rider" issues that can occur when lending to a group. As a result, by the late 1980s, the most popular model was to provide individuals credits to a selected community of deprived households, followed by peer supervision and strict MFI staff follow-up.

This change is exemplified by the Association for Social Advancement (ASA). Its initial focus was on creating "people's groups" that could be mobilized for anti-oppression social action. In the late 1980s, it moved to target groups and then to the provision of financial services. ASA is now Bangladesh's fourth-largest MFI in terms of clientele, and its low-cost credit distribution model is being replicated in many other countries. ASA keeps paperwork to a bare minimum, decentralizes most decision-making to the sector, and runs a lean operation overall (Choudhury, 2003).

The 1990s and Beyond

The expansion was fueled in large part by "franchising," in which new branches followed the same practices and standards as existing branches. It was helped by Bangladesh's high population density in comparison to racial, socioeconomic, and cultural homogeneity. During this expansion process, a significant change occurred, with a greater focus on individual beneficiary responsibility for loan repayment and less dependence on peer supervision. With the use of computerized management information systems, staff loan follow-up became more comprehensive and competent. Donor funds aided MFI in expanding their revolving loan funds to varying degrees, especially during their expansion phases. PKSF also developed itself as a wholesale financing institution during this period. Following this expansion, a microfinance geographical map shows that microcredit services are now available in all districts in Bangladesh, though there are still several smaller pockets with limited or no coverage (e.g., Chittagong Hill Tracts). A closer analysis indicates that the central and western districts have a significantly higher proportion of poor households. There is still space for coverage expansion in the southeast and sections of the northeast (PKSF, 2003). Bangladesh's comprehensive and in-depth MFI coverage provides an important context for looking at some of the major supply-side issues affecting MFI results, such as rural beneficiaries' ability to repay loans, recent portfolio changes across various lending and savings products, and product price patterns, and targeting strategies. More than 60 percent of rural households in Bangladesh are microfinance participants, and more than 90 percent of villages now have access to at least one registered microfinance program over a 20-year period (1985–2005), where the number of registered MFI has risen from about 50 to more than 750. (CDF 2006).

The Bangladesh Microfinance Statistics is a primary source of secondary facts and figures for the microfinance industry, and it is taken by a wide range of interested parties, including supervisory body, apex funding authorities, conventional and commercial banks, technical monetary service providers, training organizations, scholars, and academicians both at home and overseas. The data provided in this compendium can be used for a variety of purposes, including but not limited to further study, performance review, and institutional ranking. The following overview will provide a good picture of the microfinance industry in Bangladesh and its impact on the economy.

According to numerous scholarly writings, microfinance has spread significantly into previously underserved, rural, and disaster-prone areas. In Bangladesh, the poverty reduction has been even

greater in village areas, where microfinance participants have risen at a faster rate. Many studies show that microcredit programs help households shield themselves from shocks and thus act as a significant "safety net." Microfinance can explicitly shield families from shocks, guarantee food safety, and help to change social standards. In general, it has contributed to significant change for more than 20 years. Microcredit has made a significant influence to improve the living standards of Bangladesh's rural underprivileged people. Although the advantages of microcredit mount up to all members, those who are extremely poor get benefit the utmost. Women's borrowing has a greater immediate effect on the household's financial well-being than men's borrowing, but men's borrowing tends to have a greater long-term positive impact on asset accumulation. Microcredit allowed a huge number of beneficiaries to improve their households' long-standing financial viability by increasing their asset base and assisting them in preserving assets during periodic crises. Similarly, in many instances, loans have risen in lockstep with assets, but this has not resulted in an unsustainable debt burden because asset growth has outpaced debt growth, resulting in beneficiaries' net worth improving compared to non-loan-receiver and the debt-asset ratio declining. It should come as no surprise that microcredit benefits the rural poor. Astonishingly, anyone might have imagined otherwise (CDF, Annual Report, 2017-2018).

3.3 Microfinance Industry Overview and Expansion Strategies

Microfinance institution (MFI) emphasizes providing financial support to underprivileged individuals who are not granted by the recognized commercial system. As a result, getting a loan from the conventional financial system is almost impossible and this system shrinks the opportunities for poor people to initiate a new business. They stay away to become a part of the recognized economy all the time. (Collins et al. 2009). The renowned author Jonathan Swift found that, in Ireland, the first microfinance loan system was introduced for the poor people in 1720. For the first time, in 1823, this informal financial system was brought under a specialized law of the local government like a formal economic system. Funds of this loan system were created and patronized by some philanthropists and the poor people gained over 20% of interest. Of course, after a few days, the government fixed the interest rate which was suitable for their economic system as a whole. Friedrich Wilhelm Raiffeisen established the Raiffeisen Credit Cooperatives in

Germany in 1847 with the aim of "controlling the use of currency for commercial improvements and improving people's honorable and physical standards, as well as their ability to act independently" (Freidrich, 1966). Informal financial organizations catering to the poorer segments of the society are documented as far back as the 15th century in Nigerian history (Hans Dieter Seibel, 2003). In European regions, they were primarily established in the 18th century in reaction to the massive deficiency provoked by the 30 years of the fight (1618-48) (Marguerite, 2002). The word "microfinance" was officially concerned in scholarly research in the 1980s (Robinson, 2001). The British made known the German System in the Indian town of Madras in the 1880s and subsequently, over 9 million people of Indians were portion of a huge advance-supportive scheme by the central-20th period. At that time, the Dutch Colonial Government in Indonesia intended a village cooperative financing scheme (Badan Kredit Desas) that depended on the Raiffeisen method, which far ahead produced the Bank Rakyat Indonesia (BRI), which is now the world's leading Micro Finance Organizations (MFI).

The Growth of Microfinance since the 1970s:

From the midst of the 21st century, the development of microfinance has been motivated either by states or donors through advanced schemes. Though the microfinance system demands high costs to manage, it has a very minimal impact on society in terms of poverty mitigation. However, some experts argue that the assistance culture has destroyed the advanced nation of disadvantaged people. Since the 1950s, both government lead organizations and international donor groups started to patron the credit distribution system for small peasants. The 1960s and 70s observed foremost exertions to increase rural economics in emerging nations and Farming Growth Banks were accountable for the distribution of low-cost credit (Prasad and Acharya, 2006).

Since the mid of 1970s, both the government and the donors changed their objectives from interventionist to market-based solutions, and the whole system had to face huge criticism around the globe. The catastrophe of the prior endeavors resulted in rigorous interest in alternative approaches such as microcredit. The revolution of current microfinance is substantially an economic and engineering uprising, which started in the 1970s, advanced in the 1980s, and reached its zenith in the 1990s (Robinson, 2001). The Bank Dagan Bali (BDB) in Indonesia began in 1970 and is considered the primary commercial microfinance organization to assist low-revenue

individuals, without any grants. ACCION International NGO, in 1973, disbursed its loan for the first time in Brazil (<http://www.accion.org>), and in 1974 Grameen Bank under the leadership of Professor Muhammad Yunus initiated microfinance in Bangladesh. In the beginning, he invested only \$27 from his funds among 42 people in his own country, Bangladesh. A year well ahead, an organization called Entrepreneurial Women's Association (SEWA) is progressing to offer loans to underprivileged women in India (Bhatt, 2005). These organizations evidenced that underprivileged people were very good loan receivers, with repayment rates of more than 95%, even when the charge rates were upper than the customary banking system.

Microfinance is run following the principle of a free market where capital is invested to have profit from the poor people (Pollinger, 2007). Though, while on the one pointer the Indian microcredit is enormous, Microfinance has hit the stock market and raised money through a primary community standard offering, exclusively self-sustaining MFI is quite distant from the custom. It is usually approved that while microfinance purposes to develop self-sustaining, states still have a central part to show in positions of providing a suitable strategy atmosphere in which the organizations can embellish and be structured.

Though microfinance has been working for more than forty years, it could not keep its word in terms of poverty reduction and financial stability till now because of the subsidies system. As a cause, Balkenhol persists in the Microfinance Organizations (MFI), which is a great hindrance to achieving self-sustainability (Balkenhol, 2007).

Economic and Social impacts: The experts have sketched several impacts of microfinance on poverty reduction. They are as follows:

- a) Evidence displays the positive influence of microfinance on poverty alleviation (Khandelker, Shahidur, Baqui, and Khan, 1995).
- b) There is a massive amount of proof confirming a positive influence on:
 - Reductions in vulnerability
 - Increases in income

For instance, Piyush Tiwari and S.M. Fahad (2004) find that the deprived repay their advances and are disposed to pay higher charges rates than private commercial financial organizations. Second, since the underprivileged save, microfinance can offer both exchangeable standpoint loan options.

Reaching the most underprivileged people: Despite variance in explicit explanations of poverty levels, a general harmony is sustained there:

- a) Those who are physically sick, mentally disordered, and very much needy, who make up a small percentage of society, are usually not appropriate customers for microfinance loan projects. Most scholars in this area believe that this community of people will gain more from direct elementary assistance.
- b) Microfinance is not for all levels of people. Most significantly, business skills and capability are essential to running a prosperous micro-level business, and not entirely possible for clients correspondingly can receipt on loan. While the shreds of evidence will be true crossways all levels of deficiency, it is anticipated that they will have an enormous consequence on the ultra-poor community.
- c) More optimistically, microfinance will help a wide variety of customers, including those in the bottommost part of those living under a state's scarcity track (to use a classification suggested by CGAP). These strata can be referred to as the "poorest," and they are the category that most closely resembles the different meanings of life-threatening poverty: homelessness, restricted entry to basic social services, and typical daily earnings of \$1. Specifically, various studies show:
 - Borrowing natures and the preference to save are seen to be alike among customers at diverse levels of poverty.
 - There is no indication of an opposite association between a patron's level of deficiency and their commercial capability.

While several studies have shown that the unprivileged people can boost their socio-economic circumstances, scholars have identified numerous general problems that ensure microfinance's ability to work for the ultra-poor. Further, a well-structured microfinance initiative is unlikely to have a fruitful influence on the underprivileged unless it tries to find to spread to them through suitable offer schemes and target oriented approach. The previous experience explains that unless

there is an aiming instrument, the real poor will either be overlooked or will likely be excluded because they do not think that the program is the betterment for them.

There is the harmony that assisting savings is significant for there is a great need for it midst the deprived people and for savings have a great part in shielding beside the seasonal currency-flows and achieving an assurance purpose. Besides, creating deposits strengthens economic discipline for clients and may finally secure guarantee and work as a home of funding for Micro Finance Institute (MFI). However, savings themselves have merely a negligible progressive influence. MFI which emphasizes money savings more than loans aiming to reach a minor part of the underprivileged people has a minimum influence on poverty mitigation. While donor agencies prefer to fund savings-first organizations since they require a significantly less initial investment, the few comparative scholarly works available reveal that loan receivers outperform no beneficiaries.

Strengths and Weaknesses of Microfinance:

Strengths of Microfinance:

1. Powerful Leveraging Effect

Macro-economic strategies related to structural regulation procedures, though subsequently related in ways that tended to minimize or limit social difficulties, could barely find a long-lasting way out. Such strategies complement the domestic or traditional standard, which holds that poverty may be addressed by the government making top-down money handovers to the poor.

For an instance, when the Lower Rural Bank (LRB), spending completely on its loan funds, had been proposing Credit with Education for about 4 years, the program had an operational, at that time, self-sufficiency ratio of 81% (which means that the interest paid by loan receivers covered 81% of the LRB's charges of allocating Credit with Education as one of its several facilities to surroundings people). These operational expenses comprised financial expenditures, with interest on debt but not loan-loss reserve. The reported functioning self-sufficiency was 130% in June 2007.

2. Cost-Effectiveness

Many scholars said, the greater and better the microfinance organizations' outreach (the more clients it assists) the more cost-effective, standard, and justifiable it becomes. The cost will be less in microfinance programs if more people attain it.

Weaknesses of Microfinance:

1. Beneficiaries Essentially Need to be Suitably Entrepreneurial

The foundations of the achievement of microfinance are also the origin of its flaws. Microcredit has two paradigms, cost-effective and self-targeting. But not all underprivileged people can take advantage of microfinance initiatives; appropriate application of loans in creative activities demands commercial abilities that maximum individuals do not have. Microfinance initiatives must give attention only to those underprivileged people who have the primary capability to start businesses with progress possibility but the absence of investment. For the underprivileged people, those who are not capable to turn into self-employed life, targeted wage employment and nutrition programs may be more suitable. Among many limitations, microcredit has its inadequate ability to heighten the amount of credit per loan taker because of the inadequate ability of loan receivers to grip loans.

2. Less Universal in its Application

Training, technological growth, or marketing assistance may have a greater effect than microfinance where consumer chances are restricted by near-to-the-ground population density and inadequate buying ability, or where markets are saturated with related services and products. Even where business chances are favorable, basic facilities and ground arrangements that increase the production of existing employment and activities like an agricultural upgradation or veterinary facilities, advancement of natural resource or gift management, and health or irrigation services that avoid sickness finishing means of support may be more suitable than microfinance. For microfinance to be an applicable intervention, definite pre-conditions should not hold. Under these circumstances, lending may not result in any actual benefits. These include:

- a) In rigorously underprivileged areas lacking infrastructure, services/jobs/works,
- b) Where disease such as HIV-AIDS pervades,
- c) Immediately after emergencies.

The strategy of Integration:

The scholars have made a consensus that financial markets are fragmented, and it harms the microfinance market as a whole. And they have also urged on reducing and even eradicating the existence of fragmentation of the market. On the other hand, the theoretical structures for realizing this objective vary. In short, 2 leading queries haunt the burning discussion area: should the zones/sectors be combined or should interlink be reinforced? However, the approach of combination would notify the scarcities and inefficiencies of the recognized area. The goal of this method is to construct one homogenous economic system. This will be completed through organizational and operational modifications, escalating, and transmuting the official economic segment (monetary liberalization). Applying this will bring positive results in the official sector absorbing the unofficial one.

Microfinance: A Different Segment or Industry

A method that seems suitable for in assisting describing an area which is a Social System Framework. It defines the limits of the conventional narrow explanation of industry and requires additional consideration of organizations and functions which have been considered exteriority.

They recommend that the structure needed for an organization or industry to develop consists of three mechanisms that are co-produced and interdependent over time.

Table 3.1: Social System Framework

Proprietary functions	Resource endowments	Institutional arrangements
Scientific expansion functions	Technological/ Scientific research	Governance
Resource channel activities/ Innovation network	Arrangements of finance and insurance	Legitimizing
Market formation and customer demand	Human capability pool	Technological standards

(Source: H. Ignor Ansoff, Palgrave Macmillan, 2007)

Expansion Approaches in Microfinance:

Since microfinance markets have become more competitive, organizations feel continuous pressure to attain and sustain growth. MFI will broaden its portfolio by delivering financial services to a greater number of clients while still serving its social mission, which is a critical driver of growth. Organizations can use different types of organizational structures to assist expansion, along with:

- Strategic alliances
- Mergers
- Acquisitions
- Growing existing operations

According to recent trends, the microfinance business employs a variety of tactics and structures.

3.4 Major Microfinance Organizations in Bangladesh

NGOs, Grameen Bank, government business banks, private trading banks, and specialist schemes of several Bangladesh state ministries are working as the key players in microcredit programs in Bangladesh. As of June 2018, gross unpaid loans in the microfinance sector amount to approximately BDT 673.90 billion (Grameen Bank, State-owned Banks, and Trading Banks), and deposits of BDT 262.96Tbillion. The total number of clients in this part is 31.22 million (including 8.7 million Grameen Bank clients), which speeds up the country's overall economic growth process. Credit services in this field can be divided into six large groups: (1) general microloans for small business and self-employed actions, (2) seasonal loans, (3) disaster relief loans, (4) micro-enterprise loans, (5) ultra-poor loans, (6) loans for agriculture The sums of loans up to BDT 50,000 are normally called micro-loan; advances above that amount are measured microloan.

NGO MFI in Bangladesh have their Licensing Status:

Applications were received from 4241 NGO-MFI by the Microcredit Regulatory Authority (MRA), founded by the state in August 2006. Approximately 1000 applications are found to be extremely limited, with less than 1000 beneficiaries or lower than the BDT 40 lakh loan which is perceived to be a generally viable minimum start-up operating portfolio of an MFI. But MRA had approved 805 NGOs and 100 NGO licenses by June 2019 have been canceled.

The State of Microcredit in Bangladesh:

Microcredit loans are fine enough in the sense that their vital aim is to steadily reduce society's poverty. Of the overall disbursement of microcredit and microenterprise loans in 2018, BDT (Bangladeshi Taka) was 1,201.91 billion, which was 14.91 trillion higher than in prior years. The number of beneficiaries has risen to 25.40 million, 93% of whom are women. It covers total 15,88 percent of Bangladesh's population. Other big Bangladesh microcredit programs include Grameen Bank, which disburses BDT 207.85 billion, BDT 13.96 billion from the BRDB, and BDT 1.44

billion from Jubo Unnayan Adhidoptor. This microcredit directly affects individuals, especially microenterprises, as a benefit to the source of operational capital. In this market, there are various types of loans, including general microcredit, ultra-poor loans, micro-enterprise loans, house loans, etc. BDT 462 billion was completely distributed by all the MFI in 2014, which rose by 37.23 percent to BDT 634 billion in 2015. Total loan disbursements were BDT 787 billion in 2016 which rose by 32.93 percent to BDT 1,046 billion in 2017. Again, it was raised to BDT 1,201.91 in 2018.

Table 3.2: MFI's Basic Activities in Bangladesh

Particulars	2014	2015	2016	2017	2018
No. of Licensed NGO-MFI	742 (Cancelled 45)	753 (Cancelled 56)	758 (Cancelled 78)	783 (Cancelled 84)	805 (Cancelled 100)
No of Branches	14,730	15,609	16,284	17,120	18,196
No. of Employees	109,628	110,781	127,820	139,526	153,919
No. of Clients (Million)	25.11	26.00	27.79	30.82	31.22
Total borrowers (Million)	19.42	20.35	23.28	24.94	25.40
Loan Disbursement (TK. Billion)	462.00	634.00	787.00	1,046.00	1,201.91
Amount of Loan Outstanding (Tk. Billion)	282.20	352.41	459.37	583.62	673.90
Amount of Savings (Tk. Billion)	106.99	135.41	171.19	216.71	262.96
Loan Recovery (Tk. Billion)	447.89	522.47	717.00	949.12	1,112.21

Source: www.mra.gov.bd

Table 3.3: Scenario of a Microenterprise Loan

Name of Microfinance Institutions	Numbers of ME Borrower	ME Loan Disbursed Loan (in BDT)	ME Loan Outstanding Loan (in BDT)	Loan Outstanding Loan (in BDT)
BRAC	3,618,242	233,124,089,853	137,037,028,330	184,711,564,850
ASA	268,730	40,746,813,000	24,703,985,445	161,991,988,019
Basic Unit for Resource and Opportunities of Bangladesh (Buro Bangladesh)	179,082	25,892,140,440	18,078,628,861	39,040,656,741
TMSS	197,976	20,639,716,030	12,149,852,698	24,241,619,452
Society for Social Service (SSS)	94,193	13,005,697,000	6,501,124,376	15,677,552,594
Jagorani Chakra Foundation	106,791	12,588,925,000	9,608,946,749	14,023,092,532
Sajida Foundation	183,893	9,004,331,500	4,954,814,929	11,855,466,311
Padakkhep Manabik Unnayan Kendra	35,120	7,557,125,013	4,266,406,930	10,473,144,530
United Development Initiatives for Programmed Actions UDDIPAN	35,282	4,321,236,000	2,690,172,163	8,441,302,954
Shakti Foundation for Disadvantaged women	15,015	1,317,300,000	579,856,542	6,920,057,354
Palli Mongal Karmosuchi	39,882	4,886,242,000	3,088,311,476	6,323,756,970
Christian Service Society (CSS)	781	57,695,000	33,292,050	5,613,852,490
RDRS Bangladesh	24,488	2,837,474,000	1,668,393,151	5,236,032,789
Centre for Development Innovation and Practices	188,012	9,487,914,000	4,905,587,692	5,097,557,597
Resource Integration Centre (RIC)	17,529	2,392,025,000	1,385,773,035	5,079,662,960
Gram Unnayan Karma (GUK)	41,372	3,261,545,000	1,810,197,394	5,003,573,376
Bangladesh Extension Education Service (BEES)	42,478	3,920,225,000	2,164,983,318	4,992,118,745
Dushtha Shasthya Kendra (DSK)	34,627	3,384,326,000	1,739,751,886	4,870,295,513
Manabik Shahajya Sangstha	27,502	1,969,844,000	1,209,976,240	4,386,441,376
Rural Reconstruction Foundation	30,871	2,662,731,000	1,678,643,828	4,347,219,242
Total	5,181,866	403,057,394,836	240,255,727,093	528,326,956,395

Source: www.mra.gov.bd

The microenterprise loan situation is represented in Table 2. In 2017, the top 20 MFI distributed BDT 403.06 billion for micro-enterprises, including 57.84% backed by BRAC and 10.11% by ASA, although it lowered from the prior year, it is noteworthy that BRAC scrapped the Rural Small

Enterprise Credit Plan from the area of business loans where the total number of loan taker was 0.36 million in 2017 and the unpaid loan was BDT 137.04 billion in Small Trade Loan category in 2018.

Table 3.4: Loan Outstanding and Savings Compositions by Size (2019)

Categories	Range of Borrowers	No of MFI	No of Borrower	Total Loan Outstanding (BDT Million)	% of Total Outstanding	No of Savers	Total Savings (BDT Million)	% of Total Savings
Small	10001-50000	117	2683799	60273.32	8.93%	3550987	21310.06	8.20%
Medium	50001-100000	22	1587829	37651.48	5.58%	2057214	12923.44	4.97%
Large	100001-1000000	29	6798701	171970.9	25.49%	8156885	62801.22	24.18%
Very Large	1000001 and above	3	13178853	384982.61	57.18%	15931466	159214.4	60.07%
Total		679	25399685	673900	100.00%	31218099	262960	100.00%

Source: www.mra.gov.bd

The business scenario of NGO-MFI in Bangladesh is seen in Table 3. In Bangladesh, the top two MFI back about 50 percent of the combined unpaid credit and microfinance sector deposits. Over four million beneficiaries each serve two of the largest MFI, namely, BRAC & ASA. A few more are quickly growing. In favor of big MFI, the institutional concentration ratio is strongly skewed: only 20 organizations hold 75% of the market share, while two major entities control more than 50% of all consumers and overall economic portfolios.

Fund Composition of Bangladesh's Microfinance Market:

After its emergence, the microfinance area in Bangladesh has been converted from a limited grant driven activity to massive loan-based action, touching over thirty million citizens in 2018, which was not possible without an attractive business model of funding structure based on loans. Eventually, this transition has been marked by the inclination of the key stakeholders to shift towards sources of a profitable kind and deepen more stable and consistent internal generated funds.

The following categories of capital are commonly funded by the sector: deposits earned from consumers, accumulated surplus or profit, concessional or discount loans obtained from different sources like PKSF, donations received from domestic and foreign supporters, and borrowing from commercial or conventional banks.

This table indicates that, although the aggregate fund has risen dramatically over time, the structure of the fund has only changed somewhat. Total funds rose from 312.73 billion in 2014 to 741.91 billion BDT in June 2018, an average growth rate of 137.24 percent. Customer savings turned out to be the most substantial stream of funds.

Table 3.5: NGO-MFI Funds Source

Source of Fund	2014		2015		2016		2017		2018	
	(Million Tk.)	(%)	(Million Tk.)	(%)	(Million Tk.)	(%)	(Million Tk.)	(%)	(Million Tk.)	(%)
Clients' Savings	106999	34.21	135410.4	33.94	170670	32.34	216723	34.93	262963	35.44
Loan from PKSF	34523.5	11.04	37769.68	9.47	40762	7.72	43922	7.08	47830.82	6.45
Donors' Fund	6855.04	2.19	5218.45	1.31	4974	0.94	5381	0.87	7457.25	1.01
Loan from Commercial Banks	51495.9	16.47	68574.2	17.19	132664	25.14	133381	21.50	152190	20.51
Cumulative Surplus	100943.95	32.28	137706.3	34.52	168295.5	31.89	210673	33.95	258326.04	34.82
Other Funds	11914.57	3.81	14242.07	3.57	10318	1.96	10417	1.68	13137.16	1.77
Total	312731.96	100	398921.1	100	527683.53	100	620497	100	741905.68	100.00

Source: www.mra.gov.bd

The government has permitted MFI to mobilize reserves from their members/customers. Remarkably, consumer savings were the most significant source of funds in 2018. Commercial and specialty banks followed this. In addition to the Palli Karma Sahayak Foundation (PKSF), the wholesale financing agency of Microfinance gave a significant amount of the loan supply at a sponsored rate. It appears that the least significant source was granted from donation organizations. MFI is now gradually having to focus on internal sources of funds.

Selected Indicators of NGO-MFI in Bangladesh:

This table indicates that, over the years, savings per participant have been rising. Savings per participant was Tk. 8422.80 before the year 2014, but during 2018 it reached Tk.26531.50. Over the years, the unpaid debt per beneficiary has also risen and the average loan outstanding per loan receiver growth rate is about 8 percent in 2018 compared to 2017. Over the past five years, the

unpaid debt per beneficiary has risen by more than 100 points. These 2 (two) metrics, savings for each member (regular saving size) and unpaid loans per beneficiary (regular loan size), have risen from time to time, likely because of the rise in the level of income of the disadvantaged, contributing to an improvement in the necessity to higher MFI loans. Over the past five years, the proportion of beneficiaries to consumers (listed members) has been unchanged, which is 75-83%, and the savings to unpaid debt ratio has still been constant from 2014 to 2018, and is now 39 percent, and has improved a little bit. While it fluctuates from time to time, the number of participants and creditors per branch rose in 2018. This was primarily due to massive horizontal branch growth in new geographical regions. It becomes tougher for the young MFI to find new members because a large user base was already filled by the older and bigger MFI. Major changes in the size of loans per debtor and deposits per member have caused a growth in overall unpaid loans and the sector's savings. As a result, unpaid loans and deposits per branch have risen nearly twice from 2014-2018. BDT 39.36 million, while in 2018, savings per branch amounted to 15.36 million.

Table 3.6: Selected NGO-MFI Indicators in Bangladesh

Particulars	2014	2015	2016	2017	2018
Savings per member (Tk.)	4489	5208.08	6160.13	7031.47	8422.80
Outstanding loan per borrower (Tk.)	14530.14	17317.44	19732.39	23485.71	26531.50
Borrower to client (member) ratio	79%	78%	83%	80%	81%
Outstanding loan per branch (Million Tk.)	19.16	22.58	28.21	34.11	39.36
Savings per Branch (Million Tk.)	7.26	8.68	10.51	12.66	15.36
Savings to Outstanding loan ratio	41%	38%	37%	37%	39%
Borrower per Branch	1175	1303	1429	1456	1395
Member per Branch	1480	1665	1706	1800	1715

Source: www.mra.gov.bd

3.5 The Impact of Microfinance in Bangladesh

A bulk of research has been conducted on impact studies on microfinance by the scholars from 1980s to the 1990s. Mahbub Hossain (Hossain, 1988) showed the first effect assessment on the Grameen Bank's microfinance schemes, evaluating it using parameters such as reaching specific groups, amount of loan disbursed, loan distribution process, the productivity of wealth, creation of jobs, and generating income, poverty status, beneficiaries' comparison, and non-beneficiary contingencies. This was done against a backdrop of uncertainty about Grameen Bank's success and whether marginal beneficiaries actually use the loan wisely and earn enough to pay back it while also increasing family earnings. Practically this research was possibly the strongest that used a statistically effective sample and had a strong prospect to relate with the regulator group at the same time when microfinance was not so broadly existing. The data had been gathered through analyses in 1985 shown in 5 certain programs and two control communities around selected projects of five branches of the Grameen Bank. The sample extent comprised 975 loan receiver and a census of all family units in seven communities. According to the research (Hossain 1988), the financial institution made the following microfinance contributions:

- Loan-receiver have enlarged their portfolio about three times in 27 months.
- Grameen Bank customers earned 43% more than target clusters in control zones, and 28% more than non-participants of the target cluster in the mission villages. The increased revenue is due to the revenue -generating actions carried out with the aid of microfinance.
- The initiative generally boosted the overall earnings of families in the mission areas: average household earnings are about one-sixth greater in mission communities than in the control communities. Thus, micro-lending has decreased poorness.
- Asset had been increased by 26% per year in the form of livestock. Near about one-third of participants who stated to be jobless became self-employed after attending the microfinance plan of the bank.

The inquiry took place in 30 (thirty) villages, involving about 6000 families, and included family censuses and extensive survey data. This research differs in that it evaluated the same metrics with all systems to measure overall successes and failures. This exhibits the strength of the

microeconomic scheme that has effectively reached millions of deprived people left outside the Grameen Bank or other big organizations that offer microcredit loans. The small size of MFI simulated the administration system and displayed that if the underprivileged individuals were extended with economic facilities, they could practice them proficiently irrespective of foundations. A study by Rahman (1996) examined the effects of microfinance utilizing a cross-sectional judgment of households who had taken loans and those who had not. For the collection of MFIS of various sizes, a stratified random sampling approach was used: small, with fewer than 2000 members, medium, with 2000 to 3000 members, and big, with more than 3000 members. Eight (8) partner microfinance organizations were chosen randomly by distributing the proportion to the amount of microfinance organizations in every three clusters. For each of the noticed significant MFI, 40 individuals were chosen at random from the list of three categories of representatives: non-beneficiaries, those who borrowed already, and those who borrowed multiple times. The sample size for this study was 960, with forty households chosen to provide a fair sample size in each category. A standardized questionnaire was used to research the design among the target population. Just two years into PKSf's activities, a survey was performed. The study's key findings are as follows:

- Microfinance from smaller MFI fueled a slew of income-generating operations, the majority of which were self-employed. A percentage of microfinance beneficiaries owned cattle and had control over their land; participants received more money from livestock than non-participants.
- Estimates of household income revealed that the floods had the greatest impact on employment. As a result, the actual earnings of poor families dropped during the torrent financial year, even though the usual incomes of entire sample family units had improved. Involvement in plans and entrance to credit had still assisted in having the adverse effects of the flood.
- Multivariate examination in the research displays that there is a substantial affirmative consequence of regular project involvement on earnings and the average intake of deprived families. When land ownership is considered, MFI beneficiaries have higher increases in pulse, fish, and milk consumption.
- In general, the research discovers that program involvement is less vulnerable to disasters than non-participants, even though they face comparable levels of crises.

The microfinance sector has faced a regular loss of interest for harsh quantitative tool for numerous causes: high expenditures; the need for skilled human resources to execute such research, and in many circumstances, researchers described strain in identifying 'control groups' because of the immense growth of microfinance scheme to make any significant conclusion regarding the effect of any specific project. Methodological advances have been made to isolate influences of the total microcredit program even if a certain loan-receiver receives credits from several sources. At the same time, scholars face obstacles to isolate the social-economic effects of microfinance because these effects can come from numerous different sources. As a result, qualitative impact studies highlighting the opinions of members/ beneficiaries have been used to quantify the impact of microfinance. This system is based on the idea that members/beneficiaries are the best people to judge whether or not the program has benefited them. This is a cost-effective approach that also attempts to highlight the various socio-economic and qualitative matters of microcredit programs and other development initiatives.

Numerous research work has been done in the country to evaluate the effect of microfinance programs. Under the microcredit banner, a lot of MFIs carried out many programs like skill development, health & family planning, and education. All these initiatives had a positive impact in building their capability, and responsiveness to transforming them into a productive population, and by this means poverty reduction had been done. Studies prove that these organizations can play a vital role in the national Gross Domestic Product (GDP). Since it is unlikely to discuss all these results at a glance, an effort has been made to demonstrate some performances such as employment opportunities, credit programs, deposits of the MFI, and so on. in comparison to the domestic scenario (Bangladesh Microfinance Statistics, 2016-2017).

The percentage share of Sectoral Employment to National Labor Force: In the microcredit sector, both indirect and direct work opportunity is being created for the marginal people. However, this review has thought only the straight employment opportunity creation as the result of the program initiative, though entire employment creation by the loan-giver and loan-receiver would be much greater than the employment being created directly. A survey conducted by the CDF reveals that the entire workforce, 230,637 persons of 530 MFIs tangled only in the microfinance program in June 2016. If we compare this number to the domestic labor force, the microcredit organizations

have employed 0.37% of the total population of the respected areas. The national labor force does not mean that all are employed (Bangladesh Bureau of Statistics, 2016).

Microfinance as a Ratio in Percentage of Banks Credit: In the fiscal year 2015-16, 530 MFIs have distributed Tk. 955,772.18 million among their members, and at the same period traditional banks have distributed Tk. 6,215,565.90 million. Therefore, this shows that the MFIs of Bangladesh have disbursed 15.38% of the bank the total disbursement. Eventually, it can be said that the disbursement holds a significant percentage (CDF, 2015—2016).

MFI has augmented the capacity of the participants to handle bigger loans. As a result, it is hoped that many MFI clients will swing to SME clients in the near future. In the marginal families, females are now economic managers, which was beyond thinking even 3 (three) decades before. Many females have established their own businesses. Because of the microcredit initiatives, many members have generated a handsome amount of money through savings. Furthermore, to create career opportunities for others, which prevents people to rush to the cities for getting jobs.

MFIs of Bangladesh have contributed 3.47% in terms of savings in the national banks. MFI savings are kept in the commercial and other banks and from there the MFI disburse to their clients. So, MFI's clients' savings are also sources of funds for the banks. The strengthening of the savings services of the MFI will help both the MFI and the banks. Most of the MFI's funding is used in agriculture financing as microcredit is mostly run-in remote areas of the country. It is estimated that 43% of the whole microcredit has been distributed for the country's agriculture gross domestic product (GDP) (Bangladesh Bureau of Statistics, 2016).

According to Khandker and Samad (2014), borrowing through microcredit programs boosts household income and reduces extreme poverty. On the other hand, consistent participation in microcredit programs increases household income and consumption. Finally, the research found that continuous participants have a stronger impact on poverty reduction than non-continuous participants. Grameen Bank microcredit initiatives in communities "boost household welfare over time", according to the study. Because of Grameen Bank, for example, per capita household spending has increased by 2.4 percent. Equally moderate and life-threatening poverty is decreased by about 2% due to this increase in per capita spending. Because the genuine decline in life-threatening deficiency in countryside Bangladesh was 16.8 percentage points between 2000 and 2010, the research concludes that microcredit initiatives accounted aimed at down 10% (1.8 to

16.7) of the overall deficiency decline in rural Bangladesh. According to estimates, poverty decline, particularly the extreme poverty decrease is attributable to microcredit interference, financial records for more than 10% of entire deficiency fall in rural Bangladesh from 2000 to 2010.

MFIs are an integral part of Bangladesh's financial system without a doubt. MFIs' initiatives have had a positive influence on all industries, according to the research (Mahal & Rahman; 2019). According to the findings of the empirical study, MFI activities have little impact on rural development. MFIs have an affirmative influence on the national economic tumor, both directly and indirectly, as a result of their substantial impacts on specialized industries. Products and services generated by small and medium-sized firms are helping to boost the country's GDP. As a result, MFIs and microcredit in Bangladesh have had a significant impact on the country's economy.

Table 3.7: Important Scholarly Works on the Impact of Microfinance in Bangladesh are included below (based on the literature review)

Authors	Year	Methods	Findings
Ahamad, S., Bhuiyan, A. B., Solaiman, M., & Joarder, M. H. R.	2021	Regression analysis	The outcomes indicate that, among other things, the number of loans acquired from microfinance organizations and the length of time spent with them has the most important influence on a beneficiary's long-term well-being. Beneficiaries' age and education level are found to be favorably connected to asset accumulations, although not significantly so. Furthermore, the results indicate that microfinance institution training is ineffective and influential in microfinance beneficiaries' wealth building.
Chowdhury, M. A., Rahman, S. M. K., & Salman, M. A. G.	2021	Descriptive analysis and simple linear regression analysis	The findings, display that microcredit clients' funds and consumption amplified as well, demonstrating that they present have an advanced standard of alive. The findings emphasize the importance of speeding up microfinance agendas for socioeconomic evolution, financial expansion, and, most substantially poorness eradication.
Uddin, M. H., & Hossain, A.	2020	OLS Regression analysis	Microcredit has the greatest impact on poverty reduction, according to the findings. In Bangladesh, savings, micro insurance, and training all have an impact on poverty reduction. The research concludes that microfinance facility provisions should be in addition study to use

			for individuals so that assistance can be expanded to people residents of Bangladesh's several regions to promote rapid economic advancement.
Shahnaz, F., Rahman, G. S., & Sadaf, B. H.	2018	Descriptive and correlation analysis	This study finds that microfinance can successfully assist to alleviate informal employment through an analytical effort. In conclusion, Bangladesh may procedure, its substantial micro-loan endeavor to fulfill the poorness decrease object ensuing in augmented economic progress.
Raihan, S., Osmani, S. R., & Khalily, M. B.	2017	Computable General Equilibrium (CGE) analysis	According to the analysis, microfinance contributed between 8.9% and 11.9 percent to the country's GDP, depending on the assumptions made about how the labor market works. The contribution to rural GDP is significantly larger, ranging from 12.6% to 16.6%.
Bangoura, L., Mbow, M. K., Lessoua, A., & Diaw, D.	2016	Descriptive and regression analysis	Based on the findings, the study concludes that, while microfinance is a vital instrument in the battle against poverty and inequality, it is not a sufficient solution in and of itself. While expanding microfinance access, governments must also pursue a variety of social programs, such as skill development, that are critical in the battle against poverty and inequality.

<p>Bhuiya, M. M. M., Khanam, R., Rahman, M. M., & Nghiem, H. S.</p>	<p>2016</p>	<p>Panel regression analysis</p>	<p>Microcredit involvement has a favorable impact: 1% increase in membership length is related to 0.19 and 0.16 percent increases in consumption and income per adult person equivalent, respectively. In addition, each extra month of microfinance participation is related to a 7% reduction in the chance of being under-served (using \$1.25 PPP for each individual per daytime).</p>
<p>Mohammad Monzur Morshed Bhuiya, Rasheda Khanam, Mohammad Mafizur Rahman and Hong Son Nghiem</p>	<p>2016</p>	<p>Panel data analysis</p>	<p>The empirical findings show that microfinance members continue to be poorer than non-members. Microfinance involvement, on the other hand, has a favorable concern: a proportion growth in the span of micro lending membership is connected with a 0.19 and 0.16 percent increase in earnings and intake per mature equal accordingly. In addition, each extra month of microfinance participation is related to a 7 percent reduction in the possibility of being marginalized (consuming \$1.25 PPP each individual per day).</p>

Ferdousi, F.	2015	Simple regression analysis	Microfinance organizations (MFOs) respond to the requirements of present and new patrons by giving disproportionately higher credit to poor endeavors, according to proponents of inclusive financial growth. The findings back up those who advocate for granting loans to entrepreneurs. According to the findings, greater loans enhance income, but less innovative business practices may jeopardize that income.
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Shahidur R. Khandker, M. A. Baqui Khalily and Hussain A. Samad	2015	Quantile regression analysis	Except for the consequences of male borrowing, the analysis suggests that lower-income families gain more than higher-income households. Finally, this study found that families with older heads or more adult males, as well as those adults who are less proficient in oral math, are more likely to drop out of microfinance. Dropouts from microfinance programs, on the other hand, are insignificant in comparison to the overall advantages.
Mazumder, M. S. U., & Lu, W.	2015	Factor and multiple regression analysis	Microfinance appears to improve respondents' basic rights and status in life; good effects are usually enhanced in privately-run microfinance beneficiaries.

Smith, L. C.	2011	Descriptive and regression analysis	Working children usually benefit from microfinance, according to the data and observations presented in this thesis; however, there is a definite level of family earnings above which kids do not need to work, and below which the growth in household earnings engendered by microcredit is insufficient for parents to get rid of their kids from work. A research group has run regression analyses to understand if there is an important correlation between the entrance to credit and the likelihood that youngsters will work after gathering household survey data on school presence, nutrition consumption, living standards, and the number of hours that youngsters work.
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Rahman, M. M., & Ahmad, F.	2010	Matrix figure and economic technique	Due to the influence of investing money, household income, crop and livestock productivity, expenditure, and employment all increased dramatically. The Logit model revealed that socioeconomic parameters such as period number of household staff involved in agriculture full land sizing and clients' moral values all had an affirmative and notable effect on family earnings.
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Khan, M. A., & Rahaman, M. A.	2007	Correlation analysis	Income and savings are positively associated, as described in the analysis section, which means that as income rises, so does the client's ability to save. Because income, savings, and work prospects are all intertwined, an increase in income and savings is usually associated with the formation of economic empowerment. The study also discovered a linear association between these economic components.
Islam, A.	2007	Descriptive and regression analysis	The research suggests that microloan impacts are not consistent across all types of poor household beneficiaries. The poorest of the poor participants appear to be the ones who profit the most from the program.
Khandker, S. R.	2005	Panel data analysis	The findings indicate that obtaining microfinance help to alleviate poorness, particularly among the female community as well as generally poverty lowering in the villages. As a result, microfinance benefits both the impoverished and the local economy.
Shahidur R. Khandker	2000	Panel data analysis	Micro-borrowing has actually reduced borrowing from informal sources, according to an empirical estimation of household survey data from Bangladesh, proving microfinance as a viable alternative source of money for the poor. Micro lending has also been shown to enhance voluntary savings, implying that a suitable facility might improve household savings even in an

			<p>impoverished country like Bangladesh. Microfinance has diverse effects depending on the gender of the beneficiary. Micro-lending has a greater influence on women's savings than on men's savings. Men, on the other side, suffer more from the consequences of informal finance than women.</p>
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Source: Researcher's construction

3.6 Summary of the Chapter

Since the late 1970s, microcredit in Bangladesh has gained a strong status for assisting rural poor people in alleviating poverty. As a result, Bangladesh is rightly credited with being the founder of a groundbreaking microcredit scheme, Grameen Bank, which was created by Nobel Laureate Professor Dr. Muhammad Yunus. In a nutshell, this paper has represented the success of microfinance and the activities of top MFI in Bangladesh. As a result, the study hopes that the expansion of microfinance into newer industries, as well as members' participation in income generating activities (IGA) with the help of MFI, would draw an increasing number of community members to the microfinance arena in the future. Furthermore, various regulatory, such as MRA, and monetary support organizations, such as PKSF, have been exceptionally effective in facilitating the activities of Microfinance Institution (MFI) in Bangladesh. Furthermore, in the area of microfinance, Bangladesh Institute of Development Studies (BIDS) and Institute for Inclusive Finance and Development (InM) have been operating as key exploration organizations. Policymakers in Bangladesh have recognized the value of microfinance, and the government is interested in boosting the sector through a specific policy. As a result of the continued progress of MFI in Bangladesh, the present level of poverty can be further abridged through the collective initiatives of government organizations, MFI, donor interventions, and MFI members (Bhuiya, Khanam, and Rahman, 2016).

CHAPTER FOUR: METHODOLOGY OF THE RESEARCH

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CHAPTER FOUR: METHODOLOGY OF THE RESEARCH

4.1 Introduction

A huge number of research have been done to assess the effect of microfinance on poverty reduction and socioeconomic growth around the world (Samer, Majid, Rizal, Muhammad, Halim, and Rashid, 2015; Agbola, Acupan, and Mahmood, 2017; Adonsou and Sylwester, 2016). The success of microfinance organizations in Asia's promising markets has received little attention, and little is known about their performance in Bangladesh (Rahman, and Mazlan, 2014; Ahmed, Bhuiyan, Ibrahim, and Said, 2016). However, in Bangladesh, there is a discrepancy between the effectiveness and comparative research work of Conventional and Islamic microfinance organizations. This study purposes to determine the institutional performance/achievement of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh, focusing on their monetary performance/effectiveness in terms of efficiency, success and profitability. The performance of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh is also compared in this research work.

This chapter is designed to present social science research methods. The hypotheses are based on previous research and are placed in a Bangladeshi context. In Section 4.2, the research methodology is specified; in Section 4.3, the performance/achievement of Conventional microfinance organizations and Islamic microfinance organizations is evaluated, the determinants are identified, and hypotheses are developed; and in Section 4.4, the data collection methods, variable identifications, and assessment issues are defined. The methods used in this analysis were presented in Section 4.5. Section 4.6 presents the connection between various determinants and the performance/achievement of Conventional microfinance and Islamic microfinance organizations and 4.7 brings the chapter to a close.

4.2 The Research Technique

The methodology is a collection of rules that guides researchers through the process of conducting research. It is also a philosophy and study of how research is carried out or should be carried out. Analysis, according to Ryan, Scapens, and Theobald (2002), is the process of discovering intellectual property and translating it into information. As a result, the researcher will obtain a greater understanding of the information that surrounds them (objects and subjects from the present world to help the users of the information). Sarantakos (2005) characterized the study. According to him, study entails discovering new things as well as broadening one's horizons in terms of awareness, trust, and new perspectives on various aspects of life. Collis and Hussey (2003) define methodology as "the general strategy to the research process, from theoretical background to data gathering and analysis." From a social science perspective, Ryan et al. (2002) also characterize analysis in terms of accounting. Accounting and finance research studies, they say, are also part of social science. In the social sciences, science encompasses a wide range of research methods, instruments, and techniques for processing and interpreting primary and secondary data. People can have belief in gregarious scientific exploration because it deals with the authentic indication that has been empirically hardened. It also supports us in recognizing and resolving several societal matters. It is a form of scientific inquiry that can also be applied to social problems. Figure 4.1 shows the research methodology used by Mishra, S. B., and Alok, S. (2017).

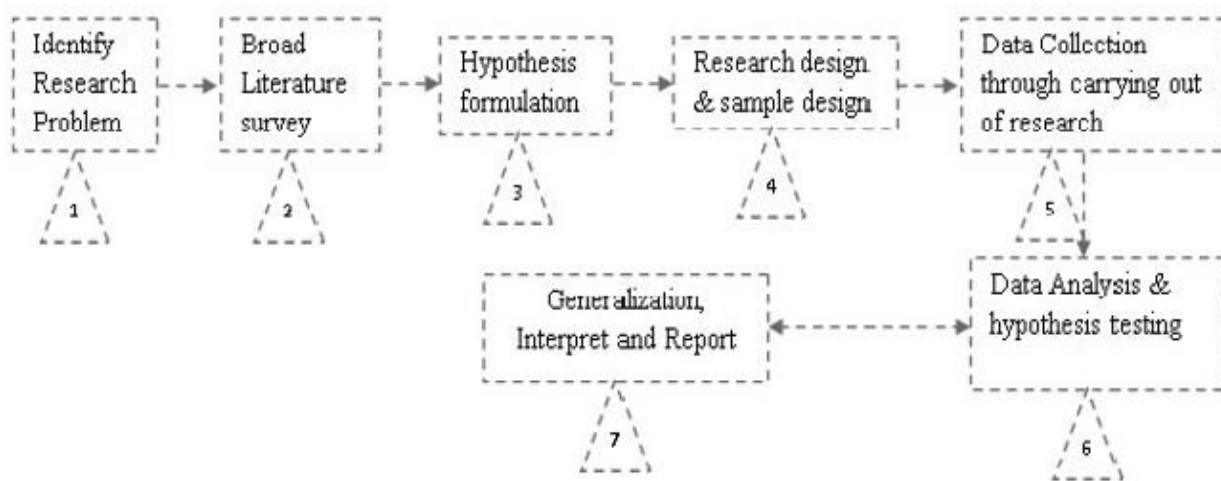


Figure 4.1: The Process of Research Work (Source: Mishra, S. B., & Alok, S., 2017)

4.2.1 The Research Techniques Applied in the Study

The researcher must explain the research methodology, data collection process, variable selection criteria, analytical methods, and desired results based on the research objectives in any research study. The study's focus is on Bangladesh's financial sectors, specifically Conventional and Islamic microfinance organizations. Epistemology and the positivism model are used in this research. The study aims to determine the relationship between a few key determinants and the success of Conventional and Islamic microfinance organizations.

The quantitative study is focused on the aspect of quantity or degree in natural sciences and social sciences. It has anything to do with something that can be counted or can be represented in terms of quantity. This type of study involves a methodical investigational examination of measurable singularities exhausting statistical techniques such as statistics, ratios, and arithmetical methods. Empirical exploration is based solely on remarks or knowledge. It is a system of acquiring information through remark or practice, equally straight and unintended. It's sometimes referred to as experimental testing. In such a study, it is important to first obtain the facts and data, as well as their source, before actively engaging in activities that will stimulate the creation of the desired information (Mishra, S. B., & Alok, S., 2017).

The aim for causal relationships between variables is the starting point for deductive research, which leads to the creation of hypotheses. As a result, qualitative data must be collected to test the developed hypothesis using a highly organized approach for the results to be replicated (Gill and Johnson 2002). From 2015 to 2018, data was gathered from published annual reports. The affiliation between selected determinants and performance variables of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh is investigated using quantitative methodology. The results of Conventional microfinance organizations and Islamic microfinance organizations were also compared in the report.

The following approaches were used to formulate and test the research questions and objectives. The relationship between the research issues, goals, and study methods used in this research is shown in Table 4.1,

Table 4.1: Research Methods

Research Questions	Research Objectives	Techniques
What are the factors that affect the performance of Conventional and Islamic microfinance organizations in Bangladesh?	To identify the factors affecting the performance of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh.	Literature review technique
How do these aspects influence the performance of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh?	To evaluate the performance of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh.	Descriptive statistics and panel data regression analysis
How to compare the performance of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh?	To compare the performance of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh.	Evaluation of descriptive statistics and empirical analysis results

Source: Constructed by the Researcher

4.3 Formulation of Hypotheses

The study considering the measurement of the performance Conventional microfinance organizations and Islamic microfinance organizations is inspired by two causes. Primary, limited studies were conducted in terms of recognizing the performance/effectiveness of Conventional and Islamic MFI in Bangladesh. The standing literature typically concentrated on advanced economies. For these causes, this research only discovers literature on Conventional and Islamic microfinance organizations' performance and compares their performance.

Several profitability ratios would demonstrate how a microfinance organization is financially efficient. Measuring and recording key ratios would help the decision-making of the management that a microfinance institution needs to retain that performance. To efficiently administer their programs for their customers, microfinance organizations need to understand how profitable or financially viable work. Good financial performance is an indication of a microfinance institution that is structurally valuable and appealing to investors and donors. The financial position soundness of MFI and the efficiency of its executives are also calculated by profitability ratio (Wirnkar & Tanko, 2008; Rupa, R., and Dr. Manoharan, P., 2014). Organizational performance measures the financial performance of an institution. Economic performance/effectiveness is the capacity of an MFI to maintain all types of expenses by its all types of income and it presents financial growth (Fersi, and Boujelbéne, 2016). Economic performance/success is mostly calculated by the economic and operational efficiency as well as by the earning of maximum profitability. Organizational financial achievement is evaluated by return on asset (ROA) and return on equity (ROE) (Akala, I., 2018; Rahman, and Mazlan, 2014; Séne, 2010).

4.3.1 Measured Variables of the Research

The other variables have a consequence on the particular variable. The outcome is the observed variable. The controlled variable's modifications determine its value.

The observed variables are as follows:

Return on Assets (ROA): This ratio indicates how its properties are handled by the MFI. A favorable ROA shows the maturity of the MFI. Return on Assets (ROA) is a primary indicator of financial performance and profitability (Mallin, et al., 2014; Wasiuzzaman, and Gunasegavan, 2013; Elsiefy, 2013; Usman, and Khan, 2012; Ramlan, and Adnan, 2016). The ratio data are the most used technique for calculating profitability and representing the operational efficiency of financial organizations (Hassene, and Kais, 2016; Anduanbessa, T., 2009). It measures the capacity and efficiency of an organization to earn profit by effectively utilizing its assets (Rahman, M. A., & Mazlan, A. R., 2014; Usman, and Khan, 2012; and Al-Gazzar, 2014).

Operating Self-sufficiency (OSS): Operating self-sufficiency measures the financial ratio to consider operating income covers operating expenses (Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., 2016; Omri, and Chkoundali, 2011; and Kipesha, 2013; Anduanbessa, T., 2009).

Portfolio Yield (PY): The yield of the portfolio is the ratio generally used by banks or microfinance organizations to calculate the average income earned from their loans by the company. Typically, this ratio is based on the average of the total portfolio of loans. Portfolio yield is a fair indicator of how much the company's price benefit or disadvantage is relative to other firms in the same sector. After comparing the industry average, the company will use the portfolio yield to determine if the interest and fee on new loans should be increased or decreased. This metric shows the potential of the MFI, based on the average loan book, to provide money from interest, and charges. A decreasing yield pattern may imply a change in the mix of goods, a change in the price of loans, or a problem with rising arrears (Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., 2016; Mersland & Strøm, 2009).

Operating Margin (OM): The operating margin is the number of profits an enterprise makes from a transaction's revenue after flexible production expenditures, such as pays and raw materials costs, but before taxes. It is obtained by dividing a firm's profitability by its total income. It tests

profitability levels and prices. The most common method of assessing a company's success is possible to look at the company's net income. Companies are sets of ventures and markets, and how effective they are contributing to the corporate net profit can be measured by individual fields. Operating margin measures the amount of profit a business receives from its product sales after deducting variable manufacturing costs, such as the expense of the raw materials that manufacture the product and the wages incurred in producing the product or services. Until deducting debt and taxes, operating margin is measured. The operating margin is determined by dividing operating earnings by sales or income, while income before interest and taxes or EBIT is also acknowledged as operating income. This reflects sales less the cost of selling goods and less the general and administrative costs of operating the company. In other words, from its main business activities, the benefit the organization receives (Anduanbessa, T., 2009).

4.3.2 Explanatory Variables of the Study

The trigger of a research work is the independent variable. Its meaning is unchanged by the other variables in the research.

The explanatory variables include the following:

Capital Adequacy (CA): Capital adequacy calculates the financial position and viability of the organization. Some studies measured capital adequacy by applying the Equity to Total Assets Ratio (ETAR) (Zaman, 2011; Al-Gazzar, 2014; and Merchant, 2012). This ratio deals the percentage of overall assets being invested by the bondholders and the capacity to survive somewhat unanticipated losses and insolvency (Samad, 2004). The capital adequacy ratio is expected to be as high as possible because it is a financial strength to sustain any unforeseen events of the organizations (Akala, I., 2018; Salhuteru F., Wattimena F., 2015; Rahman, M. A., & Mazlan, A. R., 2014; and Ali, et al., 2011).

Management Quality (MQ): The quality of management focuses on the authority of the management. The responsibility of the management is to provide safeguards so that the functions of organizations are performed smoothly. In this research, management quality will be determined by the loan deposits ratio. Faizulayev, (2011) explains that management quality determines the productivity and efficiency of the management to obtain new deposits from depositors and

decrease the non-payment loans of beneficiaries (Chandani A, Mehta M, Chandrasekaran K.B., 2014; Rahman, M. A., & Mazlan, A. R., 2014).

Earnings Quality (EQ): Earnings quality means the institution's capacity to minimize costs and maximize productivity; finally, the institution attains higher profits. In the study, the earnings quality will be measured by the total expense to total revenue ratio. It can be mentioned as the expense occurred by the institution for generating income (Hassene, and Kais, 2016). It is an important parameter to determine the efficiency of performance of the institution or organization (Roman A, Şargu AC., 2013).

Table 4.2: Summarization of Observed Variables and Explanatory Variables

Variables	Authors	Justification
Operating self-sufficiency (OSS)	Idama et al., (2014); Kipesha, 2013; Omri, and Chkoundali, 2011; and Dufera, 2010.	Operating Self-sufficiency (OSS) deals the capacity of an MFI in covering its expenditures through functional incomes.
Portfolio Yield (PY)	Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., 2016; Mersland & Strøm, 2009.	The portfolio yield is a ratio commonly used by microfinance organizations to determine the total income received by the business from its loans. This ration is usually considered by taking the average of the entire loans.
Return on Assets (ROA)	Dr. Sangeeta Mittal et al., 2018; Ramlan, and Adnan, 2016; Hassene, and Kais, 2016; Salhuteru, F., & Wattimena, F., 2015; Al-Gazzar, 2014; Rahman, and Mazlan, 2014; Mallin, et al., 2014; Wasiuzzaman, and Gunasegavan, 2013; Elsiefy, 2013; Usman, and Khan, 2012; Séne, 2010.	Return on assets presents the overall profitability scenario of firms.
Operating Margin (OM)	Anduanbessa, T., 2009.	After payable for variability production expenses such as remuneration and inputs, but before payment of taxes, an organization's operating margin decides how very much cost-effective it makes from each dollar in revenue. It is computed by dividing the organization's

		operating cash flow by its total earnings. It examines profit margins and costs.
Number of Beneficiaries (NOB)	Ahmed, et al., 2016; Rahman, and Mazlan, 2014; Kipesha, 2013; Omri, and Chkoundali, 2011.	The Number of Beneficiaries (NOB) influences the institution's performance.
Average loan size per beneficiary (ALSIZE)	Ahmed, et al., 2016; Rahman, and Mazlan, 2014; Kipesha, 2013; Omri, and Chkoundali, 2011.	The Average Loan Size per beneficiary (ALSIZE) measures the strength of the institution's performance.
Management Quality (MQ)	Salhuteru, F., & Wattimena, F., 2015; Malihe Rostami, 2015; Chandani, A., Mehta, M., & Chandrasekaran, K. B., 2014; Rodica-Oana, I., 2014; Rozzani, N., & Rahman, R. A., 2013; Roman, A., & Şargu, A. C., 2013; Soni, R., 2012; Roman, A., & Şargu, A. C., 2012; Dincer, TH., Gencer, G., Orhan, N., & Sahinbas, K., 2011; and Faizulayev, 2011.	Management quality presents the risk-taking ability.
Earnings Quality (EQ)	Hassene, and Kais, 2016; Salhuteru, F., & Wattimena, F., 2015; Malihe Rostami, 2015; Chandani A., Mehta, M., & Chandrasekaran, K. B., 2014; Rodica-Oana, I., 2014; Rozzani, N., & Rahman, R. A., 2013; Roman, A., & Şargu, A. C., 2013; Soni, R., 2012; Roman, A., & Şargu, A. C., 2012; Dincer, H.,	Earnings quality is the most vital performance indicator of financial organizations.

	Gencer, G., Orhan, N., & Sahinbas, K., 2011.	
Capital Adequacy	Salhuteru, F., & Wattimena, F., (2015); Malihe Rostami, (2015); Chandani, A., Mehta, M., & Chandrasekaran, K. B., (2014); Rodica-Oana, I., (2014); Al-Gazzar, (2014); Rozzani, N., & Rahman, R. A., (2013); Roman, A., & Şargu, A. C., (2013); Merchant, (2012); Soni, R., (2012); Roman, A., & Şargu, A. C., (2012); Zaman, (2011); Ali, et al., (2011); Dincer, H., Gencer, G., Orhan, N., & Sahinbas, K., (2011). and Samad, (2004).	The capital adequacy ratio presents the organizational strengths
Age of MFI	Ahmed, et al., 2016; Rahman, and Mazlan, 2014; Kipesha, 2013; Omri, and Chkoundali, 2011.	The age of MFI is an important attribute on the institution's performance; it expresses the experience of the firm's operations.

Source: Researcher's Construction

Number of Beneficiary (NOB): The number of beneficiaries is influencing the performance of microfinance. Number of the Borrower has influenced the organizational performance. It influences the institutional efficiency and competence (Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., 2016; Rahman, M. A., & Mazlan, A. R., 2014; Mersland & Strøm,2009; Anduanbessa, T., 2009)

Average Loan Size Per Beneficiary (ALSIZE): The Average credit per debtor is affecting the performance of the institution (Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., 2016; Mersland & Strøm,2009). An outreach measure is the average loan amount per beneficiary (Navajas et al.,

2000). High fixed operating costs are maintained by small loans. Due to fixed costs, MFI that offers small loans is likely to have high margins. The average size of the credit is determined as the Total value of loans/Total no. of beneficiaries (Rahman, M. A., & Mazlan, A. R., 2014).

Age of MFI (AGE): Age of the microfinance directly affects the performance of organizations (Mersland & Strøm,2009). Firm age is an important indicator of the company's success as it speaks of the company's experience. The age is counting from the start of the microfinance institution. The age of microfinance organizations is also linked to lower error rates due to the resource base they acquire, the goodwill generated in the market over time, and the credibility generated in the competitive environment. Older microfinance organizations have gained business awareness and experience, improved operating strategies, sources of funding, and consumer needs, and studied ways to address competitive market constraints (Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., 2016; Rahman, M. A., & Mazlan, A. R., 2014).

Table 4.3: Description of Observed Variables and Explanatory Variables

Variable	Measurement
Return on assets (ROA)	(Net operating revenue-Taxes)/ Overall assets (Net revenue/ Overall assets)
Operating self-sufficiency (OSS)	Operating income/ (Financial expenditure + Advance loss provision cost + Operational expenditure)
Portfolio yield (PY)	Interest and fee income from advance/ Mean value of gross credit portfolio
Operating margin (OM)	Operating Income / Revenue
Number of beneficiaries (NOB)	Number of beneficiaries with loans outstanding
Average credit size per debtor (ACSIZE)	Total value of loans/Total no. of beneficiaries
Capital adequacy (CA)	Capital / Debt
Management quality (MQ)	Loans/Deposits
Earnings quality (EQ)	Total expenses/Total revenue
Age of MFI (AGE)	Age of MFI since MFI establishes

Source: Ahmed, et al., 2016; Ramlan, and Adnan, 2016; Rostami,2015; Rahman, and Mazlan, 2014; Al-Gazzar, 2014; and Kipesha, 2013; Rose, 2012

4.3.3 Hypotheses Formulation for Measuring the Performance/Achievement of Conventional Microfinance Organizations and Islamic Microfinance Organizations of Bangladesh

The researcher developed 48 hypotheses to achieve the research objectives. The study included four models, each with six independent variables. Six hypotheses were developed for each model by the researcher. The research presents 24 hypotheses for Conventional microfinance organizations and 24 hypotheses for Islamic microfinance organizations. As a result, there are 48 hypotheses in this research work.

The following are hypotheses:

H1: There is a substantial association between the number of beneficiaries and the operating self-sufficiency of CMFI

H2: There a substantial association between the average loan per beneficiary and the operating self-sufficiency of CMFI.

H3: There is an association between management quality and operating self-sufficiency of CMFI.

H4: There is an affiliation between earnings quality and operating self-sufficiency of CMFI.

H5: There is a connection between capital adequacy and operating self-sufficiency of CMFI.

H6: There is a substantial association between the age of MFIs and the operating self-sufficiency of CMFI.

H7: There is a relationship between the number of beneficiaries and the operating self-sufficiency of IMFI.

H8: There is a relationship between the mean value of advance per beneficiary and the operating self-sufficiency of IMFI.

H9: There is a substantial link between the management quality and the operating self-sufficiency of IMFI.

H10: There is a relationship between earnings quality and operating self-sufficiency of IMFI.

H11: There is a substantial association between capital adequacy and the operating self-sufficiency of IMFI.

H12: There is a substantial association between the age of MFIs and the operating self-sufficiency of IMFI.

H13: There is a relationship between the quantity of debtors and the portfolio yield of CMFI.

H14: There is a substantial association between the average loan per beneficiary and the portfolio yield of CMFI.

H15: There is a substantial connotation between management quality and portfolio yield of CMFI.

H16: There is a relationship between earnings quality and portfolio yield of CMFI.

H17: There is a substantial association between capital adequacy and the portfolio yield of CMFI.

H18: There is a substantial association between the age of MFIs and the portfolio yield of CMFI.

H19: There is a relationship between the quantity of debtors and the portfolio yield of IMFI.

H20: There is a substantial association between the average loan per beneficiary and the portfolio yield of IMFI.

H21: There is a substantial link between the management quality and the portfolio yield of IMFI.

H22: There is a substantial association between earnings quality and the portfolio yield of IMFI.

H23: There is a substantial association between capital adequacy and the portfolio yield of IMFI.

H24: There is a relationship between the age of MFI and the portfolio yield of IMFI.

H25: There is a substantial association between the number of beneficiaries and the return on assets of CMFI.

H26: There is a substantial association between the average loan per beneficiary and the return on assets of CMFI.

H27: There is an association concerning management quality and return on assets of CMFI.

H28: There is an association concerning earnings quality and operating return on assets of CMFI.

H29: There is an association concerning capital adequacy and return on assets of CMFI.

H30: There is a relationship between the age of MFI and the return on assets of CMFI.

H31: There is a substantial association between the number of beneficiaries and the return on assets of IMFI.

H32: There is a substantial association between the average loan per beneficiary and the return on assets of IMFI.

H33: There is an association concerning management quality and return on assets of IMFI.

H34: There is an association concerning earnings quality and return on assets of IMFI.

H35: There is an association between capital adequacy and return on assets of IMFI

H36: There is an association between the age of MFI and the return on assets of IMFI.

H37: There is a relationship between the number of beneficiaries and the operating margin of CMFI.

H38: There is a substantial association between the average loan per beneficiary and the operating margin of CMFI.

H39: There is a relationship between management quality and the operating margin of CMFI.

H40: There is a relationship between earnings quality and the operating margin of CMFI.

H41: There is a substantial association between capital adequacy and the operating margin of CMFI.

H42: There is an association between the age of MFI and the operating margin of CMFI.

H43: There is a relationship between the number of beneficiaries and the operating margin of IMFI.

H44: There is a substantial association between the average loan per beneficiary and the operating margin of IMFI.

H45: There is a relationship between management quality and the operating margin of IMFI.

H46: There is a relationship between earnings quality and the operating margin of IMFI.

H47: There is a substantial association between capital adequacy and the operating margin of IMFI.

H48: There is an association between the age of MFI and the operating margin of IMFI.

4.4 Data Gathering, Variable Identification, and Assessment Issues

Data gathering is the technique of assembling and estimating the information on variables of concern in an organized mode that permit the scholar to address exploration issue test hypotheses and evaluate the conclusion. In the research work, a variable is certainly someone, a place, an item, or a phenomenon that the academic is trying to evaluate under certain systems. In the study, a parameter is simply an individual, place aim, or circumstance that the scholarly endeavors to measure in several structures. The simplified mode to justify the distinction between a dependent and independent variable is to examine what the phrase means concerning the parameter under consideration. Analysis of the data, in contrast, hand, is defined as the cleanup, converting, and model construction of data to uncover evidence for the decision. Data analysis refers to the method of retrieving relevant data-based information and take judgments using that data.

4.4.1 Criteria for Data Collection, and Sample Selection

To achieve its goals, this research used both qualitative and quantitative methods. Secondary data was used to prepare this research report. The participants in the study were drawn from both Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh.

The study selected the Microfinance Regulatory Authority (MRA), registered organizations as the research population. Interest-based microfinance organizations are considered Conventional microfinance organizations (CMFOs), whereas interest-free (Islamic Shariah-based) microfinance organizations are considered Islamic microfinance organizations (IMFOs) in this report.

According to the MRA 2015 annual report, the total number of listed companies in 2015 was 659. The data is derived from the yearly reports of MRA-listed organizations; all organizations were examined for inclusion in the assessment. The key criteria for sampling the firms were: first, the

firm had to be listed on the Microfinance Regulatory Authority (MRA), and second, financial reports or required data (The researcher selected variables specific data set) had to be available at the Microfinance Regulatory Authority (MRA). The current study uses the following simple measured procedure to fix the population size:

Table 4.4: Sample Size Calculation

Particulars	Population		
	Total MFI	CMFI	IMFI
Microfinance organizations in 2015	659	651	08
Data missing organizations in 2015	331	331	00
Microfinance organizations in 2016	655	647	08
Data missing organizations in 2016	327	327	00
Microfinance organizations in 2017	667	659	08
Data missing organizations in 2017	339	339	00
Microfinance organizations in 2018	679	671	08
Data missing organizations in 2018	351	351	00
The requirements have been met by microfinance organizations.	328	320	08

Source: Researcher's calculation

According to the following parameters, the population size of a Conventional microfinance institution is 320 organizations. Using all of the above-mentioned sources, the study gathered data for 320 companies (the names of which are listed in the appendix) for the four years applying the above-determined criteria. As a result, the total number of samples is 1280 (320*4).

On the other perspective, the population size of Islamic microfinance organizations is based on the following parameters: 08 organizations. The study gathered data for 08 companies (the names of which are included in the appendix) for the four years using all the above sources. As a result, there are 32 (08*4) samples in total.

To provide the status of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh, the study gathered secondary data from microfinance national and international journals, organizations' annual reports, websites, books, Bangladesh Bank's annual report, MIX industry, journals, MRA annual report, newspapers, and other sources. The data for the analysis was collected over a four-year period, from 2015 to 2018. The sample will portray an accurate picture of Islamic and Conventional microfinance success in Bangladesh. The study compares and evaluates the success of Conventional and Islamic microfinance organizations in Bangladesh using ratios.

4.4.2 The Nonparametric Method

The non-parametric method is a form strategy. It does not require any precise functional form to decide the optimum practice, nor does it take into account any variance. It selects the best firms from among all other organizations in the research by affiliating with the best frontier line. The non-parametric technique has two fundamental limitations: it does not account for sampling error and ignores economics, focusing only on operating performance (Berger & Mester, 1997). The non-parametric technique is perhaps more important to researchers in the applications of gauging the efficiency of financial organizations, such as microfinance organizations (Clarke et al., 2000; Isik & Hassan, 2002).

4.4.3 Determination of Variables and The Research Models

Two factors motivated the research into measuring the success of Conventional microfinance organizations and Islamic microfinance organizations. To recognize the success of Conventional and Islamic MFI in Bangladesh, main, very restricted studies were conducted. Another issue is that the existing literature has tended to focus on emerging economies. For these reasons, this study only collects and compares literature on the success of Conventional and Islamic microfinance organizations used in the study (PY). As a performance measurement metric, operating self-sufficiency (OSS), Portfolio Yield (PY), return on assets (ROA), and operating margin (OM) are used.

The following models have been used in several studies to assess the performance of financial organizations (Kouser, and Saba, 2012; Milhem, and Istaiteyeh, 2015; Ali, Akhtar, & Sadaqat, 2011; Ahmed, et al., 2016; Rahman, and Mazlan, 2014; Omri, and Chkoundali, 2011; Al-Gazzar, 2014; Rostami, 2015; and Kipesha, 2013). The researcher developed the following models for evaluating the performance of Conventional and Islamic microfinance organizations.

Model No. 1:

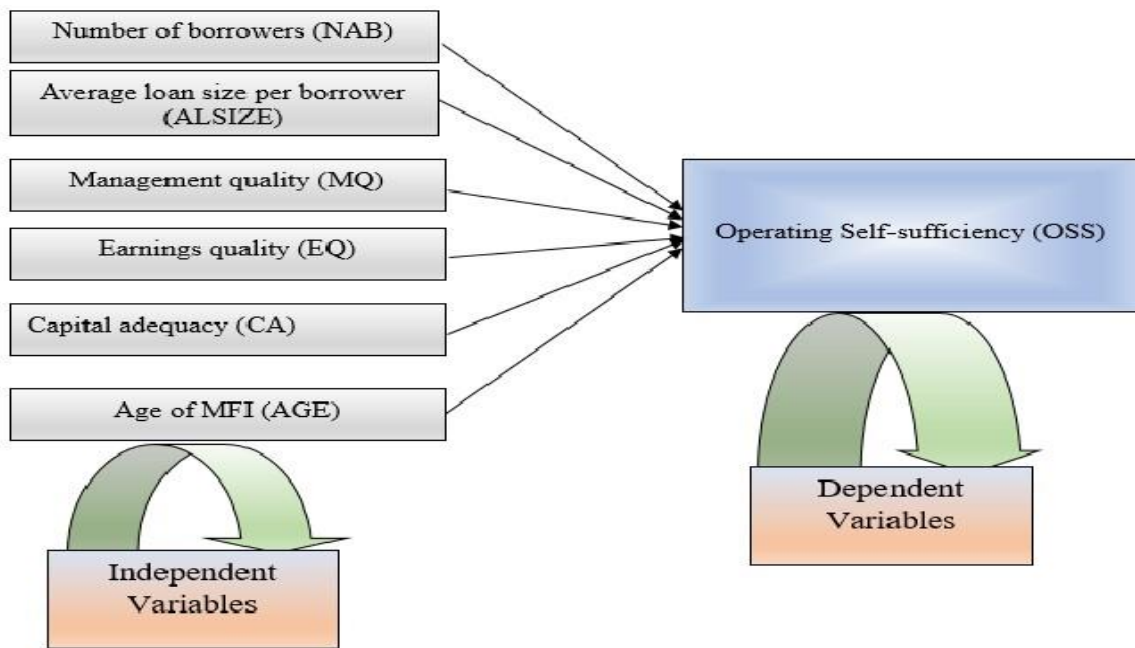


Figure 4.2: The Researcher Model-1

Source: Researcher's Construction

The above model's dependent variable is Operating self-sufficiency (OSS), Number of beneficiaries (NAB), Average loan size per beneficiary (ALSIZE), Management quality (MQ), Earnings quality (EQ), Capital adequacy (CA), and age of the MFI (AGE) are the endogenous variables.

Model No.: 2

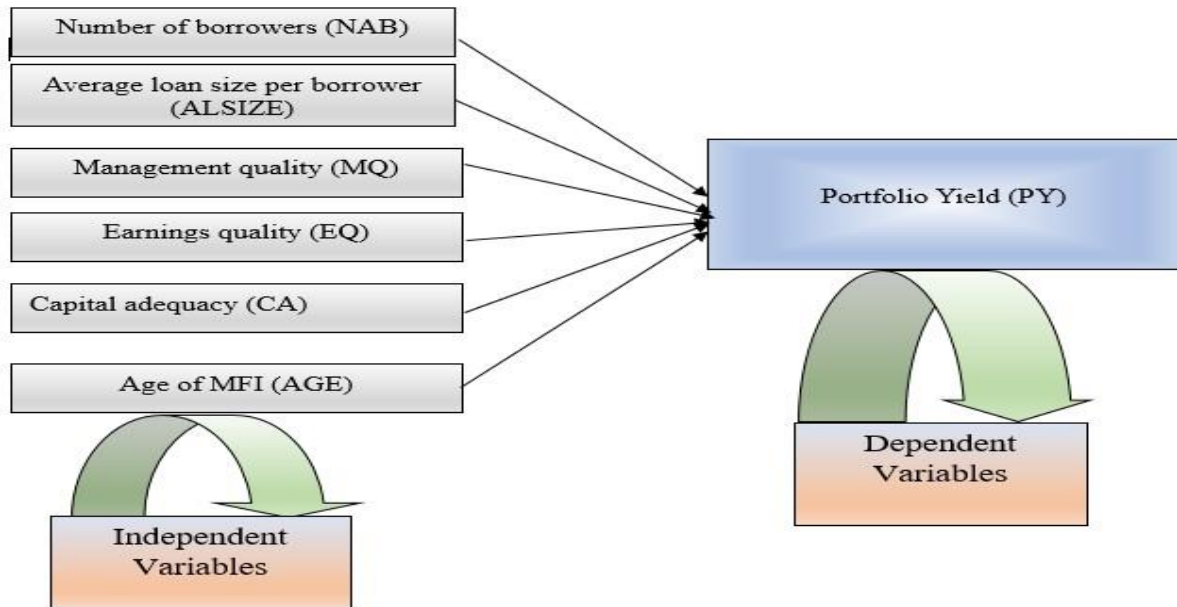


Figure 4.3: The Researcher Model-2

Source: Researcher's Construction

The second model's dependent variable is Portfolio Yield, and the independent variables are the Number of beneficiaries (NAB), Average loan size per beneficiary (ALSIZE), Management quality (MQ), Earnings quality (EQ), Capital adequacy (CA), and the age of the MFI (AGE).

Model No.: 3

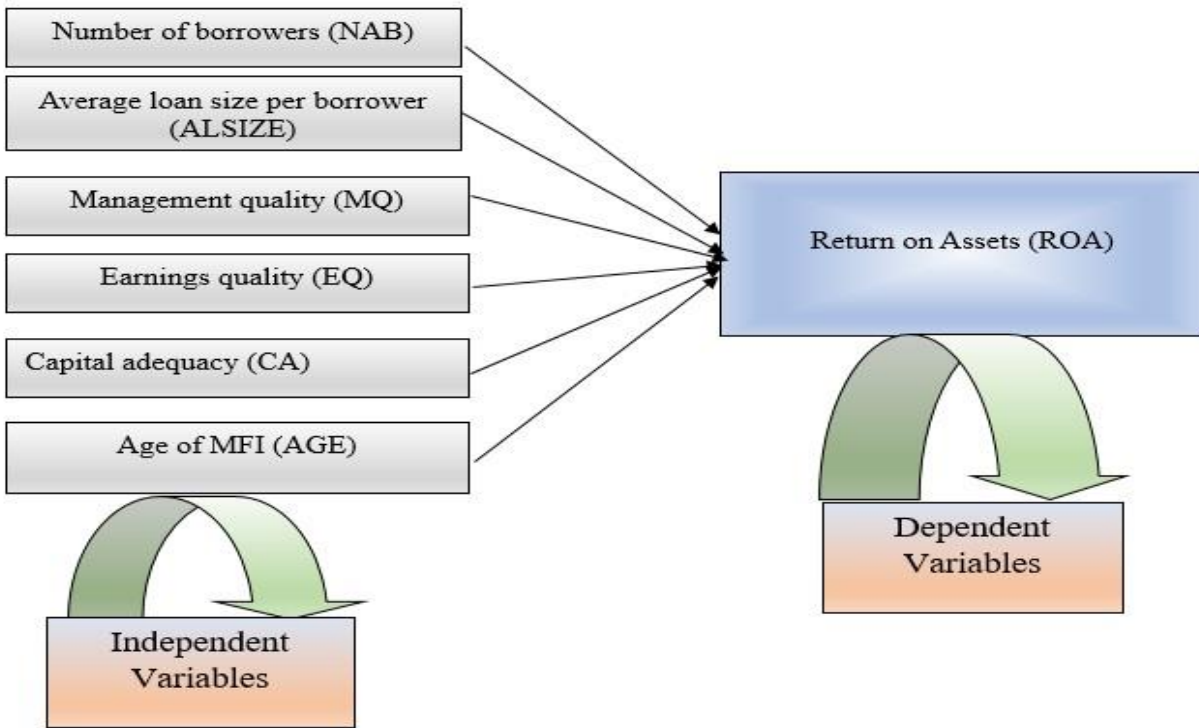


Figure 4.4: The Researcher Model-3

Source: Researcher's Construction

Return on Assets is the dependent variable in the third model, while the independent variables are the Number of beneficiaries (NAB), Average loan size per beneficiary (ALSIZE), Management quality (MQ), Earnings quality (EQ), Capital adequacy (CA), and the age of the MFI (AGE).

Model No.: 4

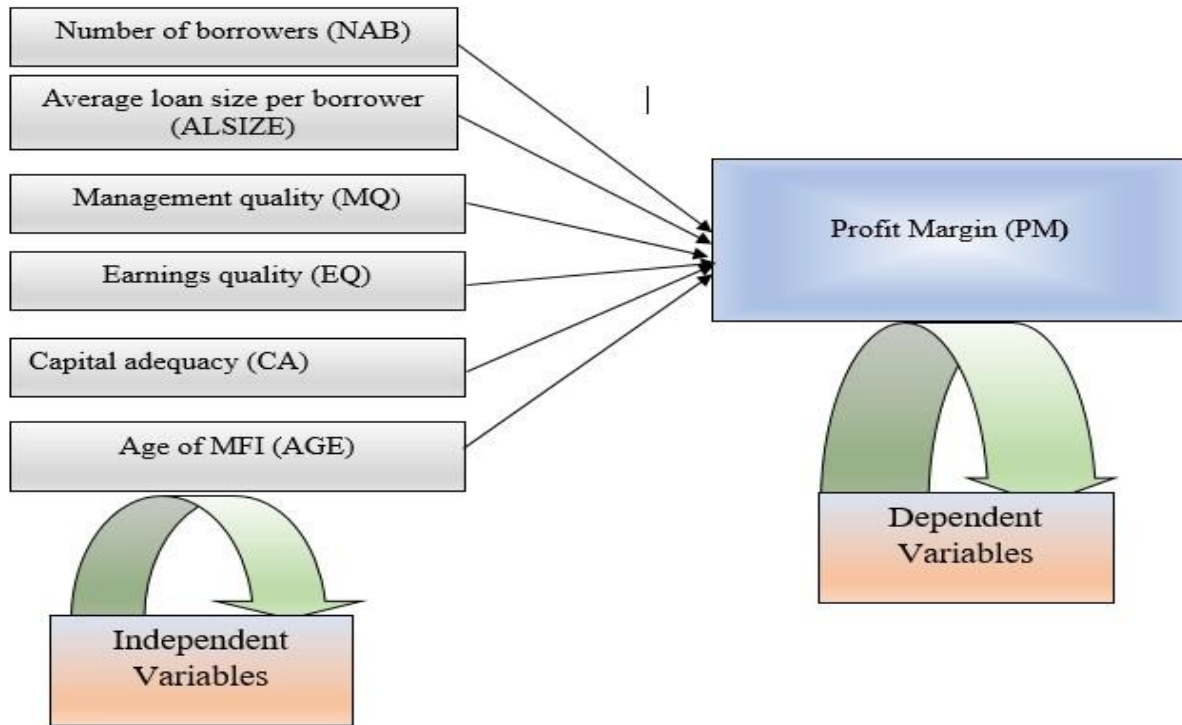


Figure 4.5: The Researcher Model-4

Source: Researcher's Construction

The profit margin in the aforementioned model is the dependent variable, and the endogenous parameters are the number of beneficiaries (NAB), average loan size per beneficiary (ALSIZE), management quality (MQ), earnings quality (EQ), capital adequacy (CA), and the age of the MFI (AGE).

4.5 Methods Used in this Research

Research approaches differ from study design in that they describe how the researcher might very well collect data for the research study. The suitable approach for the project will be determined mainly by the research subject, the kind of information required, and indeed the persons or objects from which information will be gathered.

4.5.1 Model of Fixed Effects

The association between predictor and outcome variable of any entity under study is described by the fixed effect (FE) model. Each entity (country, individual, organization, etc.) has its identifiable set of appearances that may or may not stimulate the predictor parameters. Unobserved heterogeneity can be associated with the regressors in the FE model. Only a single cross-section of instrumental variables approaches can be used to correct this unobserved heterogeneity; however, finding a valid instrument is difficult in practice. Again, the FE model assumes that an individual object is both time-invariant and distinct and that it is unrelated to any other personal characteristics. - entity has its own error word, and the constants are unrelated. The FE model is believed to be ineffective if the error terms are associated (Cameron & Trivedi, 2005).

The model's equation is as follows:

$$Y_{it} = \alpha_{it} + \beta_1 X_{it} + U_{it} \text{-----}(1)$$

Where Y_{it} is the entity's the outcome/dependent variable, i denotes the individual entity, t exemplifies the time, X_{it} represents the independent variable, β_1 coefficient of the endogenous variable, and U_{it} indicates the unidentified capture for the individual object.

Individual variations in time-invariant characteristics can be regulated using a FE (fixed-effect) model. The time-invariant characteristics cannot be investigated using the FE model. In a fixed effect form, the correlation coefficient will vary all over cross-sections but not across periods.

Specific characteristics of each entity may or may not affect independent variables (Cameron & Trivedi, 2005).

In this analysis, fixed-effects models are expressed in equations in their functional form.

$$OSS_{it} = (\alpha + \mu_i) + \beta_1 NOB_{it} + \beta_3 ALPB_{it} + \beta_3 MQ_{it} + \beta_4 EQ_{it} + \beta_5 CA_{it} + \beta_8 AGE_{it} + u_{it} \text{-----}(2)$$

$$PY_{it} = (\alpha + \mu_i) + \beta_1 NOB_{it} + \beta_3 ALPB_{it} + \beta_3 MQ_{it} + \beta_4 EQ_{it} + \beta_5 CA_{it} + \beta_8 AGE_{it} + u_{it} \text{-----}(3)$$

$$ROA_{it} = (\alpha + \mu_i) + \beta_1 NOB_{it} + \beta_3 ALPB_{it} + \beta_3 MQ_{it} + \beta_4 EQ_{it} + \beta_5 CA_{it} + \beta_8 AGE_{it} + u_{it} \text{-----}(4)$$

$$OMit = (\alpha + \mu_i) + \beta_1 NOB_{it} + \beta_3 ALPB_{it} + \beta_3 MQ_{it} + \beta_4 EQ_{it} + \beta_5 CA_{it} + \beta_8 AGE_{it} + u_{it} \text{-----}(5)$$

4.5.2 The Model with Random Effects

Effects of Chance The random effects (RE) model looks at how error variance components vary over time or between individuals. The RE model assumes that human variance is random and unrelated to explanatory variables. In a random effect model, it is presumed that there is no relationship between individual effect and any predictor variable. The distinction between the FE and RE models is that the repressors of a model are associated with unobserved individual results. This effect may be stochastic or not. The RE model should be used if it is believed that variations between entities affect the dependent variable. The time-invariant variables are included in the RE model (Park, 2011).

The model's equation is as follows:

$$Y_{it} = \beta_1 X_{it} + \alpha + U_{it} + \varepsilon_{it} \text{-----}(6)$$

Where Y_{it} is the dependent variable is the independent variable for each entity at time t , β_1 is the coefficient, α is the unknown intercept for each entity, U_{it} is the error term between individuals, and ε_{it} is the standard error within an individual.

Individual characteristics that may or may not affect the independent (predictor) variable must be defined in this model. There is a chance that the model has missed variable bias. Since it is viewed

as a portion of the composite error term, the random effect method is also recognized as the error module system.

The model that was used in this analysis is as follows:

$$OSS_{it} = \alpha + \beta_1 NOB_{it} + \beta_3 ALPB_{it} + \beta_3 MQ_{it} + \beta_4 EQ_{it} + \beta_5 CA_{it} + \beta_8 AGE_{it} + (\mu_t + U_{it}) \dots\dots\dots (7)$$

$$PY_{it} = \alpha + \beta_1 NOB_{it} + \beta_3 ALPB_{it} + \beta_3 MQ_{it} + \beta_4 EQ_{it} + \beta_5 CA_{it} + \beta_8 AGE_{it} + (\mu_t + U_{it}) \dots\dots\dots (8)$$

$$ROA_{it} = \alpha + \beta_1 NOB_{it} + \beta_3 ALPB_{it} + \beta_3 MQ_{it} + \beta_4 EQ_{it} + \beta_5 CA_{it} + \beta_8 AGE_{it} + (\mu_t + U_{it}) \dots\dots\dots (9)$$

$$OM_{it} = \alpha + \beta_1 NOB_{it} + \beta_3 ALPB_{it} + \beta_3 MQ_{it} + \beta_4 EQ_{it} + \beta_5 CA_{it} + \beta_8 AGE_{it} + (\mu_t + U_{it}) \dots\dots\dots (10)$$

Where "i" stands for an individual's particular bank, μ_t stands for a fixed or random effect specific to a bank or time span that is removed from the regression, and U_{it} stands for an independent and identically distributed error.

4.5.3 Model of Pooled

Since it incorporates only time-series and cross-section data, a panel data model approach is the most straightforward. Since time and individual measurements are not considered in this model, it is presumed that the behavior of corporate data remains consistent over time. To estimate the panel data model, this method can use the Ordinary Least Square (OLS) approach or the least-squares technique (Zulfikar, & S. P, 2019).

Panel data regression equations are written in the same way as ordinary least squares equations, i.e., General Effect Equation.

$$Y_{it} = \alpha + \beta_1 X_{it} + \varepsilon_{it} \dots\dots\dots (11)$$

Here,

i = 1, 2..... and

t = 1, 2.....

4.5.4 Choosing the Best Model

Different statistical methods are used with the model described in the previous section. Parametric and non-parametric approaches may be used to analyze secondary data. Many assumptions, such as normality, homogeneity, and linearity, must be met when performing a parametric test. Normality and homogeneity checks are not needed when working with non-parametric data (Gujarati, 2003).

The multicollinearity of the variables is checked in this study using correlation analysis and the variance inflation factor test. On panel results, regression analysis is used to test the hypothesis and its statistical significance. In panel data exploration, the Pooled Ordinary Least Square (OLS) method, fixed effect (FE) method, and random effect (RE) method are commonly used. To determine the best model, a diagnostic test for the FE and RE models is performed. The graph below shows the results of the three measures used to evaluate the Estimation Method:

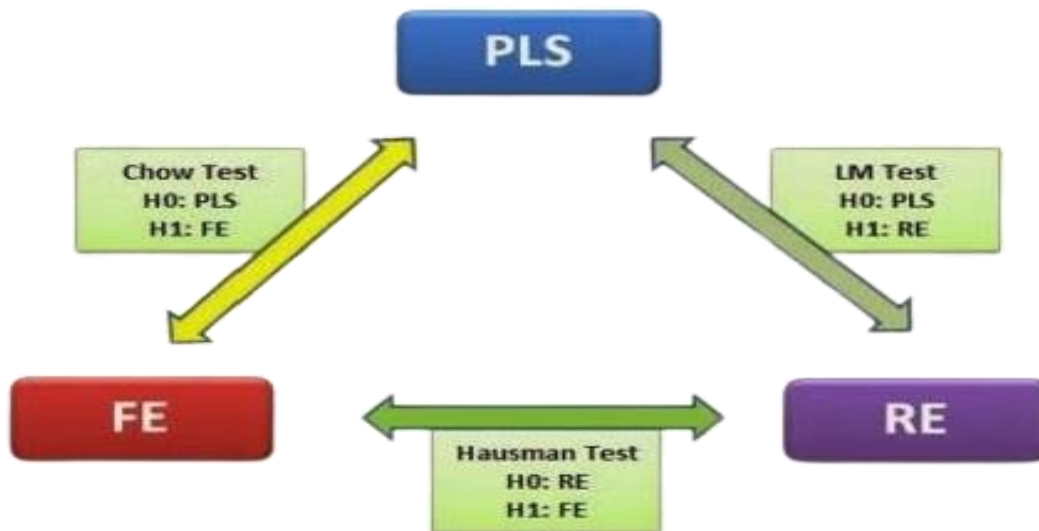


Figure 4.6: Selection of Panel Data Regression Estimation Model

Source: Zulfikar, R., & STp, M. M., (2019)

The panel econometrics Hausman test is just one indication of this general theory in action. Hausman tool, however, mentioned it directly in his original contribution. The Hausman approach is being extended to any assumption evaluating problem wherein two predictors are present, one of β is proficient underneath the null assumption, but inconclusive the alternative, and the other one is $\tilde{\beta}$ steady for both hypotheses but inefficient under any of them. Hausman technique now had the vivid knowledge of generating a statistical method centered on $q = \hat{\beta} - \tilde{\beta}$. This discrepancy will meet zero less than the null assumption due to the steadiness of both estimators, while it will not touch under the alternative assumption due to the contradiction of both estimators. Furthermore, under the null, the fact that the difference and $\hat{\beta}$ are uncorrelated can be exploited; otherwise, the estimator $\hat{\beta}$ could be increased, contradicting the efficiency assumption. These considerations prompted Hausman to propose the statistic (Kunst, R. M., 2009)

$$m = q' (\text{var}q)^{-1} q.$$

The established features of both forecasting models under the null hypothesis, as well as uncorrelated, lead to $\text{var}q = \text{var}\tilde{\beta} - \text{var}\hat{\beta}$. Underneath the null hypothesis, the statistical m is dispersed as χ^2 , with degrees of freedom corresponding to the dimension of β .

The model and test hypothesis for choosing the best model are shown in the table below.

Table 4.5: To Choose the Best Model, Build a Model, and Test Hypothesis.

Hypothesis Testing	Selected Method Tool			Selected Model
	F-Test	Breusch-Pagan Test	Hausman Test	
	H0 is turned down. (FE Model is accepted)	H0 is not turned down. (RE model is not accepted)	H0 is turned down. (FE Model is accepted)	FE model

Source: Constructed by the Researcher

The researcher considered the F-Test, Breusch-Pagan Test, and Hausman Test to select the appropriate model

- When H_0 (null hypothesis) is rejected in the F-test. It denotes that the Fixed Effect Model has been accepted.
- In the instance of the Breusch-Pagan technique, H_0 (null hypothesis) is not rejected. It indicates that the Random Effect Model is not accepted.
- In the instance of the H_0 (null hypothesis) being turned down in the case of the Hausman Test. It implies that the Fixed Effect Model has been accepted.

4.5.5 Specification of the Model (Test of Unit Root, Heteroscedasticity, and Multicollinearity)

The assumption of homoscedasticity is crucial in OLS estimation. When this assumption is broken, however, the OLS estimator fails to produce. On the other hand, panel data regression considers both time and group effects (individual effects) (Park, 2011).

Test of Unit Root

The null assumption of a unit root method for each sequence in a panel is tested by the majority of panel unit root analyses. The null assumption of a unit root for each sequence in a panel is tested by the majority of panel unit root analyses. The alternative theory, on the other hand, is a contentious topic that hinges on. Levin, Lin, and the Chu created the panel unit root assessment, which is estimated by Levin (2002). The assessment undertakes that every unit in the panel has the similar coefficient, but it consents for distinct effects, period effects, and a possible period trend (Bornhorst, F., & Baum, C., 2006).

Unit Root has the following consequences:

- Unit-root assessments are applied to regulate whether a period sequence is stationary. A period sequence is stationary if a variation in period does not outcome in a modification in the form of the distribution.
- Non-stationarity is triggered by unit-roots assessment.

Test of Heteroscedasticity

The OLS approach assumes that the errors have the same but unknown variance or constant variance. Homoscedasticity in the data set is the name for this assumption. Heteroscedasticity is what happens when the premise is broken. The error process may be homoscedastic within a cross-sectional unit, but it may be heteroskedastic across units, which is referred to as group-wise heteroscedasticity (Greene, 2000). The homoscedasticity of the data set and the homoscedasticity of the sample variance are automatically assumed by econometric packages. In a linear regression model, the Breusch-Pagan test is used to assess heteroscedasticity. Trevor Breusch and Adrian Pagan invented it in 1979. It measures whether the variance of a regression's error term is impacted by the standards of the independent parameters.

$$\chi^2_u = \gamma_0 + \gamma_1 + \vartheta$$

The residuals from the fitted regression method are described by 'u.' It is a k-degrees-of-freedom chi-squared measure. The null hypothesis of homoscedastic is denied and heteroscedastic is presumed if the statistic has a probability value less than an acceptable level (0.05).

Heteroscedasticity has the following consequences:

- The test of the hypothesis is no longer true if the covariance matrix of the calculated regression coefficient is inconsistent.
- The BLUE can no longer be used by OLS estimators. Since the coefficient is no longer efficient, the regression prediction will be ineffective.

Test of Multicollinearity

When one or perhaps more explanatory variables in a multiple regression equation are strongly associated, multicollinearity occurs. Multicollinearity is a challenge since it makes an independent variable statistically insignificant. To evaluate the multicollinearity problems in the regression model's data collection, the researchers used Pearson's coefficient matrix, and variance inflation factor (VIF).

Pearson's correlation matrix is commonly used to assess the intensity of a relationship between two variables. Multicollinearity is a serious problem if the association coefficient between two parameters is greater than 0.8 or 0.9, according to the general law (Senaviratna, TN. A. M. R., & Cooray, TT. M. J. A., 2019).

The following is a sample correlation coefficient formula.

$$r = \frac{N\sum xy - (\sum x)(\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2][N\sum y^2 - (\sum y)^2]}}$$

Here,

N denotes the quantity of score sets.

$\sum xy$ = the number of the sets scores' items

$\sum x$ = the overall of x points

$\sum y$ = the overall of y s points

$\sum x^2$ = the overall of squared x points

$\sum y^2$ = the overall of squared y points

The variance increase component quantifies how much predictor factors and conduct (variance) are influenced or expanded by their connection with other indicator factors. Variance rise variables are an easy way to see how much a variable contributes to the regression's standard error. Each

forecaster in an analytical method may have a VIF measured. The indicator is not associated with other variables if its value is 1. The greater the association of a variable with other variables, the higher the value. If one variable has a high VIF, it's safe to assume that other variables have high VIFs as well. If the VIF is greater than ten, the study has high multicollinearity, according to a rule of thumb widely used in practice. With values of about 1, this is in good shape, and the regression can be continued (Gujrati, 2003).

To measure the VIF, use the formula below.

$$VIF = \frac{1}{1 - R^2(x_1)}$$

Where R^2 is the coefficient of determination.

Tolerance of any explanatory variable is defined as $Tolerance = 1 - R^2$, where R^2 is the coefficient of determination for that explanatory variable's regression on the remaining independent variables.

Multicollinearity has the following consequences:

- Multicollinearity reduces the exactitude of the estimated coefficients and lets down the regression research model's statistical level.
- The researcher might not be capable to trust the p-values to distinguish statistically important independent parameters.
- Specifications can affect regression coefficients. As variables are introduced or removed, regression coefficients may change dramatically.

4.6 Identifying the Connection between Various Determinants and the Performance of Conventional Microfinance Organizations/Institutions and Islamic Microfinance Organizations/Institutions

The financial performance of an organization is used to assess its success. Financial success refers to an MFI's ability to cover all types of expenses with all types of revenue, as well as its ability to expand financially (Fersi and Boujelbéne, 2016). Economic and organizational productivity, as well as the attainment of full profitability, are used to determine financial results. Return on asset (ROA) and return on equity (ROE) are two metrics used to evaluate an organization's financial success (Akala, I., 2018; Rahman, and Mazlan, 2014; Séne, 2010). Operating self-sufficiency (OSS) is a financial ratio that considers how much operating revenue meets operating costs (Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., 2016; Omri, and Chkoundali, 2011; and Kipsha, 2013; Anduanbessa, T., 2009). Another proportion the portfolio yield (PY) is a ratio used by financial organizations to calculate the average profits received by the firm from its loans. This ratio is usually considered by taking the average of the entire loan. Portfolio yield is a good indication of how much of a price advantage or disadvantage a company has compared to other companies in the same industry. After comparing the portfolio yield to the market average, the company will decide if interest and fees on new loans should be raised or decreased. This measure depicts the MFI's facility to raise currency from interest, costs, and charges based on the regular credit book. A weakening yield trend could indicate a shift in the mix of commodities, a shift in loan prices, or a problem with rising arrears (Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., 2016; Mersland & Strm, 2009). The other performance variable is the return on assets. The return on asset (ROA) ratio shows how the MFI manages its assets. The maturity of the MFI is demonstrated by a favorable ROA. Return on Assets (ROA) is an important parameter of an organization's financial health and profitability (Mallin, et al., 2014; Wasiuzzaman, and Gunasegavan, 2013; Elsiefy, 2013; Usman, and Khan, 2012; Ramlan, and Adnan, 2016). The ratio data are the most commonly used technique for measuring profitability and reflecting financial institution operating performance (Hassene, and Kais, 2016; Anduanbessa, T., 2009). It assesses an organization's ability to generate profit by efficiently using its assets (Rahman, M. A., & Mazlan, A. R., 2014; Usman, and Khan, 2014). After accounting for fluctuating costs of production, including wages and inputs, but before paying interest or taxes, the operational margins

decide how much income an enterprise makes on a sales dollar. It is calculated by dividing a company's operating income by its net revenues. It examines profit margins and costs. The most popular mode to evaluate an enterprise's profitability is expressing it as net profits. Individual fields may be used to assess the effectiveness of a company's projects and markets in contributing to the company's net profit. After subtracting variable production expenses, such as the inputs costs used to manufacture the product and the wages paid to produce the product or services, the operating margins are the amount of revenue a firm achieves from its market. The operational margins are intended before subtracting debt and tax. Operational earnings are measured by allocating operational incomes by revenue or profits and earnings per share, or EBIT, or another term for operating income. This denotes profits less the expense of manufacturing merchandise and a smaller amount of the company's overall and managerial costs. To put it another way, the profit the company gets from its core business activities (Anduanbessa, T., 2009).

According to Ahmed et al. (2016), the number of beneficiaries (NOB) has a positive impact on microfinance institution results. If the number of beneficiaries grows, so does the rate of increase in organizational profitability.

The log number of beneficiaries has a positive impact on the effectiveness of Conventional microfinance organizations, according to Fersi, M., and Boujelbéne, M. (2016). However, according to Kipesha (2013), the number of beneficiaries has a constructive concern on a firm's efficiency. The number of beneficiaries has a direct relationship with the rate of growth in company performance. The log number of beneficiaries has a positive impact on the efficiency of organizations, according to Omri, W., (2011). The number of beneficiaries has a strong connection with the growth rate in financial performance.

The number of beneficiaries has a significant impact on the financial self-sufficiency or output of Bangladeshi MFI, according to Rahman and Mazlan (2014), but it has a negative impact on their productivity. According to Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., and Said, J., (2016), the explanatory variable, the number of beneficiaries, has no impact on the financial output and profitability of conventional and Islamic MFI.

According to some scholars, the average loan per beneficiary (ALPB) has a marginal and negative effect on MFI's financial results in Bangladesh, Rahman, M. A., & Mazlan, A. R., (2014). The success, profitability, and economic status of Conventional microfinance organizations and Islamic

microfinance organizations are all negatively correlated with the average credit per beneficiary. The average loan per beneficiary affects the institution's efficiency (Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., 2016; Mersland & Strm, 2009). The average loan sum per beneficiary is an outreach metric (Navajas et al., 2000). Small loans are used to keep fixed operating costs high. MFI that provides small loans is likely to have high margins due to fixed costs. The total value of loans allocated by the overall number of beneficiaries yields the average loan size (Rahman, M. A., & Mazlan, A. R., 2014).

This term assumes that management quality, as shown by statistical analysis, has a major impact on MFI output to investigate the positive relationship between management quality (MQ) and MFI effectiveness. Management efficiency, according to Fersi and Boujelbéne (2016), is expected to be productive. It demonstrated that providing management with interesting information and a high level of success can be a useful tool for tracking and controlling financial reporting and decision-making. CMFI has a firm grip on their portfolios' stability and has a significant and optimistic effect on their financial performance. According to Faizulayev (2011), the efficiency of management has an impact on management's competitiveness and effectiveness in receiving new deposits from depositors as well as the reduction of beneficiaries' non-payment debts. The management quality approach is used in this study to select specific and effective metrics, according to Rostami, M., (2015), and it can assist managers in monitoring and evaluating financial data as well as an institutional position in the industry. This method is used by financial companies to analyze and evaluate proportions, focus on a situation, and ensure that a quality decision was taken if a financially viable issue arises. They often use it to motivate participants and achieve a more prominent and innovative role among competitors. Finally, contrasting a company to anyone else in its industry, both internally and externally, is one of the most significant aspects of management quality. According to another scholar, Ali, M., (2018), management quality has a significant relationship with an organization's financial results.

Another important factor is earnings quality (EQ). It is statistically linked to the economic performance/achievement of both Conventional MFI and Islamic MFI. In the analysis, Rostami, M., (2015) demonstrated how the earnings quality technique can be used to choose specific and acceptable parameters, and how it can help managers monitor and analyze financial data as well as their institutional position in the industry. This method can be used by financial organizations

to calculate and analyze ratios, focus on a situation, and make the best decision possible if a profitable problem arises. They often use it to motivate employees and achieve a more prominent and creative role among rivals. In fact, comparing a business to others in its field, both internally and externally, is one of the most important aspects of earnings quality. The earnings quality technique has a positive and important association with organizational success, according to Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K. (2011). As a result, the quality of earnings is found to be strong when a company reports a rise in profits due to higher sales or lower costs.

The study found a connection between capital adequacy (CA) and organizational financial results that were both positive and important. Fersi, M., and Boujelbéne, M. (2016) discovered a strong positive association between capital appropriateness and microfinance institution financial achievement and financial efficiency. Capital growth influences on a reduction in external borrowing, which increases MFI productivity. The capital must ensure the microfinance organizations' overall security and viability. This metric assesses an MFI's ability to tolerate expected losses. MFI can increase overall productivity by having enough resources. As a result, the MFI's diverse cash flows play an imperative part in improving its financial/economic performance. Another study, M. Rostami (2015), discovered that there is a clear causal correlation between capital appropriateness and microfinance institution economic performance, as well as the profitability defined by the operating margin. MFI can improve its effectiveness by increasing its resources. Financial organizations may use this approach to measure and evaluate ratios, concentrate on a situation, and ensure that the best decision is made if a profitable problem occurs.

The age (AGE) of a company indicates its level of experience, which has a positive impact on profitability and financial results. According to Fersi, M., and Boujelbéne, M., (2016), age has a positive significant effect on an organization's overall performance. It has an influence on an organization's production, productivity, and benefit. Another researcher, Kipesha, F. E., (2013), found that the age of the organizations that evaluate a company's competence has a momentous control on the enterprise's overall effectiveness, stability, financial results, and income-generating potential.

Table 4.6: The following are the Study's Explanatory Variables and Predicted Sign

Determinants	Variable Level	Variable Name	Expected Sign
Number of Beneficiaries	LNNOB	Number of beneficiaries with loans outstanding	+
Average Loan each Beneficiary	LNALPB	Total value of loans/Total no. of beneficiaries	+
Management quality	MQ	Loans/Deposits	+
Earnings quality	EQ	Total expenses/Total revenue	+
Capital adequacy	CA	Capital to Debt	+
Age of MFI	AGE	Age of MFI since its establishment	+

Source: Constructed by the Researcher

4.7 Summary of the Chapter

The collected data was analyzed using descriptive and inferential statistical techniques in this analysis. From 2015 to 2018, the panel regression analysis was used to assess and compare the performance of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh. Inferring model parameters with panel data is more accurate. It involves developing and evaluating more complex behavioral theories as well as monitoring the effects of missing variables. To choose the form of the panel regression method, the scholar applied the "Hausman system." The Hausman technique is used to evaluate a study's fixed and random effect models (Hausman JA, 1978; Omri, and Chkoundali, 2011; and Kipesha, 2013). The Breusch Pagan Lagrange Multiplier was used in this study to choose the best model, whether it was a random effect model or a pooled regression analysis (Kipesha, and Zhang, 2013). Multicollinearity is a term that describes how closely two independent variables are related (Kennedy, 2008). To assess multicollinearity, the researchers used the variance inflation factor (VIF) (Boulila, Boudriga, and Ajmi. 2010; Kipesha, 2013; Kiganda, 2014, Kipesha, and Zhang, 2013).

The previous parts of the literature were analyzed in this chapter to determine the elements that affect the success of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh. Financial ratios were used to measure and compare the output of Conventional microfinance organizations and Islamic microfinance organizations in the study. To evaluate the research data, this research used the statistical applications Microsoft Office Excel (MS Excel), and STATA -16.

CHAPTER FIVE: DATA ANALYSIS AND OUTCOMES OF THE RESEARCH WORK

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CHAPTER FIVE: DATA ANALYSIS AND OUTCOMES OF THE RESEARCH WORK

5.1 Introduction

This research conducted empirical research techniques discussed in the previous section, analytical outputs are specified by determining the performance/achievement of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh and comparing their performance. A variety of profitability ratios will clearly show how financially effective a microfinance company is. Measuring and documenting key ratios will assist the management's decision-making needed by a microfinance institution as it expands to sustain efficiency. The researcher considered profitability ratios and some selected risk ratios for measuring, evaluating, and comparing the performance of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh.

This chapter is planned in the following methods. Section: 5.2 reveals the descriptive statistics of Conventional MFIs and Islamic MFIs performance variables. Section: 5.3 tools of unit root, heteroscedasticity, and multicollinearity. Section: 5.4 shows the selection of the appropriate method. Section 5.5 discloses the models' outcomes and discuss. Section: 5.6 expresses an overview of the hypothesis analysis and section 5.7 presents the conclusion of the chapter.

5.2 Descriptive Statistics of the Research Work

To determine the performance of microfinance organizations and compare their achievement/performance in Bangladesh, this research applied panel data estimation to manage the consequence of omitted aspects (Gujarati, 2003). This research applied four outcome variables and six explanatory variables. The research's four outcome variables which create four panel regression methods were sustainability (OSS), profitability (ROA), and financial returns (PY and

OM). The dependent variables of the research are operating self-sufficiency (OSS), return on assets (ROA), portfolio yield (PY), and operating margin (OM). The independent variables of the research, which were verified for each of the four dependent variables, were the number of beneficiaries (NOB), average loan per beneficiary (ALPB), management quality (MQ), earnings quality (EQ), capital adequacy (CA) and age of MFIs (AGE).

Table 5.1: Descriptive Statistics of Conventional and Islamic Microfinance Institutions Variables (2015 to 2018)

Variables	Panel A: Conventional Microfinance Institutions					Panel B: Islamic Microfinance Institutions				
	Obs.	Mean	Std.dev.	Min	Max	Obs	Mean	Std.dev.	Min	Max
Operating self sufficiency	1280	85.918	76.6947	0.01	1289.92	32	83.1456	50.8574	0.15	173.33
Portfolio Yield	1280	26.0301	53.8616	0.01	1010.45	32	15.98156	9.8266	0.13	26.16
Return on Assets	1280	2.2199	5.49575	-69.62	92	32	2.17625	1.927659	0.08	6.45
Operating Margin	1280	10.2875	32.4602	-460.01	494.99	32	15.59469	18.35999	0.17	82
Number of beneficiaries	1280	51622.87	456667	255	6794853	32	111177	249695.3	732	844772

Average loan per beneficiary	1280	2209944	7.85e+07	164.7217	2.81e+09	32	12606.87	7156.152	335.469	29584.92
Management quality	1280	22.8246	31.4955	0.00	195.16	32	19.9525	23.87739	0.04	74.29
Earnings quality	1280	43.5402	60.5251	0.00	1020.82	32	40.67469	41.37652	0.01	99.51
Capital adequacy	1280	13.9038	24.0339	-102.16	288.4	32	15.51375	22.10369	0.09	100.96
Age of MFI	1280	7.2625	2.2578	1	11	32	7.25	1.74134	3	10

Source: Researcher's Calculation

The descriptive figures for Conventional microfinance and Islamic microfinance institutions can be found in the table above. In the case of Conventional MFIs, the operating self-sufficiency (OSS) ratio has an average rate of 85.918, a standard deviation of 76.6947, and lowest and maximum standards of 0.01 and 1289.92, respectively. For Islamic MFIs, the average level of operating self-sufficiency (OSS) is 83.1456 with standard deviations of 50.8574 0.15, and 173.33 individually. For Conventional MFIs, the average portfolio yield (PY) is 26.0301, with a standard deviation of 53.8616 and supreme and minimum amounts of 1010.45 and 0.01, correspondingly. For Islamic MFIs, the mean portfolio yield (PY) is 15.98156, with standard deviation, maximum, and minimum levels of 9.8266, 26.16, and 0.13, correspondingly. The average, standard deviation, least, and maximum levels of return on assets (ROA) ratios for Conventional microfinance institutions are 2.2199, 5.49575, -69.62, and 92, respectively. The average, standard deviation, lowest, and maximum standards return on assets (ROA) ratios for Islamic microfinance institutions, on the other hand, are 2.17625, 1.9277, 0.08, and 6.45, individually. For Conventional MFIs, the mean, standard deviation, minimum, and maximum operating margin (OM) ratios are 10.2875, 32.4602, -460.01, and 494.99, correspondingly. For Islamic MFIs, the mean, standard

deviation, minimum, and maximum operating margin (OM) ratios are 15.5947, 18.36, 0.17, and 82, correspondingly. The average number of beneficiaries (NOB) for Conventional MFIs is 51622.87, with the standard deviation, minimum and maximum levels of 456667, 255, and 6794853, correspondingly, and the mean number of beneficiaries (nob) for Islamic MFIs is 111177, with the standard deviation, minimum and maximum levels of 249695.3, 732, and 844772, respectively. Conventional MFIs have an average loan per beneficiary (ALPB) mean, standard deviation, minimum and maximum levels of 2209944, $7.85e+07$, 164.7217, and $2.81e+09$, while Islamic MFIs have an average loan per beneficiary (ALPB) mean value, standard deviation value, minimum and maximum levels of 12606.87, 7156.152, 335.47, and 29584.92, separately. The average value, standard deviation value, minimum, and maximum management quality (MQ) ratios for Conventional microfinance institutions are 22.8246, 31.4955, 0.00, and 195.16, separately. The average level of management quality (MQ) is 19.9525, with standard deviations, minimum and maximum levels of 23.8774, 0.04, and 74.29, respectively. The mean level of earnings quality (EQ) for Conventional microfinance institutions is 43.5402, with standard deviations, minimum, and maximum levels of 60.5251, 0.00, and 1020.82, correspondingly, and the mean level of earnings quality (EQ) for Islamic MFIs is 40.67, with standard deviations of 41.377, 0.01, and 99.51, individually. For Conventional MFIs, the average, standard deviation, minimum, and maximum capital adequacy (CA) ratios are 13.904, 24.0339, -102.16, and 288.4, respectively. In the case of Islamic MFIs, the average, standard deviation, minimum, and maximum capital adequacy (CA) ratios are 15.51, 22.10, 0.09, and 100.69, correspondingly. The average age of a Conventional microfinance institution is 7.26 years, with standard deviations of 2.2578 and minimum, and maximum levels of 1, and 11 correspondingly. The average age of an Islamic microfinance institution is 7.25 years, with standard deviations of 1.74134, 3, and 10 individually. However, the research found that Conventional microfinance institutions in Bangladesh perform better financially than Islamic microfinance institutions.

5.3 Tool of Unit Root, Heteroscedasticity, and Multicollinearity

Before applying the regression methods, some tools on regression assumptions were applied to confirm that it was applicable to conduct regression tools for evaluating the association. The tools for unit root, heteroscedasticity, and multicollinearity were conducted for all regression methods.

Panel stationery, homoscedasticity, and multicollinearity were vital tools for panel data and regression methods. To tool the panel unit root Levin-Lin Chu unit root tool was conducted.

Table 5.2: Levin-Lin Chu unit root Tool for Conventional MFIs

Hypothesis		Null Hypothesis		Panels contain unit root		
Independent Variable		LNNOB	LNALPB	MQ	EQ	CA
Tool	Statistics	Adjusted t* (Prob.)				
Outcomes		1.6e+16	1.1e+16	3.9e+16	3.2e+16	4.2e+16
		(1.0000)	(1.0000)	(1.0000)	(1.0000)	(1.0000)

Source: Researcher's Calculation

Table 5.2. and 5.3. reveal the outcomes of the Levin-Lin Chu unit root tool. Levin-Lin Chu unit root tool outcomes show the evidence of the independent variable data have unit root and thus

Table 5.3: Levin-Lin Chu unit root Tool for Islamic MFIs

Hypothesis		Null Hypothesis		Panels contain unit root		
Independent Variable		LNNOB	LNALPB	MQ	EQ	CA
Tool	Statistics	Adjusted t* (Prob.)				
Outcomes		1.0e+16	2.7e+16	7.4e+15	7.0e+16	1.4e+16
		(1.0000)	(1.0000)	(1.0000)	(1.0000)	(1.0000)

Source: Researcher's Calculation

rejects the alternative hypothesis and accepts the null hypothesis with the probability level of 1.000. Hence, the outputs can be concluded that panels contain a unit root. The Conventional MFIs' data contain a unit root as well as the Islamic MFIs data also contain a unit root.

Table 5.4: Breusch-Pagan/Cook-Weisberg Tool

Null Hypothesis	Homoscedasticity in the data set	
Type of MFI	Conventional MFIs	Islamic MFIs
Tool Statistics	Chi Square (Prob.)	
Outcomes	45.59 (0.0000)	7.09 (0.0077)

Source: Researcher's Calculation

The research conducted Breusch-Pagan/Cook-Weisberg tool to recognize the heteroscedasticity in the data set. From the outcomes of table 5.4, it is evident that the null hypothesis is excluded, and the alternative hypothesis is accepted with the probability level of 0.0000 and 0.0077. However, the research can be claimed that there is a confirmation of the heteroscedasticity in the data set. The Conventional and Islamic MFIs' have heteroscedasticity in the data sets.

Table 5.5: Correlation Matrix of Coefficients for CMFIs Data Set

	LNNOB	LNALPB	MQ	EQ	CA	AGE	_cons
LNNOB	1.0000						
LNALPB	-0.2501	1.0000					
MQ	0.0552	-0.0488	1.0000				
EQ	0.1069	0.0254	-0.4850	1.0000			
CA	0.1453	-0.0811	0.02833	-0.2245	1.0000		
AGE	-0.4391	-0.0693	-0.2127	-0.1355	-0.2168	1.0000	
_cons	-0.0798	-0.9113	0.0551	-0.0596	0.0506	0.0014	1.0000

Source: Researcher's Calculation

The multicollinearity tool was applied to evaluate the association between two or more explanatory variables in the sample. The Correlation matrix of coefficients was applied by the researcher. All of the variables' CMFIs coefficients are lower than 0.80, according to the analysis. For the log number of beneficiaries and log average loan each beneficiary, the r-level is -0.2501. For the log average loan per beneficiary and management quality variables, the level of r is -0.0488. The level of the vector of management quality and earnings quality is -0.4850. For earnings quality and capital adequacy, the r-level is -0.2245. For capital adequacy and MFI age, the level of r is -0.2168. As a result, the researcher can assume that the independent variables are not multicollinearity.

Table-5.6: Correlation Matrix of Coefficients for IMFIs Data Set

	LNNOB	LNALPB	MQ	EQ	CA	AGE	_cons
LNNOB	1.0000						
LNALPB	-0.1588	1.0000					
MQ	0.4253	-0.2100	1.0000				
EQ	-0.2583	0.1314	-0.6567	1.0000			
CA	0.2912	0.0663	0.5449	-0.6525	1.0000		
AGE	-0.5010	-0.0302	-0.3443	0.0722	-0.3506	1.0000	
_cons	-0.0994	-0.9035	0.1451	-0.0605	-0.0714	-0.1344	1.0000

Source: Researcher's Calculation

According to the report, all the variables' IMFIs coefficients are lower than 0.80. The r-level for the log number of beneficiaries and the log average loan per beneficiary is -0.1588. The level of r for the log average loan per beneficiary and management efficiency variables is -0.2100. The r-value of management efficiency and earnings quality is -0.6567. The r-level for earnings quality and capital adequacy is -0.6525. The level of r for capital adequacy and MFI age is -.3506. As a consequence, the researcher can rule out multicollinearity as an independent variable.

The research applied the variance inflation factor (VIF) to evaluate the multicollinearity in the data set of the regression method. The acceptable levels acquired were all greater than the limit level of 0.1

Table 5.7: Variance Inflation Factor (VIF)

Variable	Conventional MFIs		Islamic MFIs	
	VIF	1/VIF	VIF	1/VIF
LNNOB	1.38	0.723137	1.51	0.662190
LNALPB	1.13	0.003273	1.13	0.885120
MQ	1.53	0.6544633	6.47	0.0.154624
EQ	1.59	0.629133	7.54	0.132699
CA	1.19	0.842056	2.38	0.419690
Age	1.55	0.644633	2.17	0.461319
Mean VIF	1.40		3.53	

Source: Researcher's Calculation

lower which the multicollinearity is measured to be difficult. In the scenario of VIF, if the result is well below of 10 and Sensitivity close to zero, there is really no evidence of multicollinearity (Gujrati, 2003; Gujarati and Dawn 2009). The variance inflation estimates for parameters in the range of methods are around 1.13 to 1.59 for all the predictor variables indicating an absence of multicollinearity between the constructs in the research of Conventional MFIs'. The variance inflation estimations for parameters in the range of methods around 1.13 to 7.54 for all the selected attributes signifying an absence of multicollinearity among the concepts in the research of Islamic MFIs'. Thus, it can be established that there are no multicollinearity problems in these data sets. The data sets of Conventional and Islamic MFIs' have no multicollinearity problems.

5.4 Selection of Appropriate Regression Methods

Panel data quality is depended on choosing the best method. Firstly, the research is carried out under the fixed effect method, the random effect technique along with the pooled OLS method. Hausman tool is performed for both fixed and random effect methods to decide which method is suitable.

Breusch and Pagan Lagrangian Multiplier random effect tool is conducted to recognize the best method between the pooled OLS methods and random effect methods.

5.4.1 Selection of Appropriate Regression Method Tool for Dependent Variable of Operating Self-sufficiency (Method -1).

Panel A Model: The researcher applies the OLS regression method to pool all observations together and ignore the cross-section and period-series pattern of the data. It exposes that the OLS method is statistically substantial with a probability level of lower than 5% (0.0000) and the r square level of 0.1145. The major problem of the OLS method is that it does not distinguish between the various institutions. This regression method cannot manage unnoticed individual things. On the other hand, by combining all sample institutions by pooling, the researcher denies the heterogeneity that may exist between sample institutions. Next, the random effect method considers all sample institutions' common mean levels for the intercept. The analysis finds that the random effect method is statistically substantial. The regression method probability level is 0.000 with the Wald chi2 of 164.64. The method contains lower than 5% p-level with more levels of Wald Chi2. Moreover, Breusch and Pagan Lagrangian multiplier method was directed to recognize the better method between the pool OLS technique and the random-effect approach. The result explains that the probability level is 1.0000. It presents that the p-level is more than 0.05 (5%). It specifies that while the null hypothesis is not discarded, the alternative hypothesis is. As a result, the method of random effect is inapplicable. Afterward. The research applied the fixed effect method to evaluate the achievement/performance indicator of Conventional microfinance organizations/institutions. Finally, the research conducted the Hausman tool to recognize whether the fixed effect method or random effect method is appropriate. The outcomes reveal that the chi2

level is 221.28 with a probability degree of 0.0000. The p-degree is lower than 5% (0.05). The null assumption is excluded, and the alternative assumption is established. Consequently, the Hausman tool concluded that the fixed effect method is the suitable method.

Panel B Model: The research merged all outcomes with a cross-section and time serial data form using the OLS regression method. The analysis found that the OLS method had the probability level of 0.0196 at 5 percent with the R square level of 0.4301. The principal problem with the OLS method is that it does not discriminate between the various institutions. Unnoticed individual effects cannot be regulated by this method. On the other hand, the method disregards the heterogeneity of sampling institutions by combining all the sample institutions. Then, the research applied the random-effect method to consider the mean level of the intercept combined for all sample institutions. The research found a substantial random effect method. With the Wald chi2 of 18.87 at 1 percent, the p-level of the regression process is 0.0000. The method with the greater weight of Wald Chi2 has a smaller than 5 percent p-level. Breusch and Pagan Lagrangian multiplier technique was directed to identify the better method between the pool OLS technique and the random-effect method. The outcome is that the p-level is 1.0000. The p-degree is above 0.05. It notes that the hypothesis of alternative (H1) is excluded but null (H0) is accepted. Therefore, we can be assuming that the REM method is not suitable. To estimate the output variables of Islamic microfinance institutions, the researcher conducted the fixed effect method. The fixed-effect technique allows for variation of individuality among all sample institutions to have this one individual interception degree. The method is time-invariant; the intercept may vary across the various institutions. Finally, the Hausman tool was applied to select the proper method after finding the outcome of the fixed-effect method and the random-effect technique. The system presented by the Hausman tool specified that the method of fixed effect is suitable after tooling. The p-degree is below the degree of substantial, i.e., 0.05 with the chi2 of 41.24.

5.4.2 Selection of Appropriate Regression Method Tool for Dependent Variable of Portfolio Yield (Method - 2).

Panel A Model: The researcher performed by the OLS regression method to pool together all findings and ignore the existence of the data cross-section and time series. It showed that with a probability level of 0.0013 (lower than 5 percent), the OLS method is statistically important. The key problem of the OLS method is that it does not differentiate between the various institutions. This regression method cannot manage unobserved individual effects. The research reveals that the random effect method is statistically substantial with a probability level is 0.0001 and a Wald chi2 of 28.71. The method holds lower than 5% p-level with more level of Wald Chi2. Breusch and Pagan Lagrangian multiplier technique was directed to recognize the better method between the pool OLS method/random-effect method. The table appearances that the likelihood level is equal to 0.0000. It discovers that the p-level is lower than 0.05 (5 percent). It notes that it refuses the null hypothesis but supports the alternative hypothesis. Therefore, the analysis acknowledges that the random effect way is stronger than the pooling system of OLS. The research applied the fixed-effect method for assessing the achievement/performance variables of Conventional microfinance organizations/institutions in Bangladesh. The analysis was applied to the Hausman tool to diagnose the suitable method between the fixed-effect method and the random-effect technique. The result finds that the chi2 level is 14.37 with a probability degree of 0.0000. The p-degree is lower than 5% (0.05). The null assumption is excluded, but the alternate assumption is recognized. Hence, the Hausman tool claims that the fixed effect method is the proper tool.

Panel B Model: Panel B: The researcher followed the method of OLS regression to combine all findings and neglect the form of data cross-section and time series. The analysis noticed that with a probability level of 0.1302 with the R square level of 0.3072, the OLS method is not statistically important. The important subject of the OLS method is that it does not distinguish between the various institutions. Unnoticeable individual effects cannot be regulated by this method. In other ways, by integrating all sample organizations, the research lacks the heterogeneity that might contribute to the sample organizations. The analysis applied the random effect method to consider the average level for the intercept for all sample institutions. 36.08 percent (within) of the R-Sq level is contained in the random effect method. The analysis finds that the random effect method

is not statistically substantial. The regression method probability level is 0.0857 with the Wald chi2 of 12.38. The probability level is more than 5%. Breusch and Pagan Lagrangian multiplier technique was applied to detect the suitable method between the OLS method and the random-effect method. The outcomes demonstrate that 1.0000 is the p-level. The p-level is greater than 5 percent. It states that the alternative hypothesis (H1) is dismissed, but the null (H0) is accepted. Therefore, we can determine that the random effect method is not an effective method. The research employed the fixed-effect method to measure the performance variables of Islamic microfinance institutions. The Hausman tool was applied to pick the right method after finding the output of the fixed-effect tool and random effect method. The tool outcomes of Hausman confirm that the method with the fixed effect is suitable after tooling. The number is below the standard of substantial (i.e., 0.05).

5.4.3 Selection of Appropriate Regression Method Tool for Dependent Variable of Return on Assets (Method – 3).

Panel A Model: The researcher applies the OLS regression method to pool all explanations together and ignore the cross-section and period-series type of data. The researcher finds that the OLS method is statistically substantial with a probability level of 0.0000. The p-level is more than 5%. The random effect method considers the intercept's common mean level for all sample institutions. The analysis discloses that, with a probability level of 0.0000 and Wald chi2 of 77.24, the random effect method is not statistically important. With the low level of Wald Chi2, this method has over 5% p-level. To diagnose a better method between the pool OLS technique and the random effect system, the Breusch, and Pagan Lagrangian multiplier tool was intended. The outcome shows that the probability level is 1.0000 with the chi2 level of 0.00. It means that the p-level is more than 0.05 (5 percent). It explains the rejection of the null hypothesis and the acceptance of alternative hypotheses. Thus, a better approach is the random effect method. The fixed impact method was applied by the investigator to tool the output variables of Conventional microfinance institutions in Bangladesh. The Hausman tool was approved to decide if the fixed effect method or the random effect method was the suitable method. The result shows that the chi2 level is 86.47 with a probability level of 0.0000. The p-level is lower than 5% (0.05). It defines that the null hypothesis is disallowed, and the alternative hypothesis is acknowledged. Thus, the Hausman tool determines that the fixed-effect way is the right technique.

Panel B Model: The analysis engages the method of OLS regression to combine all findings and neglect the form of data cross-section and time series. The research considers that with the p-level of 0.0088 at the 5 percent degree and the R square level of 0.4717, the OLS method is statistically important. The research follows the random effect method to reflect all the sample institutions and the collective average level for the intercept. In the random effect method, 54.60 percent (within) of the R-Sq level is found. Since there is no greater variance in the method, the Wald Chi2 level is 22.32 with a 1% substantial degree probability of 0.0011 and has sufficient explanatory power. Breusch and Pagan Lagrangian multiplier tool is applied to diagnose the better method between the pool OLS method or random-effect method. The result expresses that the p-level is 1.0000. The p-level is above 5 percent. It records that the hypothesis of alternative is excluded but null (H0) is accepted. Therefore, we can infer that the REM method is not suitable. The researcher directs the fixed effect method to estimate the performance variables of Islamic microfinance institutions. The Hausman tool is conducted to select the proper method after obtaining the outcome of the fixed-effect system and the random-effect method. The tool outcomes of the Hausman tool display that the fixed-effect technique is proper with a probability level of 0.0237. The level is above the substantial degree, i.e., 0.05.

5.4.4 Selection of Appropriate Regression Method Tool for Dependent Variable of Operating Margin (Method – 4).

Panel A Model: The researcher applies the regression method of OLS to combine all outcomes and neglect the form of data cross-section and time series. The investigator considers that with the probability level of 0.0000 at the 1 percent degree and the R square level of 0.1183, the OLS method is statistically important. The core constraint of the OLS method is that it does not distinguish between the various institutions. This method cannot control unnoticed individual things. On the other hand, by merging all sample organizations by combining, the research ignores the heterogeneity that may be concerning the sample institutions. The research follows the random effect method to consider all sample institutions and the collective average level for the intercept. The research finds that the random effect method is statistically substantial. The regression method probability level is 0.000 with the Wald chi2 of 166.08 at the 1% degree. The method has a lower than 5% p-level with more weight of Wald Chi2. To recognize the best method between the pool OLS technique and the random-effect tool, the Breusch, and Pagan Lagrangian multiplier tool was

designed. The outcome displays that the probability level is 1.0000. It presents that the p-level is more than 0.05 (5%). It defines that the alternatives hypothesis (H1) is excluded but the null hypothesis (H0) is accepted. Thus, we can conclude that the random-effect model is not suitable for the OLS method. The research directed the fixed-effect method to evaluate the performance variables of Conventional microfinance institutions. The research was directed Hausman tool to detect the suitable method between the fixed effect technique and the random-effect technique. The outcomes determine that the chi2 level is 56.40 with a probability level of 0.0000. The p-level is smaller than 5% (0.05). The null assumption (H0) is excluded but the alternative assumption (H1) is acknowledged. Therefore, the analysis states that the fixed-effect technique is the suitable method based on the Hausman tool.

Panel B Model: The analysis applied the OLS regression method to combine all observations and overlook the cross-section and time-series type of data. The research finds that the OLS method is statistically substantial with the probability level of 0.07211 with the R square level of 0.1275 The research applied the random effect method to consider all sample institutions' combined mean levels for the intercept. In the random effect method, 0.1131 percent (within) of the R-Sq. the level is found. The research finds that the random effect method is not statistically substantial. The regression method probability level is 0.0724 with the Wald chi2 of 3.65. The method has a lower than 10 % p-level. Breusch and Pagan Lagrangian multiplier tool was directed to analyze the better method between the pool OLS method or random-effect method. Breusch-Pagan multiplier tool has been conducted to better define the method for the weather random effect or the combined OLS process. The result approvals that the p-level is 1.0000 with the chibar2 of 0.00. Hence, we can declare that the null hypothesis is supposed, and the alternative hypothesis is excluded. The researcher accompanied the fixed effect method to estimate the performance variables of Islamic microfinance organizations. The Hausman tool was applied to choose the suitable method after obtaining the outcome of the fixed effect system and the random-effect method. The outcomes of the Hausman tool suggest that because of tooling the fixed effect method is adequate for the analysis. Level reaches the degree of substantial, i.e., 0.0317.

5.5 The Study's Models Outcomes are Analyzed and Discussed

The research work used pooled regression model, random effect method, and fixed effect tools are evaluated the dataset of Conventional based microfinance institutions and Islamic-based microfinance institutions. Panel "A" was applied for Conventional MFIs and Panel "B" was applied for Islamic MFIs in this research.

5.5.1 For Method -1, the Outcomes are Analyzed and Discussed

This segment reveals the outcomes of the success factors evaluation for both Conventional microfinance institution (CMFI) and Islamic microfinance institution (IMFI). The panel regression outcomes of the CMFI performance methods are exposed in Table 5.8. Table 5.9, on the other hand, shows the panel regression outcomes of the IMF's success methods.

Analysis Results of "Panel- A" for Conventional Microfinance Organizations

Table 5.8: Outcomes of the Estimated Methods for Panel A (Operating Self-sufficiency)

Variables	Coefficient of Variables					
	Pooled Regression		Fixed Effect Method		Random Effect Method	
	Coefficient	t-Statistic	Coefficient	t-Statistic	Coefficient	z-Statistic
LNOB	-2.391	-0.71 (0.478)	3.961	0.43 (0.668)	-2.391	-0.71 (0.478)
LNALPB	26.097	3.86 (0.000)***	8.559	1.04 (0.297)	26.097	3.86 (0.000)***
MQ	0.171	2.15 (0.032)**	-0.394	-3.77 (0.000)***	0.171	2.15 (0.031)**
EQ	0.037	0.89 (0.375)	-0.109	-2.31 (0.021)**	0.037	0.89 (0.375)

CA	0.573	6.25 (0.000)***	-0.408	-3.49 (0.001)**	0.574	6.25 (0.000)***
AGE	4.938	4.43 (0.000)***	47.946	16.19 (0.000)***	4.938	4.43 (0.000)***
Constant	-61.747	-2.35 (0.019)**	-292.149	-6.16 (0.000)***	-61.747	-2.35 (0.019)**
	Pooled Regression		Fixed Effect Technique		Random Effect Technique	
R-Square (Within)	0.1145		0.3175		0.1593	
Prof>F	(0.0000)***		(0.0000)***			
Wald Chi2 (Prob)					164.64 (0.0000)***	
Hausman Tool					221.28 (0.0000)***	
Breusch and Pagan Lagrangian Multiplier Tool					0.00 (1.0000)	
No.of Observations	1280					
No.of Groups	320					

Note: There is a degree of substantial of 10%, 5%, and 1% with symbols '*', '**', and '***'.

Source: Researcher's Calculation

The outcomes divulge that the fixed effect method is statistically substantial at the 1% degree with a probability level of 0.0000. The research finds that the p-level is lower than 5%. The method presents that four variables out of six variables are shown to be statistically important to the Conventional MFIs. The findings of the panel data methods suggest that the explanatory variables in the research are responsible for approximately 32 percent changes in profitability. This suggests that several other factors may impact the performance of Conventional MFIs.

The research identifies that the log number of the beneficiaries (LNNOB) has not a statistically substantial association with operating self-sufficiency (OSS). The p-level is 0.668 with a coefficient level of 3.961. Hypothesis H1 is not accepted, and the result determines that the log number of beneficiaries is not presenting the operating self-sufficiency (OSS). The research recognizes that log average loan per beneficiary (LNALPB) has not also a statistically substantial connotation on operating self-sufficiency. The probability level is 0.297 with a coefficient level of 8.559. Hypothesis H2 is excluded, and the outcome determines that log average loan per beneficiary (LNALPB) is not a good variable for presenting the operating self-sufficiency.

The analysis also exposes that management quality (MQ), earnings quality (EQ), capital adequacy (CA), and age of the institution have a statistically substantial association with operating self-sufficiency (OSS) with the probability levels of 0.000, 0.021, 0.001, and 0.000 respectively. Four variables out of six independent variables have a statistically substantial association with the operating self-sufficiency of the Conventional MFIs.

The research identifies that management quality (MQ) has a statistically substantial connotation on operating self-sufficiency (OSS) at the 1% degree. The coefficient level is -0.394 and it defines that a one-unit rise in management quality will influence to fall in operating self-sufficiency by 0.394 and the remaining other variables constant. Hypothesis H3 is accepted, and the result concludes that management quality represents the operating self-sufficiency.

The estimation result shows that earnings quality (EQ) has a statistically substantial association with operating self-sufficiency (OSS) at the 5% degree. The level of the coefficient is -0.109 and it explains that a one-unit rise in earnings quality will stimulate to fall in operating self-sufficiency by 0.109 but all other variables are holding constant. Hypothesis H4 is accepted and the research claims that earnings quality presents the operating self-sufficiency.

The research discloses that capital adequacy (CA) has a statistically substantial link to operating self-sufficiency at the 1% degree. The coefficient level is -0.408 and it describes that a one-unit rise in capital adequacy (ca) will influence a fall in operating self-sufficiency by 0.408, remaining other variables constant. Hypothesis H5 is accepted, and the result determines that capital adequacy represents the operating self-sufficiency.

The research finds that the age of the Conventional microfinance institution has a statistically substantial connotation on operating self-sufficiency at the 1% degree. The coefficient level is 47.946 and it explains that a one-unit rise in age will impact to rise in operating self-sufficiency by 47.946 but other variables hold constant. Hypothesis H6 is accepted, and the result concludes that the age of the institution directly influences the Conventional microfinance institution's profitability.

Analysis Results of “Panel- B” for Islamic Microfinance Organizations

Table 5.9: Outcomes of the Estimated Methods for Panel B (Operating Self-sufficiency)

Variables	Coefficient of Variables					
	Pooled Regression		Fixed Effect Method		Random Effect Method	
	Coefficient	t-Statistic	Coefficient	t-Statistic	Coefficient	z-Statistic
LNNOB	-3.2840	-0.27 (0.787)	-11.22864	-0.42 (0.681)	-3.2840	-0.27 (0.785)
LNALPB	-4.4115	-0.17 (0.864)	-19.2881	-0.85 (0.404)	-4.4115	-0.17 (0.863)
MQ	0.3836	0.47 (0.643)	-1.6372	-2.36 (0.030)**	0.3836	0.47 (0.639)
EQ	0.0938	0.18 (0.855)	-0.03473	-0.09 (0.930)	0.0938	0.18 (0.854)
CA	0.7975	1.49 (0.149)	-0.8375	-1.83 (0.044)*	0.7975	1.49 (0.137)

AGE	6.4608	1.00 (0.329)	76.2487	6.13 (0.000)***	6.4608	1.00 (0.320)
Constant	42.6939	0.41 (0.683)	-302.4042	-2.16 (0.044) *	42.6939	0.41 (0.679)
	Pooled Regression		Fixed Effect Technique		Random Effect Technique	
R-Square (Within)	0.4301		0.8165		0.4788	
Prob>F	(0.0196) **		(0.0000) ***			
Wald Chi2 (Prob)					18.87 (0.0044) **	
Hausman Tool			41.24 (0.0000) ***			
Breusch and Pagan Lagrangian Multiplier Tool					0.00 (1.0000)	
No.of Observations	32					
No.of Groups	8					

Note: There is the degree of substantial of 10%, 5%, and 1% with symbolizes '*', '**', and '***'.

Source: Researcher's Calculation

81.65 percent of the R-Square level is found in the fixed-effect method. Since there is no greater variance in the method, the probability of 0.0000 at the 1 percent substantial degree has an adequate explanatory capacity. In the case of Islamic MFIs, three variables out of six independent variables are statistically substantial in the fixed-effect method. The outcomes of the regression methods propose that the selected independent variables in this research are accountable for approximately

82 percent of changes in productivity. This recommends that some other factors may stimulate the performance of Islamic microfinance organizations.

The research detects that management quality (MQ) has a statistically substantial association with operating self-sufficiency (OSS) with a p-level of 0.030. The coefficient level is -1.6372 and it means that a rise in management quality by one unit would influence a fall of 1.6372 in operating self-sufficiency (OSS), keeping other variables unchanged. Hypothesis H9 is accepted, and the outcome determines that management quality is presenting the operating self-sufficiency.

The analysis displays that the age of the institution has a statistically important link with the P-level of 0.000 for operating self-sufficiency (OSS). The coefficient level is 76.2487 and this means that a one-unit rise in the age of the institution will rise operating self-sufficiency to 76.2487, leaving other variables unchanged. Hypothesis H12 is acknowledged, and the outcome specifies that age represents the operating self-sufficiency.

The research demonstrates that capital adequacy (CA) has a statistically substantial connotation at a 5% degree with a p-level of 0.044 for operating self-sufficiency (OSS). The coefficient level is -0.8375 and this means that one-unit improvement in capital adequacy will influence a fall in operating self-sufficiency of 0.8375 while leaving other variables unchanged. Hypothesis H11 is acknowledged, and the result identifies that capital adequacy presents the operating self-sufficiency (OSS).

The outcomes demonstrate that the independent variables of log no. of the beneficiary (LNNOB), log average loan per beneficiary (LNALPB), and earnings quality (EQ) are not statistically related to operational self-sufficiency with a p-level of greater than 5%. The research finds that hypotheses H7, H8, and H10, are not accepted by using this method. These independent variables are not present in the operating self-sufficiency (OSS).

5.5.2 For Method -2, the Outcomes are Analyzed and Discussed

The evaluation outcomes of the success factors for Conventional microfinance institution (CMFI) and Islamic microfinance institution (IMFI) are exposed in this section. The panel regression outcomes of the methods of the CMFI are exposed in Table 5.10. The panel regression outcomes

of the IMF's performance methods, on the other hand, are shown in Table 5.11. For Conventional MFIs, Panel "A" was applied, and for Islamic MFIs, Panel "B" was applied.

Analysis Results of “Panel- A” for Conventional Microfinance Organizations

Table 5.10: Outcomes of the Estimated Methods for Panel A (Portfolio Yield)

Variables	Coefficient of Variables					
	Pooled Regression		Fixed Effect Method		Random Effect Method	
	Coefficient	t-Statistic	Coefficient	t-Statistic	Coefficient	z-Statistic
LN NOB	0.929	0.37 (0.709)	-0.1351	-0.03 (0.979)	0.101	0.03 (0.975)
LNALPB	7.277	1.45 (0.146)	2.5087	0.054 (0.589)	4.502	1.05 (0.295)
MQ	0.0171	0.29 (0.771)	-0.0085	-0.14 (0.885)	0.0187	0.37 (0.715)
EQ	-0.009	-0.29 (0.771)	-0.0049	-0.18 (0.854)	-0.0004	-0.01 (0.988)
CA	0.252	3.71 (0.000) ***	0.1310	1.98 (0.040) **	0.1868	3.17 (0.002) **
AGE	0.297	0.36 (0.719)	3.3220	1.98 (0.041) **	1.2894	1.21 (0.225)
Constant	-12.782	-0.66 (0.511)	-9.3123	-0.35 (0.729)	-5.1600	-0.27 (0.787)
	Pooled Regression		Fixed Effect Technique		Random Effect Technique	
R-Square (Within)	0.0169		0.0384		0.0266	

Prob>F	(0.0013) **	(0.0001) **	
Wald Chi2 (Prob)			28.71 (0.0001) **
Hausman Tool		14.37 (0.0000) **	
Breusch and Pagan Lagrangian Multiplier Tool		0.00	(1.0000)
No.of Observations	1280		
No.of Groups	320		

Note: There is the degree of substantial of 10%, 5%, and 1% with symbolizes '*', '**', and '***'.

Source: Researcher's Calculation

The result reveals that the fixed effect method is statistically substantial with a probability level is 0.0001. The method contains a lower than 5% p-level with a good F-tool statistic. Two variables are statistically substantial out of the six independent variables in the case of Conventional MFIs. The empirical outcomes show that the independent variables in this analysis are occurring for approximately 4 percent changes in success. This suggests that various other factors may impact the performance of Conventional MFIs.

The analysis discloses that there is a statistically substantial (P-level of 0.040) association between capital adequacy (CA) and portfolio yield ratio. The coefficient level is 0.1310 and this means that one-unit improvement in capital adequacy will influence a rise in portfolio yield of 0.1310 while exiting other variables unchanged. Hypothesis H17 is accepted, and the result identifies that capital adequacy signifies the portfolio yield.

The method displays that the age of the institution has a statistically substantial link to the portfolio yield (PY) with a probability level of 0.041. The age of the microfinance institution has an optimistic effect on the portfolio yield. The coefficient level is 3.3220 and this means that one-unit improvement in the age of MFI will influence a rise in portfolio yield of 3.3220 while holding other variables constant. Hypothesis H18 is accepted, and the outcome identifies that capital adequacy signifies the portfolio yield.

The fixed-effect method finds that the log number of beneficiaries (LNNOB), average log loan per beneficiary (LNALPB), management quality (MQ), and earnings quality (EQ) have no important connotation on the portfolio yield with the p-level of 0.979, 0.589, 0.885 and 0.854 correspondingly. Therefore, hypotheses H13, H14, H15, and H16 are excluded.

Analysis Results of “Panel- B” for Islamic Microfinance Organizations

Table 5.11: Outcomes of the Estimated Methods for Panel B (Portfolio Yield)

Variables	Coefficient of Variables					
	Pooled Regression		Fixed Effect Method		Random Effect Method	
	Coefficient	t-Statistic	Coefficient	t-Statistic	Coefficient	z-Statistic
LNNOB	-.5731	-0.72 (0.825)	-3.2247	-0.47 (0.643)	-.5731	-0.22 (0.823)
LNALPB	-.3958	-0.07 (0.943)	-7.5187	-1.31 (0.208)	-.3958	-0.07 (0.942)
MQ	-0.0398	-0.23 (0.821)	-0.3881	-2.20 (0.041) **	-0.0398	-0.23 (0.819)
EQ	0.0842	0.78 (0.445)	0.0429	0.43 (0.672)	0.0842	0.78 (0.438)
CA	0.0435	0.38 (0.707)	-0.2485	-2.13 (0.047) **	0.0435	0.38 (0.704)
AGE	1.6017	1.16 (0.258)	14.5991	4.61 (0.000) ***	1.6017	1.16 (0.247)

Constant	4.8422	0.22 (0.827)	-37.5726	-1.05 (0.306)	4.8426	0.22 (0.826)
	Pooled Regression		Fixed Effect Technique		Random Effect Technique	
R-Square (Within)	0.3072		0.6788		0.3708	
Prob>F	(0.1302)		6.34 (0.0010) **			
Wald Chi2 (Prob)					11.09 (0.0857) *	
Hausman Tool			18.16 (0.0058) **			
Breusch and Pagan Lagrangian Multiplier Tool			0.00		(1.0000)	
No.of Observations	32					
No.of Groups	8					

Note: There is the degree of substantial of 10%, 5%, and 1% with symbolizes '*', '**', and '***'.

Source: Researcher's Calculation

67.88 percent (within) of the R-Square level is contained in the fixed-effect method. The F- statistic tool level is 6.34 with the 1 percent substantial degree probability of 0.0010. The method has satisfactory explanatory capability because there is no greater variance in the method. Three variables out of six independent variables are statistically substantial for the portfolio yield (PY) of Islamic MFIs. The findings of the panel methods propose that the predictor variables in the

research are responsible for approximately 68 percent of changes in ineffectiveness. This suggests that several other factors may control the performance of Islamic MFIs.

The research recognizes that management quality (MQ) has a statistically important connotation at the 5 percent degree on the portfolio yield (PY). The coefficient level is -0.3881 and it states that a one-unit rise in the quality of management (MQ) will influence the fall in the portfolio yield by 0.3881 and remaining constant other variables. Assumption H21 is accepted and the result states that capital adequacy indicates the portfolio yield.

The analysis finds that capital adequacy (CA) has a statistically important association with portfolio yield (PY) at the 5% degree.

The coefficient level is -0.2485 and it describes that a one-unit rise in capital adequacy (CA) will influence a fall in portfolio yield by 0.2485, remaining other variables constant. Hypothesis H23 is recognized, and the result defines that capital adequacy signifies the portfolio yield.

The research determines that the age of microfinance institutions has a statistically positive substantial link on portfolio yield (PY) at the 1% degree. The coefficient level is 14.5991 and it clarifies that one-unit growth in age will affect to rise of portfolio yield by 15.35 but other variables hold constant. Hypothesis H24 is accepted and the result claims that the age of the institution directly influences the Islamic microfinance institution's profitability.

The model finds that the log number of beneficiaries (LNNOB), log average loan per beneficiary (LNALPB), and earnings quality (EQ) have no vital association with the portfolio yield with the p-level of 0.643, 0.208, and 0.672 individually. Therefore, hypotheses H19, H20, and H22 are not accepted.

5.5.3 For Method -3, the Outcomes Are Analyzed and Discussed

This segment shows the outcomes of the performance evaluation factors for both Conventional microfinance institution (CMFI) and Islamic microfinance institution (IMFI) This recommends that some other factors may stimulus the performance of Islamic microfinance organizations. The panel regression outcomes of the CMFI performance methods are exhibited in Table 5.12. Table 5.13. on the other hand, shows the panel regression outcomes from the IMF's success methods. Panel "A" was applied for Conventional MFIs and Panel "B" was applied for Islamic MFIs in this research.

Analysis Results of “Panel- A” for Conventional Microfinance Organizations

Table 5.12: Outcomes of the Estimated Methods for Panel A (Return on Assets)

Variables	Coefficient of Variables					
	Pooled Regression		Fixed Effect Method		Random Effect Method	
	Coefficient	t-Statistic	Coefficient	t-Statistic	Coefficient	z-Statistic
LNNOB	0.8617	3.47 (0.001) **	1.0485	1.49 (0.043) **	0.8488	3.25 (0.001) **
LNALPB	0.5633	1.13 (0.259)	-0.9427	-1.51 (0.132)	0.4526	0.90 (0.369)
MQ	0.0014	0.24 (0.809)	-0.0069	-0.87 (0.382)	0.0023	0.39 (0.697)
EQ	-0.0092	-2.95 (0.003) **	-0.0107	-2.95 (0.003) ***	-0.0087	-2.82** (0.005)
CA	0.05013	7.41 (0.0.000) ***	0.0128	1.44 (0.151)	0.0480	7.04 (0.000)
AGE	0.0316	0.38 (0.701)	1.215	5.38 (0.000) ***	0.05944	0.68 (0.494)

Constant	-3.7433	-1.93 (0.452)	-6.0634	-1.68 (0.094) *	-3.4547	-1.75 (0.080) *
	Pooled Regression		Fixed Effect Technique		Random Effect Technique	
R-Square (Within)	0.0619		0.0617		0.0272	
Prob> F	(0.0000) ***		(0.0000) ***			
Wald Chi2 (Prob)					77.24 (0.000) ***	
Hausman Tool					86.47 (0.0000) ***	
Breusch and Pagan Lagrangian Multiplier Tool					0.00 (1.0000)	
No. of Observation	1280					
No. of Groups	320					

Note: There is the degree of substantial of 10%, 5%, and 1% with symbolizes '*', '**', and ***.

Source: Researcher's Calculation

The result is that, with the probability level of 0.0000, the fixed-effect method is statistically important. The method retains a lower than 5 percent p-level. There are only three variables that are statistically substantial out of six independent variables of Conventional MFIs. The findings of the panel data methods present that the explanatory variables in the research are responsible for

approximately only 6 percent changes in profitability. This suggests that other factors may impact the performance of Conventional MFIs.

The finding shows that the log number of beneficiaries (LNNOB), has a statistically substantial negative association with the probability level of 0.043 on the return on assets, according to the method (ROA). A microfinance organization's LNNOB has a positive effect on return on assets. The coefficient level is 1.0485, which suggests that a one-unit rise in LNNOB will result in a drop of 1.0485, while the other variables remain unaffected. The outcome specifies that the LNNOB of MFIs presents the return on assets, confirming Hypothesis H25.

The earnings quality (EQ) of the institution has a statistically substantial negative association with the probability level of 0.0003 on the return on assets, according to the method (ROA). A microfinance organization's EQ has a negative effect on return on assets. The coefficient level is 0.0107, which suggests that a one-unit rise in EQ will result in a drop of -0.0107, while the other variables remain unaffected. The outcome specifies that the MQ of MFIs presents the return on assets, confirming Hypothesis H28.

The method divulges that the institution's age has a statistically substantial affirmative relation with the probability level of 0.000 on the return on assets (ROA). The age of a microfinance organization has a beneficial impact on return on assets. The coefficient level is 1.215 and this means that one-unit improvement in age will influence a rise of 1.215 while leaving other variables unchanged. Hypothesis H30 is recognized, and the outcome specifies that the age of MFIs presents the return on assets.

The findings show that the log average loan per beneficiary (LNALPB), management quality (MQ), and capital adequacy (CA) have no important association with the return on asset (ROA) with the p-level of 0.132, 0.382, and 0.151 individually. Therefore, hypotheses H26, H27, H28, and H29 are not approved, and the outcomes claim that these independent variables have not connected with the institution's profitability.

Analysis Results of “Panel- B” for Islamic Microfinance Organizations

Table 5.13: Outcomes of the Estimated Methods for Panel B (Return on Assets)

Variables	Coefficient of Variables					
	Pooled Regression		Fixed Effect Method		Random Effect Method	
	Coefficient	t-Statistic	Coefficient	t-Statistic	Coefficient	z-Statistic
LNNOB	0.4961	1.13 (0.0.269)	-1.6706	-1.36 (0.191)	0.4961	1.13 (0.258)
LNALPB	-0.4485	-0.48 (0.634)	-1.3434	-1.30 (0.209)	-0.4485	-0.48 (0.630)
MQ	0.0421	1.41 (0.170)	-0.0072	-0.23 (0.822)	0.0421	1.41 (0.158)
EQ	-0.0238	-1.28 (0.213)	-0.0314	-1.76 (0.046) **	-0.0238	-1.28 (0.201)
CA	0.6389	3.26 (0.003) ***	0.03312	1.58 (0.130)	0.6389	3.26 (0.001) **
AGE	0.0810	0.34 (0.735)	1.7648	3.11 (0.006) **	0.0810	0.34 (0.732)
Constant	0.6186	0.16 (0.871)	2.0632	0.32 (0.751)	0.6186	0.16 (0.870)
	Pooled Regression		Fixed Effect Technique		Random Effect Technique	
R-Square (Within)	0.4717		0.7135		0.5460	
Prob>F	(0.0088) **		(0.0004) ***			
Wald Chi2 (Prob)					22.32 (0.0011) ***	

Hausman Tool		14.59 (0.0237) **	
Breusch and Pagan Lagrangian Multiplier Tool			0.00 (1.000)
No.of Observations	32		
No. of Groups	8		

Note: There is the degree of substantial of 10%, 5%, and 1% with symbolizes '*', '**', and '***'.

Source: Researcher's Calculation

The outcomes expose that the fixed effect method is statistically substantial at the 1% degree with a probability level of 0.0004. The researcher finds that the p-level is lower than 5%. In the case of Islamic MFIs, only two independent variables are statistically important relations out of six variables. The findings of the panel data methods suggest that the predictor variables in this research are responsible for approximately 71 percent of changes in success. This suggests that several other factors may impact the performance of Islamic MFIs.

The outcomes reveal that the earnings quality and institution's age have a statistically important relation with the probability level of 0.046 (5%) and 0.0006 (5%) on the return on assets (ROA). The coefficient level is -0.0314 and this means that a one-unit rise in earnings quality will influence a fall of 0.0314 while exiting other variables unchanged. Hypothesis H34 is accepted and the result states that the earnings quality represents the return on assets. The age of MFIs has an impact on return on assets. The coefficient level is 1.7648 and this defines that one-unit improvement in age will influence a rise of 1.7648 while leaving other variables constant. Hypothesis H36 is recognized, and the outcome specifies that the age of MFIs presents the return on assets.

The analysis detects that the log number of the beneficiaries (LNNOB), log average loan per beneficiary (LNALPB), management quality (MQ), and capital adequacy (CA) have no statistical connection with the return on asset (ROA). These all- explanatory variables have more than of 10 % degree of substance. Therefore, hypotheses H31, H32, H33, and H35 are excluded in this situation.

5.5.4 For Method -4, the Outcomes are Analyzed and Discussed

This segment reveals the outcomes of the success factors for both Conventional and Islamic microfinance organizations. The panel regression outcomes of the CMFI performance methods are exposed in Table 5.14. Table 5.15, on the other hand, shows the panel regression outcomes of the IMF's success methods. Panel "A" was applied for Conventional MFIs and Panel "B" was applied for Islamic MFIs in this research.

Analysis Results of “Panel- A” for Conventional Microfinance Organizations

Table 5.14: Outcomes of the Estimated Methods for Panel A (Operating Margin)

Variables	Coefficient of Variables					
	Pooled Regression		Fixed Effect Method		Random Effect Method	
	Coefficient	t-Statistic	Coefficient	t-Statistic	Coefficient	z-Statistic
LNNOB	0.2810	0.20 (0.843)	0.2541	0.17 (0.862)	0.2540	0.17 (0.862)
LNALPB	2.2459	0.79 (0.0432)	2.2864	0.80 (0.0426) **	2.2864	0.80 (0.0426)
MQ	0.0767	2.29 (0.022) **	0.0721	2.14 (0.032) **	0.7217	2.14 (0.0032) ***
EQ	-0.1684	-9.46 (0.000) ***	-0.1655	-9.29 (0.000) ***	-0.1655	-9.29 (0.000) ***

CA	0.3709	9.58 (0.0000)**	0.3668	9.41 (0.000) ***	0.3668	9.41 (0.000) ***
AGE	1.3665	2.90 (0.004) ***	1.4433	2.97 (0.003) **	1.4433	2.97 (0.003) ***
Constant	-9.4200	-0.85 (0.396)	--10.0128	-0.89 (0.373)	-10.0128	-0.89 (0.373)
	Pooled Regression		Fixed Effect Technique		Random Effect Technique	
R-Square (Within)	0.1183		0.1200		0.0790	
Prob >F	(0.0000) ***		19.65 (0.0000) ***			
Wald Chi2 (Prob)					166.08 (0.0000) ***	
Hausman Tool			56.40 (0.0000) ***			
Breusch and Pagan Lagrangian Multiplier Tool					0.00 (1.000)	
No. of Observations	1280					
No. of Groups	320					

Note: There is the degree of substantial of 10%, 5%, and 1% with symbolizes '*', '**', and ***.

Source: Researcher's Calculation

The outcomes expose that the fixed effect method is statistically substantial at the 1% degree with the probability levels of 0.0000. The researcher finds that the p-level is lower than 5%. Five variables are statistically substantial out of six independent variables in the case of Conventional MFIs. The findings of the panel data methods suggest that the explanatory variables in the research are responsible for approximately 12 percent changes in productivity. This suggests that several other factors may impact the performance of Conventional MFIs.

The research reveals that the log number of the average loan per beneficiary (LNALPB) has a statistically substantial positive association with an operating margin (OM) with a p-level of 0.0426 and coefficient level of 2.2864. The coefficient level is 2.2864 and it defines that a one unit increase in the log number of the average loan per beneficiary will influence to rise in operating margin by 2.2864 and the remaining other variables constant. Hypothesis H38 is accepted, and the result concludes the log number of the average loan each beneficiary represents the operating margin.

The research detects that management quality (MQ) has a statistically substantial affirmative connotation on operating margin at the 5% degree. The coefficient level is 0.0721 and it defines that a one-unit rise in management quality will influence to rise in operating margin by 0.0721 and the remaining other variables constant. Hypothesis H39 is accepted, and the result concludes that management quality represents the operating margin.

The result identifies that earnings quality (EQ) has a statistically important negative association with operating margin at the 1% degree. The coefficient level is -0.1655 and it defines that a one unit rise in earnings quality will influence to fall in operating margin by 0.1655 and hold other variables unchanged. Hypothesis H40 is accepted, and the outcome determines that earnings quality presents the operating margin.

The research divulges that capital adequacy (CA) has a statistically substantial positive association with operating margin (OM) at 1% degree. The coefficient level is 0.3668 and it describes that a one-unit rise in capital adequacy will influence a rise in operating margin by 0.3668, remaining other variables constant. Hypothesis H41 is accepted, and the result defines that capital adequacy represents the operating margin.

The research reveals that the age of microfinance institutions has a statistically substantial positive association with an operating margin of 1% degree. The coefficient level is 1.4433 and it explains that a one-unit rise in age will affect to rise in operating margin by 1.4433 but other variables hold constant. Hypothesis H42 is recognized, and the outcome concludes that the age of the institution directly influences the Conventional microfinance institution's effectiveness.

The analysis detects that the log number of the beneficiaries (LNNOB) has no statistical connection with the operating margin (OM). The independent variable has more than a 10 % degree of substantial. Therefore, hypothesis H37 is excluded in this situation.

Analysis Results of “Panel- B” for Islamic Microfinance Organizations

Table 5.15: Outcomes of the Estimated Methods for Panel B (Operating Margin)

Variables	Coefficient of Variables					
	Pooled Regression		Fixed Effect Method		Random Effect Method	
	Coefficient	t-Statistic	Coefficient	t-Statistic	Coefficient	z-Statistic
LNNOB	-1.7322	-0.32 (0.750)	-7.5791	-0.46 (0.648)	-1.7322	-0.32 (0.747)
LNALPB	4.3723	0.38 (0.705)	-15.3345	-1.12 (0.279)	4.3723	0.38 (0.701)
MQ	0.1151	0.32 (0.755)	0.0176	0.04 (0.967)	0.1151	0.32 (0.753)
EQ	-0.1835	-0.81 (0.428)	-0.4676	-1.96 (0.045) **	-0.1835	-0.81 (0.420)
CA	0.3799	1.59 (0.125)	-0.0908	-0.33 (0.748)	0.3799	1.59 (0.113)
AGE	0.6890	0.24 (0.814)	21.0526	2.79 (0.012) **	0.6890	0.24 (0.812)

Constant	-0.9853	-0.02 (0.983)	-26.5758	-0.31 (0.785)	-0.9853	-0.02 (0.983)
	Pooled Regression		Fixed Effect Technique		Random Effect Technique	
R-Square (Within)	0.1256		0.4090		0.1131	
Prob>F	(0.0721) *		(0.0107) **			
Wald Chi2 (Prob)					3.69 (0.0724) *	
Hausman Tool			13.82 (0.0317) **			
Breusch and Pagan Lagrangian Multiplier Tool					0.00 (1.000)	
No. of Observations	32					
No. of Groups	8					

Note: There is the degree of substantial of 10%, 5%, and 1% with symbolizes '*', '**', and '***'.

Source: Researcher's Calculation

The outcomes disclose that the fixed effect method is not statistically substantial with a probability level of 0.0107. The researcher finds that the p-level is lower 5%. The research detects that only two variables are statistically important in association with the operating margin of the Islamic MFIs. The findings of the panel data methods suggest that the predictor variables in the research

are responsible for approximately 41 percent changes in profitability. This suggests that there are several other factors that may impact the performance of Islamic MFIs.

The earnings quality (EQ) has a statistically substantial negative association with operating margin at 5% degree. The coefficient level is -0.4676 and it explains that a one-unit rise in earnings quality will influence a reduction in operating margin by 0.4676 and hold other variables unchanged. Hypothesis H46 is acknowledged and the result claims that earnings quality represents the operating margin.

The analysis reveals that the age of Islamic microfinance institutions has a statistically substantial progressive association with operating margin at the 5% degree. The coefficient level is 21.0526 and it defines that a one-unit rise in the age of MFIs will influence to rising in operating margin by 21.0526 and the remaining other variables constant. Hypothesis H48 is understood, and the outcome concludes that the institution's age directly affects the efficiency of the Islamic microfinance institution.

The analysis discloses that the log number of the beneficiary (LNNOB), log average loan per beneficiary (LNALPB), management quality (MQ) and capital adequacy (CA) have not a statistically substantial connotation on operating margin. Therefore, Hypothesis H43, H44, H45 and H47 are not accepted in the case of Islamic MFIs and the result claims that these independent variables are not presenting the operating margin of Islamic MFIs.

5.6 Overview of the Hypothesis Analysis

This section describes the descriptive statistics and the empirical outcomes of the suggested theories in the previous chapter. The hypotheses' analyses concentrate on the research issues, devised in the previous chapter. In addition, the findings are analyzed with previous research to see whether the findings are in line with the current literature. The key findings of the analysis are based on the outcomes with as many as twenty-four research hypotheses from the research. The research attempted to investigate the determinants assumed to influence the performance of MFIs. Organizational efficiency tools an institution's financial/economic performance. Financial efficiency is the capability of a microfinance institution (MFI) to manage all kinds of expenditures

across all forms of revenue and provides profit development (Fersi, and Boujelbéne, 2016). For the most part, the financial outputs are determined by the economic and functional productivity as well as the overall profitability benefit. This recommends that some of the factors may stimulate the performance/achievement of Conventional microfinance and Islamic microfinance organizations in Bangladesh, the researcher applied four outcome variables: operating self-sufficiency (OSS), portfolio yield (PY), return on assets (ROA), and operating margin (OM). The assumed method describes that log number of beneficiaries (LNNOB), log average loan each beneficiary (LNALPB), management quality (MQ), earnings quality (EQ), capital adequacy (CA), and age of MFIs have a substantial connection to Conventional and Islamic MFIs can be recognized established on the analysis of the outcomes. The calculation recognized several outcomes that are sometimes inconsistent. However, motivating outcomes seem in equally substantial and insubstantial outcomes.

The findings of a descriptive analysis show that Conventional microfinance institutions (CMFIs) have a higher ratio of average portfolio yield (PY), return on assets (ROA), and operating self-sufficiency (OSS) than Islamic MFIs. The operating margin ratio, on the other hand, is more substantial in Islamic MFIs than in Conventional MFIs. The Conventional MFIs are more mature than Islamic MFIs. The Conventional MFIs have a higher ratio of beneficiaries (NOB), average loan per beneficiary (ALPB), quality of management (MQ), and quality of earnings (EQ) than Islamic microfinance institutions (IMFIs), but Islamic MFIs have a higher ratio of capital adequacy (CA) than Conventional MFIs. Hence, it is evident from the previous financial metrics that Conventional MFIs with the maximum amount of financial assets perform better than Islamic MFIs.

The research disclosed that the log number of beneficiaries has an affirmative and substantial consequence on the performance of Conventional microfinance institutions. This outcome is steady with several prior studies, like Fersi, M., & Boujelbéne, M., (2016), Ahmed, et al., (2016), Rahman, and Mazlan, (2014), Kipesha, 2013; Omri., W., (2011).

The log number of beneficiaries defines the people who take or get (something) the loan with the obligation or information to refund it. It refers to the plan to return it and its equivalent, anyone who accepts things. The researcher's measures the microfinance organization's performance by the

operating margin (OM). Operating margin explains how much turnover an enterprise obtains after paying for production overheads, but before charges or tax, to a net profit. It is calculated by allotting a business's operating revenue by its net revenue. It checks the rate and rates of profitability.

The affirmative association between the log number of beneficiaries and the productivity, competitiveness, and economic growth of Conventional microfinance organizations is important. This finding is in line with some research outcomes. Ahmad, Bhuiyan, Ibrahim, and Said (2016) reviewed the financial performance or profitability of MFIs and the number of beneficiaries. They found that number of beneficiaries had a substantial and positive relation to the profitability or financial performance of MFIs. The financial achievement/performance is determined by the return on assets (ROA). The research shows that the number of beneficiaries is a straight impact on the economic performance or effectiveness. It discloses that the log number of beneficiaries has an affirmative and substantial consequence on the performance of Conventional microfinance institutions. This outcome is steady with several prior studies. Thus, according to some scholars like Fersi, M., & Boujelbéne, M., (2016) the financial performance and efficiency of Conventional microfinance organizations are influenced by the number of beneficiaries. According to Omri, W., (2011), the number of beneficiaries has a strong and positive connection with financial performance. Stephens, B. (2005) found that the number of beneficiaries is favorably connected to the effectiveness of the MFIs.

Kipsha (2013) showed that the outcomes of the research work specify the existence of a optimistic consequence of the size of the business, determined by the number of beneficiaries, on the success of the microfinance organizations. The research found that the number of beneficiaries has an important association with the performance, stability, productivity, and revenue degrees of the examined microfinance institutions. According to Rahman and Mazlan (2014), the number of beneficiaries has a vital control on the economic self-sufficiency or performance of the Bangladeshi MFIs, but it has a adverse consequence on the effectiveness of the MFIs. However, scholars such as Anduanbessa, T. (2009) demonstrated that the size of an institution measured by the number of beneficiaries has a substantial effect on the profitability of MFIs. It influenced the financial performance of MFIs.

The **negative association between the log number of beneficiaries and the productivity, competitiveness, and economic condition of Islamic microfinance institutions is negligible.** This finding is in line with the outcomes, like Rahman, M. A., & Mazlan, A. R., (2014), Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., (2016), the explanatory variables, the number of beneficiaries, does not affect Conventional and Islamic MFIs' financial performance and profitability.

The research revealed that now the **log average loan per beneficiary (ALPB), had a substantial correlation with the progress (operating margin) of Conventional microfinance institutions.** Higher average loans contribute to revenue growth, but their effect may help contribute to productivity, but they have a lower important effect on the overall profit growth. This interpretation is consistent with the findings of multiple studies such as Fersi, M., & Boujelbéne, M., (2016).

The research revealed that now the **log average loan per beneficiary (ALPB), had no important association with the progress of Conventional and Islamic microfinance organizations.**

Higher average loans contribute to revenue growth, but their effect may help contribute to productivity, but they have a substantial effect on the overall profit growth. This interpretation is steady with the results of multiple studies, such as Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., (2016), Rahman, M. A., & Mazlan, A. R., (2014), Mersland, R., & Strøm, R. Ø., (2009), Cull et al., (2007), Bhutt & Tang, (2001).

According to some other authors like Rahman, M. A., & Mazlan, A. R., (2014) explained that the explanatory variables, average loan per beneficiary (ALPB) have a negligible and negative effect on MFIs' financial performance in Bangladesh. According to a few scholars Mersland, R., & Strøm, R. Ø., (2009) exposed the average loan per beneficiary has immaterial relation to OSS and ROA. The social achievement/performance component, as defined by the average loan per beneficiary (ALPB), is statistically irrelevant. The self-sufficiency and profitability of MFIs defined by the operating self-sufficiency (OSS), portfolio yield (PY), and return on assets (ROA) ratio do not appear to affect this average loan each beneficiary. The average loan each beneficiary is a commonly applied measure of microfinance institution ratings, investors, and donors to assess the propensity of MFIs to deprive clients. And according to some scholars Bhutt & Tang, 2001; Cull et al., (2007), the organizational performance aspect of the average loan per beneficiary

(ALPB) is statistically insubstantial. The consciousness and financial performance of MFIs observed by the operating self-sufficiency ratio (OSS) and the return on assets (ROA) may not directly affect the average loan per beneficiary. Then, a few other authors of Rahman, M. A., & Mazlan, A. R., (2014) explained that the average loan per beneficiary has an insubstantial negative association with Conventional microfinance and Islamic microfinance organizations' effectiveness, profitability, and financial status.

To explore the positive connection between the management quality and Conventional MFIs' effectiveness (operating margin), this description assumes that the quality of management, endorsed by statistical test, has a substantial effect on MFI's performance. In other words, well-capitalized institutions generate better profits. Prior studies have also been identified to be compatible with the conclusions, like Salhuteru, F., & Wattimena, F., (2015), Rostami, M., (2015), Chandani, A., Mehta, M., & Chandrasekaran, K. B., (2014), Rozzani, N., & Rahman, R. A., (2013), Roman, A., & Şargu, A. C., (2013), and Dincer, H., Gencer, G., Orhan, N., & Sahinbas, K., (2011).

The quality of management concentrates on the management's responsibility. The management's duty is to provide safety measures so that the activities of institutions are carried out smoothly. Management quality will be determined and analyzed by the loans-to-deposits ratio. Faizulayev (2011) clarifies that the quality of management affects the productivity and effectiveness of management in obtaining new deposits from depositors and the fall in beneficiaries' non-payment debts.

Fersi, M., & Boujelbéne, M., (2016) described management quality as expected to be productive. It showed that interesting facts for management and the standard of performance can be an effective method for monitoring and regulating financial reports and decision-making. CMFI retains strong control over the consistency of its portfolios and tends to have a substantial and positive impact on its financial success. Rostami, M., (2015) explained that the management quality approach is applied in this research to select relevant and appropriate measurements, and it can assist managers in controlling and analyzing financial data as well as an institutional place in the industry. Financial firms use this way to analyze and assess proportions, concentrate on a condition, and ensure that quality choice was made if a financially viable problem occurs. They frequently employ it to encourage participants and gain an even more notable and creative position

among competitors. In conclusion, one of the most important aspects of management quality is comparing a company to everyone else in its field, both internal and external.

A., & Şargu, A. C., (2013) revealed that the quality of management has an important impact on the institution's performance. It has also shown that remarkable management proof and organizational objectives can be an effective framework for assessing business operations and judgment. CMFI ensures excellent control over the consistency of their investment management and is able to have a direct and positive impact on their earnings. Thus, some scholars, like Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., (2011) disclosed the correlation between management quality to the efficiency of the organizations. It influenced the organizational success as well as the productivity of firms. Another author Ali, M., (2018) also suggested that management efficiency has an important association with the economic performance of the organization.

This study postulates that the quality of management, supported by statistical analysis, has a significant impact on the performance of Conventional and Islamic MFIs to explore the negative relationship between management quality and the effectiveness of Conventional MFIs (portfolio yield and operating self-sufficiency). In other words, well-capitalized institutions generate better profits. Prior study has also been identified to be compatible with the conclusions, of this research Rahman, M. A., & Mazlan, A. R., (2014). According to Rahman, M. A., and Mazlan, A. R. (2014), management quality is negatively related to MFI efficacy.

Another vital variable is **earnings quality. It has a statistically substantial affiliation to the economic success of Conventional/Tradition and Islamic microfinance organizations.** The financial outcomes are calculated by the operating self-sufficiency, portfolio yield, return on assets, and operating margin. Previous researchers' works have also been detected to be coherent with the observation of Rostami, M., (2015), Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., (2011).

Quality of earnings, also known as cost-effectiveness in accounting, means the ability of financial performance (income) to anticipate the potential income of a financial institution. It is an indicator for evaluating how, among several other indicators, the "verifiable, manageable and recognizable" revenues of an organization are explained as the extent over which income mainly contains effects on the economy, better financial forecasts, progressive or easy to predict. Thus, when an

organization discloses a rise in income due to better revenues or cost savings, the quality of earnings is found to be good. Alternatively, an institution may very well have limited effects where adjustments for its income contribute to many other concerns, including the assertive need for accounting standards.

Rostami, M., (2015) showed that the earnings quality technique can be applied to choose relevant and proper criteria in this research, and it will aid managers in tracking and analyzing financial data as well as their institutional role in the industry. Financial institutions can use this tool to measure and evaluate ratios, concentrate on a situation, and make the best decision whenever there is a profitable issue. They also use it to encourage and gain a bigger and more innovative position among competitors. In reality, one of the most important aspects of earnings quality is comparing a company to others in its sector, both internally and externally. The earnings quality technique has a positive and important association with organizational success, according to Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., (2011). Thus, the quality of earnings is found to be high when a company discloses a rise in income due to improved sales or cost savings.

The research expressed the progressive and substantial affiliation between capital adequacy and Conventional microfinance organizations' economic performance (operating margin).

This indicator emphasized the institution's overall efficiency. Previous studies of Fersi, M., & Boujelbéne, M., (2016), and Rostami, M., (2015) have also been recognized as being appropriate to the findings.

The capital adequacy proportion refers to the percentage that suggests the power of the financial asset and reveals how the business's equity shapes the business's profit. This ratio shows the amount a financial institution to accumulate damage in the future. As a rule of thumb, the higher the current percentage, the more sound the institution. An institution with a substantial investment ratio is safer from operating losses than even a bank with a lower ratio.

Fersi, M., & Boujelbéne, M., (2016) exposed a vital correlation exists between the appropriateness of capital and the economic success of microfinance institutions and financial performance determined by the operating margin. The capital growth contributes to a fall in external borrowing that improves the efficiency of MFIs. The capital must maintain the total protection and viability

of the institutions of microfinance. This measures the facility of an MFI to withstand the losses predicted. The adequacy of capital allows Conventional MFIs to boost overall efficiency. Therefore, the varied nature of the cash flows of the MFIs shows an important role in enhancing their financial efficiency. Then, another researcher of Rostami, M., (2015) has shown that there is a direct causal connection between both the capital adequacy and economic success (operating margin) of microfinance institutions. Growth in capital assists in the progress of the effectiveness of MFIs. This method can be applied by financial institutions to calculate and analyze ratios, focus on a scenario, and ensure the right decision possible if a profitable problem arises. They often use it to motivate members and achieve a more prominent and creative role among rivals. In fact, comparing a business to others in its field, including from inside and outside, is one of the most essential issues of capital adequacy.

Capital adequacy has strongly and negatively linked to the effectiveness (operating margin) of Conventional microfinance organizations and Islamic microfinance organizations. Capital adequacy is empirically negatively associated with the operating self-sufficiency and portfolio yield of the Conventional MFIs performance. Equally, this variable has substantial negative links to the financial performance (operating self-sufficiency and portfolio yield) of the Islamic MFIs. This clarification is steady with the results of multiple studies, such as Singh, Y., and Milan, R., (2020), Roman, A., & Şargu, A. C., (2013), Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., (2011).

There is an insubstantial link between capital adequacy and the economic effectiveness (return on assets) of Conventional microfinance organizations and Islamic microfinance organizations. The capital must preserve the general security and viability of microfinance institutions. Likewise, this variable is trivial due to the monetary efficiency (operating margin) of the same Islamic microfinance organization. This observation is in track with the judgements of various studies (Fersi, M., & Boujelbéne, M., 2016). According to a few scholars, Rahman, M. A., & Mazlan, A. R., (2014) the independent variable, capital adequacy has a negative and irrelevant effect on the economic efficiency of Islamic and Conventional MFIs in Bangladesh.

The research outcomes also demonstrate that feasibly **the age of companies showing organizational experience has a favorable influence on the profitability and financial**

achievement/performance (OSS, PY, ROA, and OM) of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh. Similar studies have also been identified as somehow being acceptable to the shreds of evidence, Fersi, M., & Boujelbéne, M., (2016), Kipesha, F. E., (2013).

The age of the institutions presents the experiences, expertise, maturity, and knowledge of the particular services.

Fersi, M., & Boujelbéne, M., (2016) exposed that age has an affirmative substantial effect on the total success of the organization. It influences the efficiency, productivity, and profit of the organizations. Thus, Kipesha, F. E., (2013) demonstrated that the age of the organizations that assess the company's expertise has a massive influence on the company's overall performance of effectiveness, stability, financial performance, and income-generating capacity.

This method of evaluating the financial health of CMFI and IMFI' by correctly defining the association between the items in the statements is known as economic outcomes analysis. It also helps with short- and long-term forecasting. Development can be conducted with the aid of a financial outcomes analysis. Knowing the financial reports will help to raise the profits at CMFIs and IMFIs. As a result, the outcomes provide detailed evidence of the aspects that contribute to the achievement/performance and the suitability of Conventional microfinance organizations in comparison to Islamic microfinance organizations.

Table: 5.16: Hypothesis Research Description and Analytical Findings

Hypothesis	Empirical Outcomes	This research's outcomes are remarkably close to those of prior findings.
H1: There is a substantial association between the number of beneficiaries and the operating self-sufficiency of CMFI	Not Endorsed	Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., (2016); and Rahman, M. A., & Mazlan, A. R. (2014), Stephens, B. (2005).
H2: There a substantial association between the average loan per beneficiary and the operating self-sufficiency of CMFI.	Not Endorsed	Fersi, M., & Boujelbéne, M., 2016; Rahman, M. A., & Mazlan, A. R., 2014; Mersland, R., & Strøm, R. Ø. 2009; Bhutt & Tang, 2001; Cull et al., 2007
H3: There is a substantial connotation between the management quality and the operating self-sufficiency of CMFI.	Actively Endorsed	Salhuteru, F., & Wattimena, F., 2015; Rostami, M.,2015; Chandani, A., Mehta, M., & Chandrasekaran, K. B., 2014; Rozzani, N., & Rahman, R. A., 2013; Roman, A., & Şargu, A. C., 2013; and Dincer, H., Gencer, G., Orhan, N., & Sahinbas, K., 2011.
H4: There is a substantial association between earnings quality and the operating self-sufficiency of CMFI.	Actively Endorsed	Rostami, M., 2015; Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., 2011
H5: There is a substantial association between capital adequacy and the operating self-sufficiency of CMFI.	Actively Endorsed	Singh, Y., and Milan, R.,2020; Roman, A., & Şargu, A. C., 2013; Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., 2011; Chijoriga, M. M. (2000).
H6: There is a substantial association between the age of MFIs and the operating self-sufficiency of CMFI.	Actively Endorsed	Fersi, M., & Boujelbéne, M., (2016); Kipesha, F. E., (2013)

H7: There is a substantial association between the number of beneficiaries and the operating self-sufficiency of IMFI.	Not Endorsed	Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., (2016); and Rahman, M. A., & Mazlan, A. R. (2014).
H8: There is a substantial association between the average loan per beneficiary and the operating self-sufficiency of IMFI.	Not Endorsed	Fersi, M., & Boujelbéne, M., 2016; Rahman, M. A., & Mazlan, A. R., 2014; Mersland, R., & Strøm, R. Ø. 2009; Bhutt & Tang, 2001; Cull et al., 2007.
H9: There is a substantial link between the management quality and the operating self-sufficiency of IMFI.	Actively Endorsed	Salhuteru, F., & Wattimena, F., 2015; Rostami, M., 2015; Chandani, A., Mehta, M., & Chandrasekaran, K. B., 2014; Rozzani, N., & Rahman, R. A., 2013; Roman, A., & Şargu, A. C., 2013; and Dincer, H., Gencer, G., Orhan, N., & Sahinbas, K., 2011.
H10: There is a substantial association between the earnings quality and the operating self-sufficiency of IMFI.	Not Endorsed	Rahman, M. A., & Mazlan, A. R., (2014).
H11: There is a substantial association between capital adequacy and the operating self-sufficiency of IMFI.	Actively Endorsed	Singh, Y., and Milan, R., 2020; Roman, A., & Şargu, A. C., 2013; Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., 2011; Chijoriga, M. M. (2000).
H12: There is a substantial association between the age of MFIs and the operating self-sufficiency of IMFI.	Actively Endorsed	Fersi, M., & Boujelbéne, M., (2016); Kipasha, F. E., (2013)
H13: There is substantial association between the number of beneficiaries and the portfolio yield of CMFI.	Not Endorsed	Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., (2016); and Rahman, M. A., & Mazlan, A. R. (2014).

H14: There is a substantial association between the average loan per beneficiary and the portfolio yield of CMFI.	Not Endorsed	Fersi, M., & Boujelbéne, M., 2016; Rahman, M. A., & Mazlan, A. R., 2014; Mersland, R., & Strøm, R. Ø. 2009; Bhutt & Tang, 2001; Cull et al., 2007
H15: There is a substantial connotation between management quality and portfolio yield.	Not Endorsed	Rahman, M. A., & Mazlan, A. R., (2014)
H16: There is a substantial association between earnings quality and the portfolio yield of CMFI.	Not Endorsed	Fersi, M., & Boujelbéne, M., (2016).
H17: There is a substantial association between capital adequacy and the portfolio yield of CMFI.	Actively Endorsed	Singh, Y., and Milan, R.,2020; Roman, A., & Şargu, A. C., 2013; Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., 2011
H18: There is a substantial association between the age of MFIs and the portfolio yield of CMFI.	Actively Endorsed	Fersi, M., & Boujelbéne, M., (2016); Kipasha, F. E., (2013).
H19: There is a substantial association between the number of beneficiaries and the portfolio yield of IMFI.	Not Endorsed	Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., (2016); and Rahman, M. A., & Mazlan, A. R. (2014).
H20: There is a substantial association between the average loan per beneficiary and the portfolio yield of IMFI	Not Endorsed	Fersi, M., & Boujelbéne, M., 2016; Rahman, M. A., & Mazlan, A. R., 2014; Mersland, R., & Strøm, R. Ø. 2009; Bhutt & Tang, 2001; Cull et al., 2007.

H21: There is a substantial link between the management quality and the portfolio yield of IMFI	Actively Endorsed	Salhuteru, F., & Wattimena, F., 2015; Rostami, M., 2015; Chandani, A., Mehta, M., & Chandrasekaran, K. B., 2014; Rozzani, N., & Rahman, R. A., 2013; Roman, A., & Şargu, A. C., 2013; and Dincer, H., Gencer, G., Orhan, N., & Sahinbas, K., 2011.
H22: There is a substantial association between earnings quality and the portfolio yield of IMFI.	Not Endorsed	Rahman, M. A., & Mazlan, A. R., (2014).

H23: There is a substantial association between capital adequacy and the portfolio yield of IMFI.	Actively Endorsed	Singh, Y., and Milan, R., 2020; Roman, A., & Şargu, A. C., 2013; Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., 2011; Chijoriga, M. M. (2000).
H24: There is a substantial association between the age of MFIs and the portfolio yield of IMFI.	Actively Endorsed	Fersi, M., & Boujelbéne, M., (2016); Kipesha, F. E., (2013)
H25: There is a substantial association between the number of beneficiaries and the return on assets of CMFI.	Actively Endorsed	Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., (2016).
H26: There is a substantial association between the average loan per beneficiary and the return on assets of CMFI.	Not Endorsed	Fersi, M., & Boujelbéne, M., 2016; Rahman, M. A., & Mazlan, A. R., 2014; Mersland, R., & Strøm, R. Ø. 2009; Bhutt & Tang, 2001; Cull et al., 2007

H27: There is a substantial connotation between the management quality and the return on assets of CMFI.	Not Endorsed	Rahman, M. A., & Mazlan, A. R., (2014)
H28: There is a substantial association between earnings quality and the return on assets of CMFI.	Actively Endorsed	Rostami, M., 2015; Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., 2011; Chijoriga, M. M. (2000)
H29: There is a substantial association between capital adequacy and the return on assets of CMFI.	Not Endorsed	Fersi, M., & Boujelbéne, M., (2016); Rahman, M. A., & Mazlan, A. R., (2014)
H30: There is a substantial association between the age of MFIs and the return on assets of CMFI.	Actively Endorsed	Fersi, M., & Boujelbéne, M., (2016); Kipasha, F. E., (2013)

H31: There is a substantial association between the number of beneficiaries and the return on assets of IMFI.	Not Endorsed	Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., (2016); and Rahman, M. A., & Mazlan, A. R. (2014).
H32: There is a substantial association between the average loan per beneficiary and the return on assets of IMFI.	Not Endorsed	Fersi, M., & Boujelbéne, M., 2016; Rahman, M. A., & Mazlan, A. R., 2014; Mersland, R., & Strøm, R. Ø. 2009; Bhutt & Tang, 2001; Cull et al., 2007
H33: There is a substantial link between the management quality and the return on assets of IMFI.	Not Endorsed	Fersi, M., & Boujelbéne, M., (2016).
H34: There is a substantial association between earnings quality and the return on assets of IMFI.	Actively Endorsed	Rostami, M., 2015; Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., 2011

H35: There is a substantial association between capital adequacy and the return on assets of IMF.	Not Endorsed	Fersi, M., & Boujelbéne, M., (2016); Rahman, M. A., & Mazlan, A. R., (2014)
H36: There is a substantial association between the age of MFIs and the return on assets of IMF.	Actively Endorsed	Fersi, M., & Boujelbéne, M., (2016); Kipasha, F. E., (2013)
H37: There is a substantial association between the number of beneficiaries and the operating margin of CMFI.	Not Endorsed	Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., (2016); and Rahman, M. A., & Mazlan, A. R. (2014).
H38: There is a substantial association between the average loan per beneficiary and the operating margin of CMFI.	Actively Endorsed	Fersi, M., & Boujelbéne, M., (2016).

H39: There is a substantial association between the management quality and the operating margin of CMFI.	Actively Endorsed	Salhuteru, F., & Wattimena, F., 2015; Rostami, M., 2015; Chandani, A., Mehta, M., & Chandrasekaran, K. B., 2014; Rozzani, N., & Rahman, R. A., 2013; Roman, A., & Şargu, A. C., 2013; and Dincer, H., Gencer, G., Orhan, N., & Sahinbas, K., 2011; Chijoriga, M. M. (2000).
H40: There is a substantial association between earnings quality and the operating margin of CMFI.	Actively Endorsed	Fersi, M., & Boujelbéne, M., 2016; and Rostami, M., 2015
H41: There is a substantial association between capital adequacy and the operating margin of CMFI.	Actively Endorsed	Fersi, M., & Boujelbéne, M., 2016; and Rostami, M., 2015

H42: There is a substantial association between the age of MFIs and the operating margin of CMFI.	Actively Endorsed	Fersi, M., & Boujelbéne, M., (2016); Kipesha, F. E., (2013)
H43: There is a substantial association between the number of beneficiaries and the operating margin of IMFI.	Not Endorsed	Ahmed, I., Bhuiyan, A. B., Ibrahim, Y., & Said, J., (2016); and M. A., & Mazlan, A. R., (2014).
H44: There is a substantial association between the average loan per beneficiary and the operating margin of IMFI.	Not Endorsed	Fersi, M., & Boujelbéne, M., 2016; Rahman, M. A., & Mazlan, A. R., 2014; Mersland, R., & Strøm, R. Ø. 2009; Bhutt & Tang, 2001; Cull et al., 2007
H45: There is a substantial connotation between the management quality and the operating margin of IMFI.	Not Endorsed	Rahman, M. A., & Mazlan, A. R., (2014)
H46: There is a substantial association between earnings quality and the operating margin of IMFI.	Actively Endorsed	Rostami, M., 2015; Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., 2011
H47: There is a substantial association between capital adequacy and the operating margin of IMFI.	Not Endorsed	Fersi, M., & Boujelbéne, M., (2016); Rahman, M. A., & Mazlan, A. R., (2014)
H48: There is a substantial association between the age of MFIs and the operating margin of IMFI.	Actively Endorsed	Fersi, M., & Boujelbéne, M., (2016); Kipesha, F. E., (2013)

Source: Constructed by Researcher

5.7 Summary of the Chapter

The researcher developed 48 hypotheses, the majority of which proved to be accurate. Several studies evaluating the success of Conventional and Islamic microfinance organizations have already been conducted. All of these studies are being conducted to demonstrate the fundamental aspects of microfinance organizations' efficiency (Fersi, M., & Boujelbéne, M., 2016; Ahmed, et al., 2016; Rahman, and Mazlan, 2014; Kipesha, 2013; Omri., W.,2011; Fersi, M., & Boujelbéne, M., 2016; Rahman, M. A., & Mazlan, A. R., 2014; Mersland, R., & Strøm, R. Ø., 2009; Bhutt & Tang, 2001; Cull et al., 2007; Rostami, M., 2015; Dincer, H., Gencer, G., Orhan, N., and Sahinbas, K., 2011). In Bangladesh, it is unlikely that any studies have been conducted to assess and compare the progress and output of Conventional microfinance organizations and Islamic microfinance organizations. The primary goal of this research is to determine how the selected independent components affect the profitability and financial outcomes of microfinance organizations. In this research work, the efficiency, and performance/achievements of CMFIs and IMFIs in Bangladesh are compared.

CHAPTER SIX: THE RESEARCHER’S SUMMARY AND CONCLUSION

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CHAPTER SIX: THE RESEARCHER'S SUMMARY AND CONCLUSION

6.1 Introduction

Microfinance institution (MFI) is a well-known organization that works to alleviate poverty in many developing countries (Meisami, et al., 2011; Fernando, 2008). It has improved the lives of its clients, increased the capacity of the poor to better their condition, and provided income to help them lift their living standards. As a result, a microfinance institution has a promising investment future in many emerging Latin American, African, and Asian countries. Furthermore, several major international organizations such as the Asian Development Bank, the World Bank, the European Union, the United Nations, and the American Development Bank provide financial assistance to organizations dedicated to providing microfinance to the poor (Miled, and Rejeb, 2015). Microfinance Institutions' (MFIs) provide small loans to low-income people (particularly individuals who are typically discarded from economic support) through courses tailored to their unique needs (Khan, 2008). The microfinance institution creates a comfortable atmosphere in which it can thrive with self-sufficiency (Adams, et al., 1983; Buss, 1999). MFI also launched non-financial programs as well as creative reward schemes. It has used group-based lending methods, and most of the money beneficiaries are women. It provides job opportunities for women, which improves repayment rates and long-term economic viability (Hashemi, 1996; and Godquin, 2004).

Bangladesh is credited with inventing the microcredit movement. However, the sector faces a variety of challenges, including operational capability, service quality, and diversity, as well as political and macroeconomic factors. Even though researchers have studied the consequence of microcredit on beneficiaries, the performance of microfinance organizations in Bangladesh has gotten less attention. The research contrasted the performance/achievement of Conventional microfinance organizations and Islamic microfinance organizations to show the difficulties they face in providing financial services to Bangladesh's rural and urban households.

The primary objective of the research work is to provide evidence for evaluating the achievement of Conventional microfinance organizations and Islamic microfinance organizations in developing countries such as Bangladesh. Based on this motivation, the study's main goal is to determine the association between Conventional microfinance institutions (CMFIs) and Islamic microfinance institutions (IMFIs) performance in Bangladesh and the selected determinants. The study compares the success of Conventional and Islamic microfinance organizations of Bangladesh.

The findings from chapter five's empirical data are used in this chapter to link the findings of various domestic and international studies. Following that, the thesis paper's contribution is discussed by creating linkages between the various chapters. Finally, management and policy concerns related to boosting the effectiveness of Conventional microfinance organizations and Islamic microfinance organizations are covered. Lastly, the study's shortcomings are discussed, as well as recommendations for potential future research are addressed.

6.2 Reiteration of Aims and Objectives of the Study

The research aims to investigate the important aspects that influence the success of Bangladesh's Conventional and Islamic microfinance sectors. Centered on international and theoretical literature analysis, the thesis provides a conceptual context. The study aimed to evaluate and compare the achievement of Bangladesh's Conventional microfinance organizations and Islamic microfinance organizations. Following that, an attempt was made to identify the links between the success of Conventional and Islamic microfinance organizations and various aspects. The thesis used descriptive statistics and panel regression to discuss the research's goals. Operating self-sufficiency (OSS), portfolio yield (PY), return on assets (ROA), and profit margin (PM) are the achievement/performance variables of Conventional microfinance, and Islamic microfinance organizations used in the study, and the selected determinants are the number of beneficiaries (NOB), average loan per beneficiary (ALPB), management quality (MQ), earnings quality (EQ), capital adequacy (CA), and MFI age (AGE). A total of forty-eight study hypotheses have been formed and tooled.

6.3 Summary of the Study's Methods

This study follows the interpretive model, which involves gathering data to allow researchers to explain social phenomena to laypeople (Saunders, Lewis, & Thornhill, 2007). The research work is followed both informative and causal relationship of the selected variables. In this study, the performance/achievement of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh is analyzed, and the two types of organizations are compared. A collection of guidelines that guides researchers through the research process are known as methodology. It is a hypothesis as well as an examination of how science is or should be achieved. According to Ryan, Scapens, and Theobald (2002), research is the process of finding intellectual property and translating it into information. As a result, the researcher would have a clearer grasp of the reality in their immediate surroundings (objects and subjects from the present world to help the users of the information). Sarantakos outlined the research (2005). Studying, he claims, entails learning new things and broadening one's horizons in terms of awareness, trust, and new perspectives on various aspects of life. Collis and Hussey (2003) define methodology as "the overarching system for the study procedure from hypothetical background to information compilation and analyzing." From a social science perspective, Ryan et al. (2002) explains accounting research. Accounting and finance research is said to be a part of social science. Analysis methods, instruments, and techniques for gathering and analyzing primary and secondary data are all included in the social sciences. People are more likely to believe social science research because it offers real, scientifically based evidence. It also assists us in finding solutions to a wide range of social issues. It is a form of scientific inquiry that can also be applied to social problems.

Depending on the research goals, the methodology, data collection process, variable selection criteria, analytical methods, and desired outcomes of any research study must all be clarified. The study focuses on Bangladesh's financial sectors, especially Conventional microfinance organizations/institutions and Islamic microfinance organizations/institutions. The positivism theory and epistemology are used in this analysis. The study aims to see if there is a connection between the performance/success of Conventional and Islamic microfinance organizations and many key factors. The achievement of Conventional microfinance organizations, and Islamic microfinance organizations is dependent on a few key factors. In the study, the performance of

these two types of microfinance organizations is also contrasted. Quantitative research in the natural and social sciences focuses on the aspect of quantity or degree. Anything that can be counted or represented numerically is referred to as numerical. This type of study entails a systematic experimental examination of measurable phenomena using numerical techniques such as numbers, percentages, and other numerical techniques. Empirical research is based purely on personal experience or observation. It is a technique for collecting information by direct and indirect observation or experience. Another name for it is "experimental tooling." It is important to first obtain the facts and data, as well as their source, before actively engaging in practices that will facilitate the creation of the desired information (Mishra, S. B., & Alok, S., 2017).

The deductive analysis seeks to discover causal relationships between variables, which contributes to the formulation of hypotheses. As a result, qualitative data must be collected to tool the developed hypothesis systematically, allowing the results to be replicated (Gill and Johnson 2002). From 2015 to 2018, data was collected from annual reports that were released. The relationship between selected determinants and performance variables of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh is investigated using quantitative methods. The results of Conventional and Islamic microfinance organizations were also compared.

To achieve its goals, this scholar applied both qualitative and quantitative methods. Secondary data was used to perform the study in this dissertation. The sample for the study was selected from both Conventional and Islamic Bangladeshi microfinance organizations. Interest-based microfinance organizations are considered in the Conventional category, while interest-free (Islamic Shariah-based) microfinance organizations are indicated in the Islamic category. The researcher investigated the Microfinance Regulatory Authority's registered Conventional and Islamic microfinance organizations. The missing data was ignored in the analysis. The study collected data from 328 sample microfinance organizations/firms (both conventional and Islamic microfinance companies). The study collected data from 320 (Three Hundred and Twenty) Conventional microfinance organizations and 1280 observations. In addition, the study chose 8 (Eight) Islamic microfinance organizations and collected 32 observations.

Secondary data was gathered from microfinance national and international journals, institution's annual reports, blogs, books, Bangladesh Bank's annual report, MIX industry, journals, MRA

annual report, newspapers, and other sources to determine the status of Conventional and Islamic microfinance organizations in Bangladesh. Fersi and Boujelbéne (2016) chose a total sample size of 328 microfinance organizations (both Conventional and Islamic) for data collection. To assess the type of panel regression model to use, the researcher used the "Hausman Tool." The Hausman tool is used to evaluate a sample's fixed and random effect models (Omri, and Chkoundali, 2011; Kipesha, 2013). The Breusch Pagan Langrange Multiplier tool was also applied to determine if a random effect model or a pooled regression study was acceptable (Kipesha, and Zhang, 2013). A close relationship between two independent variables is referred to as "multicollinearity" (Kennedy, 2008). The researchers used the variance inflation factor (VIF) or pair-wise correlation coefficient to assess multicollinearity (Boulila, Boudriga, and Ajmi. 2010; Kipesha, 2013; Kiganda, 2014, Kipesha, and Zhang, 2013). The achievement of Conventional, and Islamic microfinance organizations was compared and measured using financial ratios in this report. The descriptive statistics and empirical analysis were used to evaluate achievement and compare the effectiveness/performance of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh. The research used Microsoft Excel and STATA-16 to analyze the collected data.

6.4 The Research's Summary

The purpose of this dissertation is to evaluate the achievement/performance of both Conventional microfinance organizations and Islamic microfinance organizations and to compare their results. The conceptual framework is based on a literature review and demonstrates the relationship between the success of Conventional and Islamic microfinance organizations in Bangladesh.

The following is how this thesis is organized and delivered. The first chapter introduces the subjects that will be discussed during the research. The second chapter examines key literature in the field of microfinance institution success, as well as some key determinants, and identifies research gaps that must be filled. By outlining the fundamental theories relating to microfinance institution success and defining the research questions, this chapter also provides a theoretical

framework for further research. The third chapter included an overview of Bangladesh's microfinance organizations. The methodology for the study's interpretation is discussed in chapter four. This chapter lays the groundwork for the study hypotheses. Tooling techniques, sampling techniques, model selection processes, operationalization of the instruments used, and data processing techniques are also included. The study outputs are illustrated in chapter five using the methods described in the fourth chapter. The results included both descriptive and analytical research. This chapter also looks at how the study's findings compare to previous research and covers quantitative calculations, scientific research, and hypothesis tooling. The results are presented and discussed further down.

6.5 Finding the Relationship Between the Performance/Achievement of Conventional Microfinance Organizations and Islamic Microfinance Organizations and Selected Determinants

According to the descriptive statistics, Conventional microfinance organizations have a higher mean value of operating efficiency, portfolio yield, return on asset, and operating margin ratios than Islamic microfinance organizations (IMFOs). However, the results of the research show that Conventional microfinance organizations (CMFOs) outperform Islamic microfinance organizations. The descriptive statistics also demonstrate that Conventional microfinance organizations have a higher mean value of the number of beneficiaries, average loan each beneficiary, management quality, earnings quality, capital adequacy ratios, and age of MFO than Islamic microfinance organizations. Conventional microfinance organizations, on the other hand, perform better than Islamic microfinance organizations, according to the analysis results. As a result, Conventional microfinance organizations serve a greater number of beneficiaries and generate greater profits than Islamic microfinance organizations in Bangladesh.

To fix the problem of possible indigeneity and heteroscedasticity in the model, this research applied Blundell and Bond's (2000) dynamic panel data approach (Rahman, Zheng, Ashraf & Rahman, 2018).

The outcomes of the Levin-Lin Chu unit root tools show that the independent variables have a unit root and that the panels have a unit root. To detect heteroscedasticity in the data set, the researchers used the Breusch-Pagan/Cook-Weisberg tool. 0.0000 and 0.0077 are the probability values of Conventional and Islamic microfinance firms' data sets. The findings show that the data sets for both Conventional and Islamic microfinance organizations are heteroscedastic.

The multicollinearity tool was applied to analyze the relationship between two or more independent variables in the sample. The researcher has used a coefficient correlation matrix. According to the analysis, all the variables' CMFO coefficients are less than 0.80. As a result, the researcher can presume that the independent variables are not multicollinearity in the case of conventional microfinance organizations. According to the analysis, the coefficients of all variables of Islamic microfinance organizations are less than 0.80. As a result, the research can conclude that the explanatory variables are not multicollinearity in the case of Islamic microfinance organizations. The variance inflation factor was also used to search for multicollinearity issues in the regression model's data collection. In the analysis of Conventional MFO, the variance inflation estimates for parameters in the spectrum of models from 1.13 to 1.59 for all predictor variables indicate that there is no multicollinearity between the constructs. The variance inflation estimates for parameters in the spectrum of methods from 1.13 to 7.54 for all the selected attributes indicate that there is no multicollinearity among the definitions in the analysis of Islamic MFI. As a result, these data sets do not have any multicollinearity issues. There are no multicollinearity issues in the data sets of Conventional and Islamic MFI.

The Hausman tool was exploited to recognize if a fixed-effect or random-effect model was proper for the analysis. The findings show that in most cases, the p-value is less than 5%. (0.05). It indicates that the fixed effect models were chosen as suitable methods for the analysis.

The research found that the log number of beneficiaries has a positive and substantial impact on Conventional microfinance institution profitability, but not on Islamic microfinance institution performance. According to the research, the log average loan per beneficiary (ALPB) has a noteworthy affiliation with the achievement /performance of Conventional microfinance organizations, but it has no substantial association with the performance/financial growth of Islamic microfinance organizations, and it has an inconsequential adverse relationship. To explore the positive affiliation between management quality and the effectiveness (operating margin) of

Conventional microfinance organizations. Some model outcomes assume that management quality, as evidenced by statistical analysis, has a substantial and negative impact on the efficiency (operating self-sufficiency, portfolio yield) of Conventional microfinance and Islamic microfinance organizations. According to the findings, the quality of earnings has a statistically important and optimistic relationship with the financial/economic performance of both Conventional and Islamic microfinance organizations. The results indicated a positive and important link between capital adequacy and financial results of Conventional microfinance organizations, but a negative link exists for the performance of Islamic microfinance organizations. The findings also indicate that the age of microfinance organizations with expertise has an affirmative and substantial influence on the profitability and economic performance/achievement (OSS, PY, ROA, and OM) of Conventional and Islamic microfinance organizations in Bangladesh.

6.6 Recommendations of the Study

Some guidelines arise from the study's results, which may provide an important framework for Conventional and Islamic microfinance organizations to perform better. Followings are some of the suggestions:

- ✓ This study suggests that the interest rate paid by MFI be reconsidered as it is one of the main obstacles to the repayment of loans by customers. To keep them involved, MFI should also retain friendly connections with the creditor, since otherwise, organizations may provide customers with savings or servicing schemes.
- ✓ Researchers also proposed that microfinance organizations should extend their organizational capacity to recognize and use relevant innovation and design to benefit their customers, and to establish cultural development that will meet the changing demands of the industry.
- ✓ Nevertheless, this study is suggested government legislation on the strong and efficient performance of microfinance operations and the reduction of raising capital from donors, the reduction of operating costs, the generation of economic earnings, and, eventually, the boost of their asset value in Bangladesh.

- ✓ It can also be seen that financial organizations wanted to stress the dimensions of earnings, and efficiency because this factor had portrayed the microfinance organizations as having weak earnings management. Organizations' tight lending strategies and stringent lending standards may be to blame for the low rating for the portion of earnings efficiency (Sarwar & Asif 2011).

6.7 Contribution of Research to Existing Literature

Since Mohammed Yunus founded the Grameen Bank in the 1970s, microfinance has represented a mode of lending targeted directly at the world's poorest people. Microfinance began as a form of voluntary assistance for the poorest people. Today, however, it serves as a development and economic instrument to achieve financial inclusion in Bangladesh, and it represents a market solution to poverty alleviation. Microfinance organizations provide a variety of services to the poor, including deposits, credit, insurance, and remittance. MFIs have risen to serve as a link between banks and the poor. They are particularly active in the area of money lending. Microcredit aims to help beneficiaries by providing low-interest loans, reducing the need for moneylenders, and improving living standards. The MFI sector has a lot of potentials, and it should focus on the rural sector to help the area develop economically. The United Nations has given microfinance a priority. The Nobel Harmony Award was granted to Mohammad Yunus in 2006 for his work with the Grameen Bank (Christen, R.P., Rosenberg, R., Jayadeva, V., 2004).

The process of evaluating the enterprise's financial powers and weaknesses by properly describing the association between the items in the financial statements is known as financial results analysis.

It also helps with short- and long-term forecasting. An MFI should deduce its financial results from its operations and indicators in terms of ratios and indicators. The MFI sector is still growing, and with the government's support, it should be able to put in place a regulatory framework that allows it to run smoothly. Microfinance organizations align with the vertical and horizontal axes of society's advancement.

This research provides the present form of knowledge in the following ways:

First, the study considered a large number of variables to assess the important factors concerning the performance of Bangladesh's Conventional and Islamic microfinance organizations to make the model integrative. Panel regression was used in the study to keep more detail, variability, and efficiency in the research. The variables were chosen after an extensive analysis of the literature. In the context of Bangladesh, the study presented a unique set of microfinance institution frameworks.

Second, to the utmost of the researcher's knowledge, this research is the first to take the initiative in a large-scale assessment and evaluation of the achievement of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh. In the context of Bangladesh, very few research studies have been conducted to analyze and compare the success of Conventional and Islamic microfinance organizations. This research tries to fill in the gaps by identifying key variables, constructing an integrative model, and using a panel regression research design aimed at the performance of both types of microfinance organizations.

Third, this research included an understanding of microfinance institution performance literature by looking at specific variables in the microfinance sector and defining the theoretical foundations that underpin the interplay of microfinance sector performance constructs. According to the empirical findings, the majority of the selected variables, as well as the performance/achievement of Conventional microfinance organizations and Islamic microfinance organizations, have a positive and important interplay. Some of the variables have a momentous influence on the performance/achievement of Conventional microfinance organizations, while others have a significant impact on Islamic microfinance organizations' performance. According to the research, Conventional microfinance organizations perform slightly better than Islamic microfinance organizations in Bangladesh.

6.8 Contribution of Research to Policymakers

Microfinance defines a wide diversity of monetary assistance provided to the indigent-income community, including deposits, credit, payment services, funds transfers, insurance, investing, and micro-loan. An economy's investment prospects are aided by a well-developed financial system. To ensure sustainable and inclusive development, the government of Bangladesh must concentrate on expanding financial services to both rural and urban areas. Microfinance organizations have played an imperative part in Bangladesh's rural areas over the past two decades. The government should take the required steps to ensure that Bangladesh's microfinance sector continues to expand. Concerned governments often carry the requisite forward action to encourage public consciousness about the advantage of utilizing microfinance organizations to boost their economic position and improve their standard of living.

The results of this study provide policymakers and Bangladesh's MFI with some recommendations.

- According to the findings, the number of beneficiaries has an affirmative and important effect on the achievement/ performance of Conventional microfinance organizations but has no bearing on the performance/achievement of Islamic microfinance organizations. As a result, policymakers should pay greater attention to the number of beneficiaries and the efficiency of both forms of microfinance organizations.
- The development of Conventional microfinance organizations had a substantial association with the average loan per beneficiary (ALPB). Higher average loans contribute to sales growth, but their effect on productivity is important, and they have an impact on overall profit growth. But on the other hand, the growth of Islamic microfinance organizations had no strong relation to the average loan per beneficiary (ALPB). Higher average loans contribute to sales volumes, but their impact on efficiency is minor, and they have little effect on overall profitability/performance. As a result, managers can view the research's findings as critical to the success/achievement of microfinance organizations.
- The positive affiliation between management quality and microfinance organizations' performance; this concept implies that management quality has a major impact on

microfinance organizations' success, as evidenced by statistical analysis. The efficiency and effectiveness of management in securing new deposits from depositors, as well as the reduction in beneficiaries' non-payment debts, are influenced by management quality. As a result, policymakers should pay closer attention to both types of microfinance organizations' management quality and efficiency of MFI.

- The judgments point out that the quality of earnings has a statistically significant relationship with the financial achievement/ performance of both Conventional microfinance organizations and Islamic microfinance organizations. The earnings quality technique is linked to organizational performance in a positive and significant way. MFI performance should be measured carefully and effectively by the manager.
- The results indicated an affirmative and important connotation between capital adequacy and the financial consequences of Conventional microfinance organizations (portfolio yield, operating margin) but the negative and essential connection with operating self-sufficiency. Capital growth influences on a reduction in external borrowing, which rises microfinance organizations' output. The manager should devise appropriate methods for evaluating the efficiency of microfinance organizations effectively and efficiently.
- The outcomes of the research also show that a company's age can indicate its level of experience, which can have a progressive impact on profitability and financial performance. The age of microfinance organizations has an optimistic influence on their overall achievement/performance. Policymakers should introduce new and innovative services to their clients. These programs, on the other hand, ensure microfinance organizations' continued success.
- Policymakers must take the necessary measures to ensure that the microfinance industry continues to develop.
- The policymaker should often carry the step forward to lift community consciousness about the advantages of microfinance organizations' services to upgrade individuals' economical position and living standards.

6.9 Limitations of the Research

There are the following constraints to this research work:

- The study only considers the financial aspects/achievements of Conventional and Islamic microfinance organizations' performance, not the non-financial ones.
- Due to a lack of time and funds, this study only looked at the Microfinance Regulatory Authority's registered Conventional and Islamic microfinance organizations. Consequently, the findings may not be applied to the entire microfinance industry. Therefore, further research into the study will be beneficial.
- The relationship between Conventional and Islamic microfinance organizations' output and six independent variables is investigated using dynamic and static regression. Just a few instrumental variables have been chosen. More variables should have been chosen to tool the model's robustness and model estimation.
- In Bangladesh, there has yet to be a contrast of the performance/achievement of Conventional microfinance organizations and Islamic microfinance organizations. This is a field where more research can be done in the future. In general, there is little research on Bangladesh in this sector.
- This research paper's empirical findings are limited to one country; they may not apply to other countries.

6.10 Future Research Scope

The study used empirical evidence to measure and compare the performance/Achievement of Conventional microfinance organizations and Islamic microfinance organizations in Bangladesh; however, there is still more work to be done in this field.

First, other types of investments, such as financial organizations, banks, mutual funds, and insurance companies, could be the subject of this research. Thus, by taking notes of lessons gained by these various industries, the distinction of how these sectors achieve productivity could be analyzed and the administration could develop. Apart from that, to examine the appropriateness of the adaptation of the process to the microfinance sector, findings drawn from the research of varying amounts may be contrasted with other global regulatory frameworks.

Second, this study only looked at 320 Conventional microfinance organizations and 8 Islamic microfinance organizations in Bangladesh due to a lack of time and funds. As a result, the results may not be universally applicable to the microfinance industry. As a result, further study analysis would be useful.

Third, the researcher aims to quantitatively measure the effect of key causes, contextual macro – level and micro level on the financial stability of MFI operating in the country as future research guidelines.

Four, since the findings of this study may not be explicitly applicable to other countries and business sectors, future studies may use the methodology in other domains of business. As a result, further research could be conducted to explore different backgrounds and organizational settings in other countries.

Five, generally, these findings are only limited, and only the start of even more serious research. Still, the broad variations on some of these parameters lead to successful and fascinating research areas.

Six, the research has also established other relationships, such as competitiveness, rate of interest, administration, board, and corporate structure, which the study suggests for further study.

Seven, another addition of research may be the technical developments over time and innovations in the efficiency of macroeconomic and microfinance organizations' specific dimensions. To resolve the uncertainties, the study supports the microfinance sector.

Eight, further studies may be implemented to continue exploring the conclusions and also include other more individual characteristics, such as dubious loans, overall service costs or reserve ratios, and also some external influences.

Nine, this may be due to other aspects not obtained into account in the analysis, or there may merely be some inconsistencies. Defines the type of component being non - significant may well not justify attention to the matter, although it is important to analyze the financial performance and perhaps other efficiency dimensions of such two types of MFI in more detail.

Ten, as future study guidelines, the analysis aims to empirically evaluate the effect of main issues, equally macro and micro, on the economic health of financial organizations functioning in Bangladesh.

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Appendix

Appendix A: List of Conventional Microfinance Organization/Institution

Table: Mean Values of Conventional Microfinance Organizations Performance Indicators and Selected Determinants in Bangladesh from 2015 to 2018.

Sl. No.	Name of Institution	LnNOB	LnALPB	MQ	EQ	CA	ROA	OS	OM	PY	Year of Establish
1	Abdul Hai Zahura Welfare Foundation	2.913852	4.040418	19.375	40.565	27.6375	0.675	74.315	4.9025	14.9375	2010
2	Abdul Momen Khan Memorial Foundation (Khan Foundation)	3.447363	3.66468	4.57	45.72	13.22	3.745	68.065	4.68	22.85	2009
3	Access Toward Livelihood and Welfare Organisation (ALWO)	3.253157	3.964455	29.8125	32.765	-14.2825	-9.6225	60.15	12.5375	22.6125	2008
4	Action for Human Development Organization - "AHDO"	3.96385	4.182579	21.6175	33.9175	16.335	5.43	88.6875	19.3325	25.215	2008
5	ADAMS	4.427555	4.164289	0.0125	39.8425	17.645	1.745	82.5025	7.4125	22.0875	2008
6	Adarsho Manob Kallyan Sangha	3.285296	4.129447	25.9175	37.8225	10.99	2.9425	93.51	12.8325	19.8775	2009
7	ADESH	3.413998	4.23529	13.055	40.3	16.165	2.66	87.1025	14.8875	25.5175	2007
8	Adorsha Foundation	3.119128	3.91024	35.825	52.1875	6.755	0.175	86.835	2.96	8.6925	2013
9	Advanced Society for Any Research & Active Life Oriented Work	3.035085	3.910712	27.66	42.3425	16.3075	1.8525	81.79	7.1375	22.94	2014
10	Aragati	3.576398	4.24778	33.055	37.3525	15.1975	2.4175	85.5425	12.165	19.68	2008
11	Aragati Seba Sangstha	3.330681	3.940549	16.0075	31.45	20.3175	6.42	118.7275	20.0325	23.675	2012
12	Agraha Unnayan Sangstha	3.560309	4.330506	20.3475	46.76	5.085	0.445	77.2675	6.4725	13.8525	2013
13	Agrodot Foundation	2.78298	3.975334	16.68	49.1325	15.3625	0.5925	78.415	4.3375	17.11	2013
14	Agrogami Unnayan Sangastha(Agrogami)	3.028529	4.099403	25.495	41.115	6.8725	-1.14	71.3125	5.495	18.1225	2013
15	Ahead Social Organization (ASO)	3.802506	4.311399	25.8425	38.155	14.865	4.025	80.295	14.8175	25.1125	2008

16	AID-Comilla	3.915341	4.266019	27.77	37.555	6.495	3.135	74.845	17.4225	30.27	2008
17	Akota Samaj Unnayan Kenddra (ASUK)	3.114643	4.076704	0.0125	36.295	30.69	3.71	92.1575	14.075	23.68	2009
18	Alo Manabik Unnayan Kendra (ALO)	3.384702	3.78836	26.5725	49.795	6.1675	0.3	75.065	8.485	16.06	2010
19	Alor Nir Somity	3.037493	4.114558	31.66	27.1275	7.55	4.1325	110.0625	23.5925	22.925	2012
20	Alor Pothe	3.079577	4.039719	6.26	38.505	12.2425	1.6975	72.1325	5.1325	18.255	2011
21	Aloshikha Rajihar Samaj Unnayan Kendra	3.074027	3.744819	7.3775	35.5975	16.6525	3.19	90.6225	12.23	26.47	2008
22	Alternateive Development Initiative	3.761748	3.856483	19.565	36.3625	14.555	4.3375	97.455	13.625	22.845	2008
23	AMDA Health & Environment Development Society	3.821787	4.606544	12.2	42.215	15.55	9.1125	86.285	8.88	25.44	2008
24	Amra Kaj Kory	3.321866	3.890461	25.6975	44.7225	21.8	1.325	81.9275	4.015	22.23	2012
25	Ananda Sama Unnayan Shangstha	3.430062	4.165978	39.2425	43.93	2.9125	0.76	74.9	8.56	15.555	2013
26	Anando	3.588245	4.234858	0.01	41.1225	47.3225	1.1575	73.8825	8.22	19.155	2008
27	Ancholic Polli Unnayan Sangstha (APUS)	3.543054	4.116144	31.5375	36.135	9.5325	3.2825	90.9275	11.0875	24.075	2012
28	Anirban Samaj Unnayan Sangstha	2.899011	3.949855	70.76	43.7675	-23.2575	-18.925	30.55	-24.4025	15.5775	2008
29	Annaya Samaj Kallyan Sangstha (ASKS)	3.516932	4.061067	41.2575	48.0375	14.4475	0.585	75.0975	4.8475	14.5275	2008
30	Ansar Ali Foundation For Integrated Development (AFID)	3.789436	4.245505	18.7175	35.1	23.48	3.94	100.4875	14.1225	21.8975	2008
31	ANTAR Society for Development	3.836068	4.363429	31.5325	43.915	3.7325	1.2225	74.7775	2.5475	28.63	2010
32	ARS Bangladesh	4.566333	4.101459	45.45	40.6125	10.255	2.1975	77.395	9.89	20.185	2009
33	Artha-Samajik Unnayan Sangstha (AUS)	3.411082	4.015438	0.5375	32.1575	22.635	6.125	128.92	26.9375	19.64	2009
34	ASA	5.847586	4.215965	0.74	22.7775	34.165	7.6825	135.2725	27.18	23.6525	2008
35	Adorsha Samaj Kallyan Sangstha	4.159136	3.9615	30.65	35.9575	7.0525	2.81	92.0725	14.555	17.765	2007
36	Ashataru	2.991595	3.94459	26.23	45.9075	0.4525	0.74	77.74	8.155	17.695	2009
37	Ashrai	4.200904	3.799985	30.1225	45.3525	13.1725	1.1725	76.1225	6.5425	24.3125	2008

38	Aso Gori Unnayan Sangstha (AGUS)	3.51492	4.387998	33.1725	43.28	1.9775	1.9225	81.75	7.6625	26.315	2010
39	ASPADA-Poribesh Unnayan Foundation	4.400702	4.250035	16.5925	42.2175	11.92	2.065	75.0275	10.415	26.4025	2008
40	Assistance for Social Organization and Development -ASOD	4.62407	3.838058	56.2025	34.8275	8.6625	0.91	62.4725	12.5625	8.1825	2008
41	Assistance for the Livelihood of the Origins (ALO)	3.070202	3.725695	47.2525	67.72	0.3425	-3.5575	40.7425	-32.5325	3.165	2011
42	Association for Bangladesh Social Advancement (ABSA)	3.05257	3.670322	7.7425	39.4825	35.33	1.095	100.8325	7.93	12.91	2008
43	Association for Community Development-ACD	3.662865	4.284105	32.77	88.04	-10.09	5.1075	23.8025	-74.18	9.015	2008
44	Association for Realisation of Basic Needs-ARBAN	4.19891	4.269085	5.18	46.8125	18.215	0.375	74.5725	20.755	24.54	2007
45	Association for Renovation of Community Health Education Services (ARCHES)	3.646719	4.355221	40.05	37.025	5.9525	3.0175	90.55	19.4275	22.5	2007
46	Association for Rural Advancement in Bangladesh (ARAB)	4.257464	4.251605	11.765	28.7175	31.6775	5.3	109.295	19.1775	22.995	2007
47	Association for Social Development	2.930568	3.947718	22.4275	46.6775	9.68	1.2325	73.08	4.5925	20.7475	2009
48	Association for Social Development (A.S.D)	2.926524	4.187601	7.24	46.2275	23.1325	2.595	83.8025	5.5175	22.805	2011
49	Association For Social Organization In Paharpur (ASOP)	3.946295	3.917101	32.125	47.455	4.9525	0.12	71.165	0.5224999	20.3275	2008
50	Association for Socio-Economic Advancement of Bangladesh (ASEAB)	3.731832	4.18025	30.8225	43.8525	9.5	1.74	64.485	5.1425	22.87	2008
51	Association for Under-privileged People-AUP	3.827281	4.345747	20.885	36.8225	10.6125	3.9525	94.055	13.9825	25.5775	2007
52	Association for Women Empowerment and Child Right's (AWAC)	3.387736	4.041506	5.455	39.875	15.395	3.3775	90.695	11.3625	25.61	2009

53	Association of Voluntary Action for Society (AVAS)	2.943978	4.063196	38.48	43.905	3.2175	0.75	74.21	5.175	15.3575	2012
54	ATMABISWAS	4.634692	4.129122	32.6725	49.1625	6.015	0.39	71.375	7.0425	22.415	2007
55	Aukur Palli Unnayan Kendra	4.278975	3.895462	17.32	53.5625	18.005	0.2924999	77.925	-3.6075	26.905	2008
56	Aushgara Unnayan Sangstha	3.207955	4.10253	7.6125	35.495	16.1975	3.8	98.54	15.0125	24.9475	2008
57	Austha Manabik Unnayan Kendra	3.018756	4.153636	20.165	39.31	30.1525	3.2625	84.17	11.38	22.8925	2011
58	AVA Development Society	3.862419	4.104037	29.655	34.4675	6.8275	3.32	94.21	17.265	22.8675	2010
59	Azad Unnayan Sangstha (AUS)	2.831031	4.180936	17.0775	39.715	27.105	3.925	64.1025	16.6475	17.9675	2008
60	Bahumukhi Desh Unnayan Sangsad	3.346604	4.38929	7.7075	21.595	22.7675	6.89	346.445	31.0775	27.3325	2010
61	Baitpur Rural Advancement Society (BRAS)	3.64915	4.069398	22.99	45	9.1225	1.3475	80.07	5.5425	20.4025	2007
62	Banaful Social Welfare Organization	3.86698	4.431448	21.2475	43.9	8.7975	1.37	79.285	9.1525	23.915	2009
63	Banchte Shekha	4.206553	4.20038	37.3925	35.1075	6.9825	1.7675	95.4	21.7125	12.575	2008
64	Bandhan Sangstha	3.465337	3.965722	3.3925	23.6775	20.8275	9.3175	147.2325	27.1675	24.3175	2009
65	Bandhu Kallyan Foundation	4.584959	4.175519	21.5625	41.39	47.8775	2.3625	85.5775	9.2775	22.9975	2008
66	Bangio Onounnayan samity	2.991327	3.850293	15.36	29.4975	21.5025	3.2125	97.62	17.9225	19.17	2009
67	Bangladesh Association for Community Education (BACE)	4.060317	4.038595	5.7125	36.8025	24	3.535	91.965	11.5475	23.9175	2011
68	Bangladesh Association for Sustainable Development (BASD)	3.575098	4.03839	7.38	47.95	13.5175	1.1175	79.0175	2.9175	23.4475	2009
69	Bangladesh Etension Education Service (BEES)	5.233924	4.346973	35.815	39.615	5.9475	2.9525	85.36	10.3675	25.565	2008
70	Bangladesh Grameen Seba Sangstha	3.085904	3.933327	23.6675	44.0325	5.5475	1.135	76.055	23.545	23.0225	2009
71	Banladesh Health And Education Development Societ	3.046219	4.099329	24.2075	44.465	6.77	0.8525	53.51	3.8525	14.0875	2013
72	Bangladesh Ignite Youth Society (BIYS)	4.610835	4.164505	17.8025	43.615	3.405	1.48	78.9225	9.6725	27.18	2008

73	Bangladesh JanaKallyan Songstha	2.745491	4.21025	1.955	38.8175	32.47	3.08	93.66	8.4875	20.695	2010
74	Bangladesh Palli Unnayan Foundation (B.P.D.F)	2.715701	3.818092	34.4975	40.8175	2.8625	1.515	56.485	6.93	13.5025	2011
75	Bangladesh Rural Youth Welfare Organization (BARIO)	3.400602	3.8882	26.5675	48.88	12.8975	0.45	70.275	8.455	19.105	2008
76	BEDO	4.264249	4.133104	32.065	40.9825	7.4025	1.47	69.6	9.2025	24.565	2007
77	BRAC	6.727605	6.727605	17.2975	27.2375	20.3075	6.85	125.04	20.59	26.06	2007
78	CEDAR (Concern for Environmental Development and Research)	3.950867	4.286582	19.485	42.6975	17.48	1.065	77.495	7.975	26.06	2008
79	Centre for Integrated program and Development (CIPD)	3.395975	4.193807	25.6	40.6825	6.47	3.1875	90.655	8.3825	23.93	2012
80	Centre for Natural Resource Studies	4.12457	4.036493	23.875	37.6325	13.7525	3.24	81.9125	13.155	31.0525	2008
81	Centre For Rehabilitation Education Earning Development (CREED)	3.570597	4.495837	4.11	32.3325	10.47	1.3025	66.36	12.4975	13.67	2008
82	Chalya Shekha	3.09357	3.800834	15.1325	44.215	4.995	0.6125	76.965	9.1375	18.1175	2013
83	Charcha	3.33019	4.341269	3.19	22.21	29.385	8.555	155.2475	27.5275	23.725	2007
84	Chatana Mohila Unnayan Sangstha	3.058976	3.902744	25.575	46.055	7.01	0.9475	62.3	9.585	20.7775	2008
85	Chhatihati Nabo Uddipon Sangha	2.832472	4.011382	6.22	71.0425	30.155	0.1675	98.2625	-19.16	4.1625	2012
86	CHIRANTANI	3.065143	3.838763	19.62	46.7175	19.8775	1.2175	78.5775	6.6125	22.1325	2008
87	Chiristian Service Society (CSS)	5.471066	4.348204	6.57	30.355	21.515	6.4975	113	18.485	25.1125	2008
88	CLOG (Children Life Organization of Genus)	3.045493	4.318356	3.5525	29.965	17.4625	5.415	114.2575	19.985	23.435	2010
89	Coastal Association for Social Transformation Trust	4.913947	4.232126	26.5375	36.6175	7.98	3.6475	88.945	14.2675	23.98	2007
90	Come to Work-CTW	4.053797	4.069001	19.215	36.9225	16.2925	3.11	89.7725	8.3475	23.1575	2008
91	Community Development and Health Care Centre (CDHC)	3.586138	4.209579	29.515	37.8475	12.5075	1.325	87.49	7.3975	12.885	2008
92	Community Health Care Project	4.137088	4.098485	6.7575	66.4875	16.655	-0.98	63.5125	-15.365	31.1075	2007
93	Crescent	3.46244	4.047975	12.8525	55.8775	14.0675	0.9425	71.0175	-2.4275	13.235	2011

94	Dabi Moulik Unnayan Sangstha	4.3482	4.266708	17.365	35.665	14.795	3.2125	95.0075	14.9075	20.305	2007
95	Dak Diye Jai	4.459643	4.250219	20.07	40.2175	9.3	3.33	81.4275	11.8825	24.0875	2008
96	Daridra Bimochon Shangstha (DBS)	4.522618	4.154471	26.16	41.1575	12.6025	12.6025	56.655	9.695	12.4925	2008
97	Daridro Paribash Unnaon Society	3.262094	3.821543	17.4675	34.1625	10.16	2.7375	101.46	18.0475	15.0675	2013
98	Desha Shechcha Shebi Artho-Samajik Unnayan Manobik allyan Sangstha	4.8326	4.287288	32.995	39.545	5.0675	3.3925	84.4	11.95	16.9325	2008
99	Development Activites of Society	3.099483	4.019508	40.51	57.045	1.3275	-1.545	64.7075	-6.16	26.765	2013
100	Development for Society	3.234841	4.078131	27.26	39.0375	9.89	2.695	85.245	14.12	26.0575	2008
101	Development Initiative for Social Advancement (DISA)	4.834466	4.346255	40.55	43.5275	5.6125	1.7	76.555	5.9025	24.8275	2007
102	Development Network in Bangladesh	3.127589	4.134541	60.045	105.3775	-11.42	-6.405	30.955	-79.9425	9.7075	2008
103	Development of Integrated for Social Association (DISA)	3.399117	3.798191	12.74	28.405	27.765	5.03	109.14	18.7275	16.8	2008
104	Development Organisation of the Rural Poor (DORP)	3.992304	3.992304	31.345	34.6075	5.615	3.1875	73.7025	12.5625	27.015	2008
105	Development Organization of Rural Peoples (DOORP)	3.325476	4.125804	26.66	37.43	8.7375	3.41	94.8875	12.385	22.97	2010
106	Dharani Samaj Allayan Sangstha	2.999722	3.99187	12.6325	36.325	24.3975	4.19	98.415	13.96	24.3	2012
107	Digonta	3.025731	4.087434	8.8475	39.25	13.81	2.2975	84.2075	9.585	20.7425	2008
108	Dip Shetu	3.060398	3.9643	5.9225	41.74	34.2725	3.8475	96.6625	9.61	22.4775	2008
109	Dip Unnayan Sangstha (DUS)	4.46085	4.196706	23.9075	37.4075	12.6825	3.8825	76.6175	13.845	22.49	2007
110	DIPSHIHA Non-Formal Education Training and Research Society for Village Development	3.949456	4.135265	7.575	39.2875	39.2475	1.7875	304.9825	134.6575	337.895	2008
111	Dipti Foundation	2.816426	4.002854	21.94	45.075	13.015	1.0075	79.48	9.62	11.775	2012
112	Disa Bangladesh	4.168227	3.906818	2.4975	49.4525	4.445	0.595	65.4075	3.19	24.845	2013
113	Disa Integrated Social Advancement Foundation	2.947057	3.78654	17.9775	32.615	7.75	2.68	112.9525	17.105	18.27	2013
114	Doel (Development Organisation for Equity Love)	3.400522	3.931473	14.835	47.715	17.14	0.08	68.6475	6.0975	17.215	2008

115	Dushtha Shasthya Kendra (DSK)	5.237876	4.328425	25.7375	33.655	11.13	3.8225	94.305	13.6375	23.0875	2009
116	Egeya Chala	3.024528	4.143506	32.7925	44.2625	3.195	1.31	74.12	20.09	12.65	2010
117	Focus Society	3.788499	4.379215	21.8225	40.33	13.375	10.8175	90.025	10.9725	647.4575	2008
118	Gender Relation Advancement & Marginalized Development Society	3.0236	4.002107	9.355	28.8075	18.88	5.105	104.4725	20.9	23.0325	2012
119	Ghani Welfare Foundation	3.361319	4.061407	14.7025	67.285	23.6275	-4.74	54.6525	-18.0875	28.7575	2007
120	Ghashful	4.694636	4.247468	21.5075	46.36	6.715	1.015	77.4375	6.445	24.92	2008
121	GLDP (Grass-root Level Development Program)	3.555972	3.73994	0.91	41.67	1.4175	1.7775	84.0625	18.3475	15.81	2009
122	Gono Kallyan Trust	4.404919	4.327644	23.3275	37.7475	13.8725	2.9525	89.23	11.3225	23.05	2008
123	Gono Unnayan Prochesta	4.334246	4.205112	24.09	36.75	8.805	3.5475	94.3825	13.845	20.04	2009
124	Gono Unnayan Sangstha	2.648397	3.886313	2.2125	214.94	0.7075001	-6.555	29.41	-168.3025	5.9225	2011
125	Gonoshasthaya Kendra	3.580338	3.920476	79.32	49.145	-32.5025	0.3575	63.555	3.4075	18.0175	2012
126	Gram Bikash Kendra	4.859907	3.598144	21.4925	34.96	11.7475	4.7025	94.7475	17.3775	23.8675	2008
127	Gram Bikash Sangstha (GBS)	3.43809	4.289721	33.12	38	10.5975	3.8625	77.055	12.35	24.2125	2010
128	Gram Unnayan Karjakram (GRAUK)	3.720429	4.262848	10.41	31.495	16.8875	5.0475	105.485	15.8425	27.1325	2008
129	Gram Unnayan Karma (GUK)	5.214275	4.312536	24.165	37.445	13.9375	4.22	97.825	12.135	25.1225	2008
130	Grameen Alo	3.105491	3.824414	27.745	74.875	4.535	0.565	56.785	7.155	26.1025	2011
131	Grameen Economic And Social Advancement (GESA)	3.078817	3.903376	41.8025	47.24	6.465	0.355	73.0925	12.9525	15.2775	2010
132	Grameen Jano Unnayan Sangstha (GJUS)	4.483261	4.327019	26.22	38.95	13.865	3.3575	82.36	12.57	19.31	2008
133	Grameen Jono Unnayan Sangstha	2.932455	4.048708	10.0375	34.2275	18.12	4.8875	98.8075	16.685	27.17	2011
134	Grameen Matsho Pashusampad Foundation	4.178783	4.10524	5.16	44.705	24.7225	-7.6	49.095	-42.755	17.995	2009
135	Grameen Progress	4.002357	4.260901	12.8725	26.7175	20.565	8.055	126.04	25.29	26.0875	2008
136	Grameen Prosar	3.173688	3.638839	22.9775	41.7825	11.78	1.6375	81.5525	1.33	13.885	2008
137	Grameen Seba Sangstha (GSS)	3.159443	3.885027	23.84	40.4525	8.175	1.8725	80.195	12.7275	14.65	2008
138	Grameen Unnayan Sangstha (GUS)	3.375954	4.36359	42.9675	48.8	4.9	0.415	71.17	14.58	16.86	2007

139	Gramer Alo	3.331184	4.101505	18.0575	35.1	16.62	4.1225	103.1725	14.22	21.73	2011
140	Graush	3.369391	3.7854	23.7	44.7325	15.3675	1.385	81.735	3.64	15.485	2013
141	Habiganj Unnayan Sangstha	3.997051	4.137528	21.2875	39.7175	11.405	3.4075	86.8875	10.77	25.78	2007
142	Habitat & Economy Lifting Programme (HELP)	3.625654	4.276426	41.85	49.155	-3.3425	-3.02	57.4175	1.2775	7.73	2008
143	Hanum Health Development Foundation	3.510627	3.798628	0.25	27.96	48.19	6.375	109.705	23.36	27.3275	2008
144	Health, Education & Economic Development Organization (HEEDO)	2.908065	4.077932	6.8125	46.96	21.6675	0.195	74.2775	36.64	14.84	2009
145	HEED Bangladesh	4.641673	4.599297	14.615	41.22	14.0075	2.5725	79.1825	10.68	25.0075	2008
146	Help Bangladesh	2.98275	4.234643	0.035	33.1525	15.7525	2.7825	103	18.495	12.4075	2013
147	Hilful Fuzul Samaj Kallyan Sangstha	3.588946	4.093199	9.81	42.035	27.055	1.76	148.81	6.155	17.11	2009
148	Holodia Mohila Unnayan Sangstha	3.421075	3.934808	32.47	48.385	14.64	0.6575	68.4525	3.235	19.87	2008
149	Homeland Association for Social Improvement	2.905907	3.741549	70.945	39.2075	-7.085	1.035	75.9575	13.5	6.95	2008
150	Homland Development Organization	2.873714	4.14521	11.7275	39.85	11.2725	2.65	85.645	10.945	22.89	2012
151	HOPE	3.737617	3.860458	21.9925	35.975	7.63	3.29	91.5925	12.1375	24.9375	2010
152	Human Association for Rural Development (HARD)	2.86947	3.854075	32.115	47.78	7.325	0.715	74.8425	1.9475	13.8875	2008
153	IDEAL (Institute of Development Education for Advancement of Landless)	3.844052	4.252463	4.0075	38.1175	10.825	2.0925	86.3375	9.34	16.6275	2008
154	Initiative for People's Development (IPD)	2.831634	3.968093	15.585	77.2625	-8.235	-6.975	26.3625	10.74	15.87	2009
155	Integrated Development Foundation	4.948481	4.250293	18.685	40.17	17.735	2.48	87.93	9.2075	24.075	2008
156	Integrated Rural Development Organization (IRDO)	3.06993	4.168134	1.4525	25.6175	46.705	4.255	102.64	23.8725	16.7975	2008

157	Integrated Service for Development of Children & Mothers	3.42783	3.979241	2.0275	47.51	49.025	-0.0825	72.0125	-1.0775	25.63	2007
158	Integrated Social Welfare Association (ISWA)	2.984344	3.989666	20.11	43.58	11.89	2.485	49.6025	7.745	26.0875	2008
159	Isamati Samaj Unnayan Sangstha	2.804777	4.114733	23.35	48.4125	11.5475	0.95	78.8125	4.12	24.1275	2011
160	Islami Social Development Organization (ISDO)	3.503687	3.849605	28.95	42.7225	15.505	2.5175	67.93	10.66	25.8275	2008
161	Jagarani Mohila Kallyan Sangstha (JMKS)	2.927342	3.681771	39.8225	47.695	23.6325	0.645	70.4475	10.32	23.09	2008
162	Jagorani Chakra Foundation	5.584165	4.425512	19.5325	36.37	14.42	3.9325	96.31	13.92	13.92	2007
163	Jagoroni Somaj Unnayan Sangstha	2.769409	4.032298	30.585	42.5975	7.2775	24.59	83.045	10.285	18.1225	2011
164	Jagrata Juba Shangha	3.548933	4.028227	12.0425	42.5725	11.6875	2.345	85.34	9.57	22.105	2007
165	JAKAS Foundation	4.714083	4.310648	31.005	35.435	18.0725	4.7725	93.2775	15.84	29.2325	2008
166	Jamuna Samaj Kallyan Sangstha	2.966444	3.962526	22.2725	48.6825	15.6375	0.6875	77.1725	37.155	25.525	2012
167	Janata Polli Unnayan Sangstha	2.835229	4.003249	47.18	20.45	6.47	0.71	77.23	6.675	20.335	2013
168	Jano Hitoishi Sangstha	3.037136	3.773427	18.6925	44.8675	17.2425	1.39	70.26	10.4275	21.1875	2009
169	Janoseba	3.428456	4.260752	17.3025	49.415	10.125	0.3375	74.2525	13.3275	15.8175	2008
170	Jatio Tarun Sangha	2.867907	4.115721	22.845	43.8325	17.4275	2.32	79.9125	7.6825	20.895	2013
171	Jhaudia Gram Unnayan Sangstha	2.633781	4.135404	5.2775	44.4625	10.78	1.325	72.1775	8.6475	21.605	2011
172	Joutha Udyog	2.872538	3.908648	24.365	57.955	10.015	0.305	61.9925	-4.5675	16.3475	2013
173	Joutha Unnayan Prochesta (JUP)	3.136822	3.879655	12.8525	45.0025	27.765	1.035	70.545	4.68	25.235	2013
174	Joypurhat Rural Development Movemen (JRDM)	4.328675	4.187093	21.19	37.8825	13.65	2.265	89.2875	13.8125	12.4675	2008
175	Jugabani Samaj Kallyan Sangstha (JSKS)	3.852241	4.225739	31.385	43.1975	3.39	1.6125	71.225	9.6	24.405	2008
176	Jugantar Samaj Unnayan Sangstha (JSUS)	3.454637	4.226256	22.24	44.75	9.9475	1.395	76.9725	16.235	25.495	2008
177	Kakon Bahumuki Unnayan Songstha (KBUS)	3.586155	4.010766	27.1125	42.2375	6.7225	2.5225	77.4025	10.0425	26.8075	2010
178	Karatoa Pally Unnoyan Shangstha	2.625011	4.39688	2.7075	42.12	35.7625	1.675	85.48	21.2075	21.39	2012

179	Karmarjan	3.420982	4.20872	16.6725	33.2325	20.9875	3.8675	103.175	17.63	18.58	2008
180	Karmojibi Kallyan Sangstha (KKS)	3.843883	4.256499	26.3625	42.0475	9.8325	0.9025	39.585	8.9575	17.3175	2009
181	Khandaker Kallyan Trust and Organization	3.034014	3.78959	39.31	37.935	20.585	2.2525	100.0725	11.845	18.7075	2012
182	Khandokhetro Social Development Organization (K.S.D.O)	2.758343	4.492953	15.3475	50.6325	30.6575	0.31	85.8775	1.765	10.6625	2011
183	Khulna Mukti Seba Sangstha (KMSS)	3.89783	4.073434	22.3675	31.87	15.755	5.5925	107.6775	17.27	25.505	2007
184	KPUS (Kushtia Palli Unnayan Sangstha)	3.99433	4.218859	32.5	40.87	7.8375	2.43	78.05	12.3025	21.055	2008
185	Lal Hossain Chowdhury Memorial Foundation	3.129033	4.154853	11.3025	40.4975	14.38	1.585	80.5725	5.735	20.17	2012
186	Leya Health & Education Development Foundation	3.057385	3.98924	74.3025	275.3425	30.655	-0.5	62.165	-0.1125	24.12	2008
187	Local Development Program (LDP)	3.092874	4.378514	25.9775	33.62	16.82	5.01	103.05	13.3075	26.3725	2013
188	Local Initiative for Empowerment (LIFE)	3.178069	3.767327	23.4375	47.255	18.8275	0.4975	71.6125	5.705	16.6375	2008
189	Lustre	2.552371	4.224549	6.89	50.2175	46.0725	-0.0525	58.8775	8.5775	18.965	2007
190	Maitree Palli Unnayan Sangathon (MPUS)	2.937333	4.027261	16.28	46.8375	18.2675	0.855	71.32	7.09	22.1	2010
191	Maitree Seba Sangstha	2.923645	4.02027	21.9625	50.1425	0.645	-2.055	63.0575	16.7325	21.2925	2012
192	Malek Jobeda Foundation	3.079275	4.271544	9.7275	43.6875	6.4125	1.755	79.7775	10.0575	27.8775	2010
193	Mamata	4.425019	4.285476	15.17	37.39	15.5575	3.31	93.0375	11.92	21.885	2008
194	Manab Kallyan Sangstha Comilla (MAKS COMILLA)	2.910901	4.023657	45.925	47.8775	7.0225	0.3275	53.295	3.22	17.7925	2013
195	Manab Sampad Unnayan Kendra (MASUK)	3.295746	4.237515	30.07	37.5775	7.0375	3.36	88.81	13.8875	22.47	2008
196	Manab Seba Ovijan	3.749406	4.148925	13.205	34.365	18.1425	3.945	97.075	14.4925	25.45	2008
197	Manab Unnayan Kendra	3.096174	3.972749	3.37	28.6825	33.6075	6.6475	113.8925	19.735	23.8075	2013
198	Manabik Shahajya Sangstha	5.221468	4.310317	20.0025	33.3025	15.075	4.7025	103.02	16.1025	24.9275	2008
199	Manob Kallyan Sangstha	2.976831	3.660811	3.065	49.5325	17.7325	0.945	80.525	2.35	18.19	2009

200	Manob Sakti Unnayan Kendro (MSUK)	3.940195	4.080706	0.0125	38.165	40.9475	1.515	76.8175	2.7125	22.6375	2007
201	Manob Unnayan Karmosuchi	3.024341	3.896836	11.4875	39.7625	38.775	4.01	78.64	10.1075	29.4525	2012
202	Manob Unnayan Sangstha	3.322644	3.940511	24.2875	36.6925	10.055	4.0375	101.56	14.3725	20.3875	2014
203	Mirzapur Paribesh Unnayan Foundation	2.83202	4.021244	40.1925	45.415	2.95	0.4375	57.06	4.515	11.0625	2012
204	Modern Development Organization (MDO)	3.619932	4.131071	28.265	37.265	8.0425	3.8125	94.715	13.225	24.9975	2009
205	Mofossal Unnayan Sangstha	2.815145	3.795878	19.2475	79.45	3.3725	3.8675	49.7925	25.54	20.005	2008
206	Mohila Bohumukhi Shikkha Kendra (MBSK)	4.452124	4.114773	24.4925	35.6825	18.9	4.5825	165.8375	15.535	27.26	2008
207	Mother Advancement Assistance (MAA)	3.575819	3.895316	19.21	109.935	12.7125	0.4175	55.15	25.68	24.965	2008
208	Moulik Babosthapon Sangstha (B-M-S)	3.017451	4.171538	35.1	49.24	11.9125	0.7025	73.2375	4.4875	26.4	2011
209	Mousumi	4.276981	3.883244	20.7575	36.9825	12.59	4.215	88.2675	15.3975	25.995	2008
210	Mozaharuddin Multicraft Centre	3.366418	3.937677	3.775	35.9825	29.255	5.405	108.95	15.2025	32.175	2008
211	Muktipath Unnayan Kendra	4.303973	4.162819	14.2475	31.695	15.46	5.1675	107.035	18.025	25.8625	2008
212	NABA-UPA POLL-	3.354244	3.953905	33.31	29.68	12.59	3.8	117.6725	21.11	17.485	2013
213	Nabolok Parishad	4.327415	4.402131	29.6025	35.54	9.2125	3.7025	93.1825	14.615	22.41	2008
214	Namuja Orthonoitic Unnayan Sangstha (NEDO)	3.694886	4.213789	35.25	46.845	3.92	1.0575	47.0375	9.195	21.86	2010
215	Naogaon Artho-Samajic Unnayan Sangstha	3.217315	3.818507	6.3375	30.9825	23.3475	4	101.975	19.325	20.8775	2014
216	Nari Uddog Kendra (NUK)	2.817249	3.997741	84.605	46.4925	111.575	0.475	48.13	23.6275	20.6125	2008
217	Naria Unnayan Samity (NUSA)	4.387043	4.34872	23.6175	23.6175	13	2.885	89.6425	11.0525	19.875	2009
218	Nari-O-Shishu Kallyan Sangstha (NSKS)	3.838858	4.101236	83.9975	41.1025	8.535	0.4225	75	29.295	30.085	2008
219	National Development Council (NDC)	2.94745	4.001774	9.175	34.235	30.9475	1.94	89.65	11.59	22.12	2008
220	Nazir (Natun Zibon Rochi)	3.520688	3.979761	29.695	41.48	8.9325	2.3375	85.615	9.6825	23.9975	2008
221	Nazrul Smriti Sangsad (N.S.S)	2.893627	4.154935	24.63	48.7475	30.665	-0.13	70.52	1.8525	10.735	2013
222	NEDA Society	3.008289	3.917661	5.425	30.5425	30.11	7.3425	108.485	17.44	30.075	2010

223	NEED	3.271678	3.941281	13.9325	35.4725	14.1675	1.85	89.3025	10.7025	16.125	2009
224	Need Foundation	3.044574	3.927327	30.875	34.8675	9.8925	3.0525	77.02	20.88	20.205	2011
225	NEED Manabik Unnayan Kendra	3.221654	3.995916	25.7525	45.7325	13.2275	0.855	77.8025	4.7275	23.515	2012
226	New Era Foundation	4.144836	4.503431	29.6525	39.515	10.865	1.8425	70.705	-1.095	22.055	2007
227	New Initiative for Empowerment of the Poor	3.063365	4.138466	5.18	31.55	22.5175	6.305	110.5675	19.515	28.8525	2011
228	Nijera Shikhi	2.735667	3.827573	21.4825	51.8175	1.81	0.295	59.76	79.99	24.3625	2008
229	Nirapad Islami Gram Unnayan Sangstha	3.437472	4.154503	7.8275	21.0125	19.925	3.9025	101.495	13.8425	21.785	2012
230	Nirapod Samaj	3.459135	4.239714	18.96	37.96	10.5275	2.5	86.575	17.9	17.455	2013
231	Nirman Sangathan	3.169901	3.848898	14.535	36.5575	16.075	3.8725	102.68	14.5275	26.86	2010
232	Nishkriti	4.073694	4.118266	11.025	35.9675	17.1325	4.3675	107.6125	14.725	27.975	2009
233	Niskrity Foundation	3.357329	3.860656	0.6525	49.4225	31.0175	0.655	42.9325	5.7075	23.775	2008
234	Noakhali Rural Action Society (N-RAS)	2.648041	4.100487	28.3075	37.505	16.8075	4.77	61.3725	15.0575	26.0275	2009
235	Noakhali Rural Development Society	4.600143	4.149414	6.355	36.495	12.8725	4.845	99.37	13.845	28.3825	2008
236	Nobo Jibon	3.573654	3.963433	17.77	38.365	8.38	2.585	84.2525	8.8125	21.8125	2008
237	North” engal Rural Development Society	3.272218	4.051359	6.705	38.27	17.1825	3.6475	92.6	10.955	30.985	2012
238	Notun Shathi	3.504081	4.281359	8.275	28.86	18.7	5.855	126.61	20.0775	36.105	2008
239	Nowabenki Gonomukhi Foundation	4.675767	4.033146	29.7025	38.6025	5.5625	1.4425	72.875	7.095	26.49	2008
240	OCA” Society	3.18911	4.174351	26.69	37.0975	10.5025	2.765	83.0575	8.5825	25.6725	2008
241	OPCA (Organization for the Poor Community Advancement)	3.772496	4.229102	29.9925	43.905	5.4975	1.645	80.6625	6.4175	22.985	2008
242	ORGANIZATION FOR DEFENDING ” ” E DISABLE (DDO)	2.915456	3.808122	21.4025	17.105	38.31	4.14	111.845	15.9725	289.2675	2013
243	Organization for Rural Advancement (ORA)	3.312873	3.997503	13.24	15.8375	-8.2075	-0.1725	101.265	-3.315	18.4175	2008
244	Organization for Social Advancement Cultural Activities (OSACA)	4.528678	4.376578	20.82	29.9	22.485	6.75	123.15	20.475	25.04	2008

245	Program for Community Development (PCD)	4.126795	4.399344	28.3975	33.645	16.355	4.9575	107.815	16.4625	22.89	2008
246	Protisruti Manobik Bikash Sangstha	2.819837	4.082542	3.045	37.585	29.7375	4.18	99.2025	11.805	25.4025	2011
247	Prottoy Unnayan Sangstha	3.148926	4.459106	20.305	33.9575	10.3075	2.51	87.0275	10.5025	21.9375	2007
248	Rajshahi Social Development Program (RSDP)	3.382359	4.034548	31.965	45.88	3.2575	1.165	65.6275	8.8975	21.1425	2007
249	Rangpur Unnayan Samajik Sangstha (RDSS)	3.231638	4.413776	2.6025	29.025	33.0975	-13.14	81.25	20.21	31.375	2007
250	Relation	3.01896	3.858892	27.15	46.83	50.5	2.6	78.1425	3.5375	18.0025	2012
251	RISDA-Bangladesh	3.511631	4.092464	45.6175	37.7125	4.19	3.0925	94.695	13.035	18.965	2012
252	Rova Foundation	3.945155	4.20012	25.3525	34.83	11.29	3.495	347.5875	33.1975	28.075	2008
253	Rural Advancement Committee (RAC)	3.158998	4.237869	4.155	35.0425	0.445	3.2325	91.6125	9.7425	25.18	2013
254	Rural Advancement Committee for Bangladesh (RAC-BA•G•ADESH)	3.081553	3.66891	35.17	37.0625	-2.915	1.95	87.225	12.8275	18.58	2008
255	Rural Development and Welfare Foundation	3.495805	4.353438	13.8975	38.7625	16.6675	3.2325	87.7575	9.08	28.655	2008
256	Rural Economic Development Program	2.97777	3.901299	27.9925	36.3075	2.5875	1.22	83.8425	11.165	13.385	2009
257	Rural Youth Development Organization (RYDO)	3.133981	3.970791	16.825	42.065	10.635	1.21	81.4875	27.1525	125.97	2012
258	Sabalambay Unnayan Samity	4.071268	4.150491	30.7875	40.2375	2.43	1.8525	70.8825	6.335	23.845	2008
259	Sachatan Shahajjo Sangstha	3.631262	4.328787	47.4025	41.315	2.9025	1.3025	82.725	12.315	23.0775	2013
260	Sachetan Society	3.923801	4.195196	28.5	39.395	5.385	2.9	85.905	11.53	25.8225	2008
261	Sachsa Sebi Palli Unnayan Sangstha - PIPASA	3.463965	3.87897	75.5375	78.9425	-38.51	-4.525	55.7625	-20.825	19.98	2009
262	Sagarika Samaj Unnayan Sangstha (SSUS)	4.552517	4.301966	22.915	40.9575	11.5725	2.95	82.0825	10.6025	22.86	2008
263	SAHAI Sesshashebi Pally Unnayan Sangstha	3.809654	3.840702	14.905	48.015	12.21	0.7275	75.375	7.0225	27.6975	2008
264	Sajida Foundation	5.25195	4.514333	31.4025	37.425	6.635	2.9675	88.8225	10.94	25.53	2008

265	Salvation of Women Local Association (SAWLA)	2.906573	3.78427	31.2	35.725	30.14	1.5525	90.7225	15.7625	14.6025	2007
266	Samadhan	4.248127	4.41475	23.185	34.8225	15.47	3.97	94.02	16.865	21.6875	2007
267	Samaj Unnayan Kendra (SUK)	4.144083	4.207606	11.15	30.155	23.6925	5.6825	110.135	20.8175	26.155	2007
268	Samajik Sachetona Palli Unnayan Karmasuchi (SARD)	2.920782	3.956516	30.18	47.4925	3.82	0.325	74.365	20.9625	24.5725	2011
269	Samakal Samaj Unnayan Sangstha (SSUS)	3.919109	4.11497	29.4425	38.66	11.2575	3.665	94.5325	11.37	26.495	2008
270	Samannita Attonirvorsheel Samaj Unnyon Sangstha (SISDA)	2.953174	3.885253	30.725	40.775	14.295	1.505	74.5425	11.7325	23.16	2013
271	Samannita Unnayan Seba Sangathan (SUSS)	3.729953	4.087073	41.9975	40.7625	6.9275	2.725	81.22	9.2975	26.49	2007
272	Samata Unnyan Sangstha	3.116981	4.141439	35.995	43.385	8.2325	1.505	82.4925	8.695	29.86	2008
273	Sammannita Samaj Unnayan Sangstha (ICDA)	3.802548	4.170445	30.2775	42.685	5.4425	1.1725	77.395	4.7575	25.88	2008
274	SAMMILON FOUNDATION	2.990005	3.937393	12.9	46.585	3.9425	0.61	74.2475	10.225	28.7875	2012
275	Sanchayan Unnayan Sangstha (SUS)	2.940166	3.944603	6.33	36.07	18.4075	1.6075	80.97	8.7275	26.0375	2013
276	Sancred Welfare Foundation (SWF)	3.971281	4.105703	96.6975	57.2475	-3.9575	1.9275	42.97	26.7175	15.5575	2007
277	Sangkalpa Trust	4.186397	4.161559	31.145	46.5825	1.7275	1.5425	79.86	4.555	24.0825	2009
278	Sangram (Sangathita Gramunnayan Karmasuchee)	4.455282	4.18587	35.04	38.0175	2.2225	2.745	86.1325	3.895	23.295	2008
279	Santal Mission Norwegian Board	3.860477	4.141417	0.8625	32.6075	31.075	6.14	112.32	18.1025	25.95	2009
280	Saptagram Nari Swanirvar Parishad	3.244645	4.193384	0.5675	22.5225	37.595	5.805	188.0275	35.27	23.6225	2008
281	Sathi Unnayan Sangstha	3.021699	3.897612	7.5375	47.59	18.2525	0.5875	77.43	3.1325	24.8675	2013
282	Satkhira Unnayan Sangstha (SUS)	4.621151	4.100056	21.215	41.7875	18.29	1.6	78.095	9.49	23.02	2008
283	Save Our Life	2.882326	4.161447	2.355	40.1775	27.2025	2.305	87.4	11.3375	30.805	2011
284	Saviour (SAVIOUR)	2.640187	4.15436	37.2025	42.6275	6.28	3.14	83.6925	8.8525	35.165	2011
285	SDS	4.697634	4.436587	27.5625	41.9075	12.3775	2.42	55.175	8.225	22.925	2008
286	Seba Environment Development Society	2.842354	4.284832	15.8525	26.815	9.4725	9.9625	114.495	21.125	36.6875	2010

287	Self-Help — Rehabilitation Program-Sharp	4.452763	4.148433	22.3075	43.2425	13.8725	2.025	72.8	9.19	26.1725	2008
288	Shahajira Mohila O Shishu Unnayan Sangstha	2.871419	3.757496	22.2875	39.7225	26.07	1.375	69.125	10.05	21.6775	2009
289	Shakaler —annya Kallyan (S—K)	3.343559	3.865217	53.55	66.91	-37.375	-2.48	24.41	-54.3525	15.8975	2008
290	Shakti Foundation for Disadvantaged women	5.653366	4.054253	26.9325	40.7575	7.68	1.995	82.0175	9.9575	31.005	2007
291	Shamoli Polli Unnayan Sangstha	2.931417	4.267638	31.9275	40.87	10.1075	3.1325	91.8475	9.6825	23.685	2012
292	Shanti Prio Sangstha	3.501695	4.350402	12.945	44.9025	11.4875	1.865	80.8025	7.11	23.17	2009
293	Shanti Uddyog Trust-SUT	3.011173	4.272455	26.94	45.5925	2.23	1.6725	64.1825	12.7675	23.1375	2009
294	Shapla Gram Unnayan Sangstha	4.001667	4.232069	31.325	40.7225	6.4375	2.385	83.35	9.96	25.8125	2007
295	Sheba Manab Kallyan Kendra (SMKK)	2.834692	4.002374	88.195	49.035	34.1875	0.24	73.8025	75.7925	14.46	2008
296	Shefali Mohila Kallayan Sango	3.171627	3.919081	22.48	49.36	13.225	0.4625	77.895	3.0575	12.9425	2013
297	Sheva Nari Shishu Kallyan Kendra	4.333161	4.546314	23.44	39.065	11.04	2.53	78.915	9.35	24.205	2007
298	Shikha Samaj Kalyan Sangstha	3.030606	4.080695	9.7525	34.93	21.7925	1.7125	190.19	8.77	27.645	2012
299	Shiropa Development Society	3.790405	4.089477	27.74	36.5875	8.97	4.3575	100.71	13.6975	23.695	2010
300	United Human Social Advancement Foundation (UHSA)	4.303253	4.26596	41.485	37.1675	32.765	2.34	85.0275	11.27	72.7175	2009
301	Universal Social Helping Association (USHA)	3.037966	4.302568	21.7375	55.125	8.3625	-0.465	70.4675	-13.155	20.7725	2013
302	UNNAYAN	4.365399	4.143841	30.2275	41.3375	10.7625	2.695	69.355	11.9325	21.9925	2008
303	Unnayan Prochesta	4.147068	4.120803	28.14	42.5425	7.42	-0.185	63.9125	8.6925	17.875	2007
304	Unnayan Sangha (US)	3.731507	3.552599	22.2425	298.8075	18.5	0.3875	59.535	11.21	12.8075	2008
305	UPAMA (Unnayaner Pathe Manush)	2.904037	3.901542	8.995	55.1325	7.4925	-0.41	60.56	4.085	20.5125	2007
306	USA	3.362746	4.057924	15.64	29.655	13.7875	3.25	107.7675	15.9425	20.825	2009
307	Uttara Development Program Society (UDPS)	4.676355	4.361217	14.3725	33.0275	18.5925	4.8275	98.1275	13.695	26.685	2008
308	Uttaran	4.271493	4.046247	41.4975	44.325	6.36	1.7575	75.5	12.545	25.7075	2008

309	Uttarayan Janakallyan Mohila Samity	3.457986	3.585139	22.585	64.765	-4.3525	-3.965	52.8325	-24.6425	13.31	2011
310	Village & City Development Society	3.947638	4.084573	13.205	42.5625	4.6425	1.795	81.9	8.115	24.6175	2008
311	Village Association for Social Development (VASD)	3.744052	4.170373	24.7025	42.84	12.435	1.62	81.305	10.3925	24.985	2008
312	Village Development Mohila Sangothon (VDMS)	2.854325	4.013213	29.6675	51.24	9.955	-0.24	67.0925	-3.54	18.4475	2012
313	Village Education Resource Center	4.862037	4.313071	13.9375	33.835	27.795	4.25	102.0975	15.02	25.76	2007
314	Voluntary Activities for Social & Human Advancement Foundation	3.150942	4.031319	19.8	43.8475	13.8925	1.2575	79.9575	11.085	25.415	2012
315	Voluntary Organization for Rural Development (VORD)	3.015966	3.734198	21.405	28.0875	27.765	4.22	121.5675	20.19	18.7525	2008
316	Voluntary Organization for Social Development (VOSD)	4.589707	4.179941	28.2475	43.2925	1.16	1.225	78.2975	6.4275	17.6675	2008
317	VPKA Foundation	3.938183	4.072387	22.745	39.815	11.4975	3.2475	88.615	11.37	23.335	2008
318	Wave Foundation	5.095879	4.251727	34.705	37.085	8.7225	2.5325	83.7775	17.4275	17.7725	2007
319	Young Economic Society (YES)	3.188854	4.170126	49.4925	45.3725	2.075	1.0325	76.7625	8.4475	20.525	2008
320	Young Power in Social Action (YPSA)	4.34121	4.412826	31.1075	40.5375	6.75	2.1075	74.695	8.6775	22.0625	2008

Source: Researcher's Calculation

Appendix B: Islamic Microfinance Institution List

Table: Mean Values of Islamic Microfinance organizations Performance Indicators and Selected Determinants in Bangladesh from 2015 to 2018.

Sl. No.	Name of Institution	LnNOB	LnALPB	MQ	EQ	CA	ROA	OS	OM	PY	Year of Establish
1	Ad- din Welfare Centre	4.920419	4.142212	20.03	40.23	16.17	2.40	81.23	9.15	15.88	2008
2	Al Kariem Shikkha Paribesh Unnayan Foundation	3.005136	3.973366	26.19	39.35	8.66	1.90	86.16	15.26	14.85	2012
3	Al-Falah Aam Unnayan Sangstha (AFAUS)	4.459751	3.678973	20.23	43.81	13.27	2.34	86.66	8.04	14.83	2008
4	Muslim Aid Bangladesh	3.011342	3.703196	13.96	37.97	29.05	1.92	94.02	19.62	14.61	2009
5	Noble Education Literary Society	4.501245	4.167689	5.45	42.32	22.33	2.01	77.40	29.15	16.44	2009
6	RDS	3.404265	4.03144	30.31	40.64	5.99	2.43	85.98	11.93	18.33	2009
7	TMSS	4.313546	4.164236	20.60	39.86	11.27	3.24	81.11	11.58	18.19	2008
8	RESCU	3.023537	4.149127	22.86	41.22	17.365	1.19	72.6125	20.0375	14.7325	2008

Source: Researcher's Calculation