

Interpretive Structural Modelling of Causes of Employee Turnover in Microfinance

Industry

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Abstract



Microfinance is considered to be one of the best tools to deliver the financial services to the poor people in Pakistan to eradicate the poverty from the roots. This research is aimed to explore the factors that impact causes of employee turnover in microfinance industry in developing countries like Pakistan. Discourse of literature coupled with experts opinion is used for identification of factors. Interpretive Structural Modelling (ISM) is used of structural mapping of factors interconnections. Cross impact matrix multiplication applied to classification (MICMAC analysis) is used for classifying the factors on the basis of driving-dependence power. ISM and MICMAC methodologies are used in order to simplify the complex and conundrum phenomena by representing it into graphical form. These are qualitative methodologies of modelling and analysis for which primary data is collected through matrix type instrument of measurement coupled with semi-structured interview. Results of review of literature show that there are 18 factors causing employees turnover in microfinance industry. ISM results reveal that job insecurity, absence of complementary financial and non-financial services, unrealistic recovery targets and temptation for money laundering are the most critical factors. MICMAC shows that there is no autonomous factor, 4 are in independent, 4 are in dependent and remaining 10 are in linking. This is a valuable study having implications for microfinance investors to use their existing resources, policy makers to design their policies according to the designed framework to gain advantage and decision makers to use their existing resources & means to manage these factors optimistically. The current study was conducted in a developed country such as Pakistan, but it can be effectively extended to neighbouring developing countries with minor changes to the hierarchy structural model.

Keywords: Microfinance, ISM, MICMAC, Employees' Turnover, Microfinance Banks

Background of the Study and Contemporary Literature

The purpose of this chapter is to provide preliminary information about the context of the current study. It provides an insight of what this research is all about and how have we conducted the research. It consists on the background information about the topic of research, brief history, problem statement, aims and objectives of the research, its scope along with the limitations, overall research methodology and eventually the structure to be followed along with the summary. Microfinance is the extension of small loans to the poor people along with the multiple financial services including the saving accounts, training, health related services, networking as well as peer support (Kariuki, Wandiga & Odiyo, 2022). Microfinance is considered to be one of the best tools to deliver the financial services to the poor people in Pakistan to eradicate the poverty from the roots and the people who are availing the financial services through microfinance perform to end their own poverty with dignity (Augustine, 2012). The people who avail the financial services under the microfinance services are those low-income individuals who don't have the access to the conventional banking and they are being excluded by the traditional banking services (Albert & Olivia, 2015; Siddiqi, et al. 1997). The microfinance services aim to deliver the financial services to the marginalized groups, particularly women and those rural poor who want to improve their current status while improving their self-sufficiency through the microfinance services. The employees' motivation and their job satisfaction play a significant role in the employees' turnover in the multiple organizations (Mulang,

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2022). Employees' turnover or the turnover rate of the employees is defined as the ratio of those people who leave the particular organization during the specific period of time (Malik, Amjad & Nemati, 2022). This project will explain about the employees' turnover in different organizations particularly in the microfinance sector in Pakistan. Microfinance sector in Pakistan is moving from the hard time due to the COVID-19 pandemic situation as the entire sector is being disturbed due to this global disease. There are two types of organizations in this sector including the microfinance institutions and microfinance banks (Asongo, 2014; Van Dick, et al., 2004). Organizational turnover is characterized as "the percentage of the number of company members who have leftward throughout the period under consideration separated by the average amount of persons in that company throughout the period" (Siddiqi et al., 1997). It is frequently harmful to an organization's ability to operate effectively. Adams and Beehr (1998) described organizational turnover as "the act of leaving any job for any period of time" (Feldman, 1994) and is generally assumed to be followed by continued regular jobs". Managers, on the other hand, look at job turnover as the whole method of filling a vacancy. Employee turnover whether voluntary or not, costs business a lot of money (Collins et al., 2015). In the United States, voluntary turnover is about 24% and each employee who leaves costs one to two times their yearly income (Marsden, 2016). The general issue in business is that high voluntary turnover eats into earnings. The particular market concern is that certain small business owner does not have policies in place to minimize voluntary employee turnover.

To be precise, following are the research questions that need to be answered:

1. What are the causes of turnover in microfinance industry?
2. What are the contextual relationships among these causes?
3. What are the key causes that must be taken care by the stakeholders on top priority?

Considering the research questions formulated as above following are the objectives of the study:

- To review relevant literature and to identify the causes of turnover in microfinance industry.
- To prioritize, analyse and classify the cause of employee turnover.
- To represent the findings of the study in simplified form for understanding of stakeholders.

It is a seminal study of microfinance industry which is an emerging consumer finance sector that has got fundamental importance to support the sustainability. The scope of the study is envisaged to micro finance sector and does not include banking sector. It is an exploratory study that only investigates the causes of employee turnover of the industry of microfinance.

Methodology

This research uses qualitative research strategy in such a way that numeric data or mathematical calculations will not be involved. The basic purpose is to explore different aspects related to employee turnover. The Qualitative research is used for extensive analysis and understanding of investor attitude and behaviour (Barnham, 2015). Qualitative research is useful for this purpose as relationship between different variables has to be developed by thorough literature review. Time horizon used is cross sectional as the study is conducted on basis of literature that has been developed at a particular point of time. Interpretive Structural Modelling is been used in order to evaluate the collected data (Attri et al., 2013).

Interpretive Structural Modelling (ISM)

ISM is the well-established methodology for identifying relationships among specific items, which define a problem or an issue (Shaukat et al., 2021). For any complex problem under consideration, a number of factors may be related to an issue or problem. So that direct and indirect relationships between factors can be described accurately than the individual factor taken into isolation. ISM is a qualitative and interpretive approach focused on the structural mapping of attribute interconnections to solve complex problems and it is followed by transformation into a multi-level structural model (Warfield, 1974). The basic concept of using this methodology is to utilize the experience of the experts and the ability to break down a network of system into many sub-systems in which a multi-level structure can be constructed (Mathiyazhagan et al., 2013). Experts' opinion is the key cornerstone in developing ISM model. According to (Warfield, 1974), eight experts at least can be utilized as respondents for getting consensus, the groupings can be from both industry and academia domain. For this research, data were collected from 18 experts. All the experts involved have experience in the related sector explained the procedure of constructing ISM model. The flow for carrying the adopted methodology is as followed:

- A list of major factors influencing the issue is finalized through a systematic literature review and from expertise of experts.
- The Structural Self-Interaction Matrix (SSIM) is built.
- To verify the transitivity error, reachability matrices (initial and final) has been created. In ISM, the transitivity check is a fundamental assumption and is considered compulsory.
- The final matrix of accessibility established in the above stage is partitioned and divided into different stages.
- On the basis of final reachability matrix, lists of antecedent and reachable factors is created.
- A directed graph is drawn on the basis of relations described above in the final reachability matrix.
- The resulting digraphs was then translated into an ISM model by placing sentences in place of nodes.
- Using the final reachability matrix, the MICMAC analysis is then conducted.

Data Collection

The factors identified are presented in Table 1. The authenticity of those factor was discussed with 18 Microfinance experts in the banking sector of Pakistan. Each of the group's experts and members has between 10 and 20 years of experience related to microfinance and some of them have prominent roles in their companies when it comes to decisions in the field of microfinance. A meeting with each person was held to confirm the collection of factors described in the literature before examining the relationships between factors and to agree on the interpretation of each of these factors. Interviews were conducted face to face and all the experts were provided with description of meanings of the related variables used in self-structured interaction matrix namely: V, A, X, O.

Table 1: List of Influential Factors

Code	Factors	Author(s)
1	Job insecurity	Van Dick et al. (2004)
2	Absence of complementary financial and non-financial services	Asongo and Idama (2014)
3	Unrealistic recovery targets	Abbasi et al. (2008)
4	Absence of retirement plans	Adams and Beehr (1998)
5	Temptation for money laundering	Augustine (2012)
6	Social pressure due to interest based banking	Shaukat et al. (2019)
7	Frequent mis-behavior of management	Sharma and Sharma (2018)
8	Unfriendly organizations policies	Akinyomi (2016)
9	Absence of insurance plans	Anvari et al. (2014)
10	Comparative more work pressure	Mulang (2022)
11	Handsome salary from competitors	Alam (2015)
12	Lack development to adopt digitization in industry	Malik et al. (2022)
13	Family job unfit	Bhayo et al. (2017)
14	Vulnerable to harassment	Akinyomi (2016)
15	Political interference	Tabassam et al. (2016)
16	Lesser opportunities of growth	Yudatama et al. (2018)
17	Prolonged timings	Gothwal and Raj (2017)
18	Working on off days	Kariuki et al. (2022)

Building Structural Self-Interaction Matrix (SSIM)

The relationship demonstrating the factors that affects employee turnover that were agreed upon by the experts were used to develop directional association between these factors (Table 2). The relationship between these factors is organized as (i, j) and is based on association between these factors that are symbolized as V, A, X and O. In the given matrix i is representing rows while j is showing column entries.

- V: Factor written in row is facilitating the entry in j but not vice versa
- A: Factor written in row j is facilitating the entry in i but not vice versa
- X: Factor written in row i is facilitating the entry in j and vice versa
- O: Factor written in row is not facilitating the entry in j and vice versa

Table 2: Structural Self-Interaction Matrix

Code	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1		X	V	X	A	X	X	X	X	X	X	X	V	O	X	V	X	X
2			V	A	X	A	X	V	X	X	X	X	V	X	O	V	X	X
3				O	A	O	X	A	O	X	X	O	X	O	X	V	O	X
4					A	O	A	V	V	O	O	V	O	X	X	A	O	O
5						X	O	X	X	O	O	X	X	O	X	X	X	O
6							O	X	O	O	O	X	A	X	O	O	X	X
7								A	O	O	O	X	A	X	X	O	A	V
8									O	X	X	O	O	O	X	O	X	X
9										O	O	O	X	O	X	O	X	X
10											V	X	A	O	X	A	A	V
11												O	V	O	X	A	O	X
12													O	O	O	X	X	O
13														O	O	O	O	X
14															O	X	O	O
15																A	O	X
16																	O	X
17																		V
18																		

Developing Initial Reachability Matrix

SSIM is then converted into initial reachability matrix (Table 3) by replacing the alphabets V, A, X and O by binary digits (0's and 1's) using the rules given below:

- Every cell containing V is replaced by 1 in (i,j) matrix while in (j,i) it is replaced by a 0.
- Every cell containing A is replaced by 0 in (i,j) matrix while in (j,i) it is replaced by a 1.
- Every cell containing X is replaced by 1 in (i,j) matrix and (j,i) matrix as well.
- Every cell containing O is replaced by 0 in (i,j) matrix and (j,i) as well.

Table 3: Initial Reachability Matrix

Code	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	1	0	1	0	1	0	0	0	0	0	0	0	1	0	0	1	0	0
2	1	1	1	1	0	1	0	1	0	0	0	0	1	0	0	1	0	0
3	1	1	1	0	1	0	0	1	0	0	0	0	0	0	0	1	0	0
4	1	0	0	1	1	0	1	1	1	0	0	1	0	0	0	1	0	0
5	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
6	1	0	0	0	1	1	0	0	0	0	0	0	1	0	0	0	0	0
7	1	1	1	1	0	0	1	1	0	0	0	0	1	0	0	0	1	1
8	1	1	0	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0
9	1	1	0	1	1	0	0	0	1	0	0	0	0	0	0	0	0	0
10	1	1	1	0	0	0	0	1	0	1	1	0	1	0	0	1	1	1
11	1	1	1	0	0	0	0	1	0	1	1	0	1	0	0	1	0	0
12	1	1	0	1	1	0	1	0	0	1	0	1	0	0	0	0	0	0
13	1	1	1	0	1	0	0	0	1	0	1	0	1	0	0	0	0	0
14	0	1	0	1	0	1	1	0	0	0	0	0	0	1	0	0	0	0
15	1	0	1	1	1	0	1	1	1	1	1	0	0	0	1	1	0	0
16	1	1	1	0	1	0	0	0	0	1	0	1	0	1	0	0	0	0
17	1	1	0	0	1	1	0	1	1	1	0	1	0	0	0	0	1	1
18	1	1	1	0	0	1	1	1	1	1	1	0	1	0	1	1		1

Transforming Initial Reachability Matrix to Final Reachability Matrix

Initial reachability matrix is then converted it into final reachability matrix (Table 4) by keeping in mind the transitivity rule. Some of the cells in which there is a 0 will be transformed into 1 and record is kept by placing asterisk (*) above the 1 which is replacing 0. This transitive test for the consistency of reachability matrix is required to obtain the final reachability matrix. Every factor's dependency and driving power are also shown in the final reachability matrix. The total number of factors that a specific factor can help achieve (including itself) is shown by driving force, while the total number of

factors that can help achieve a particular factor is shown by the power of dependency. Looking at the final reachability matrix, a factor's driving power is equal to the sum of all the 1's in its rows, and its dependency power is equal to the sum of all the 1's in its column. The final reachability matrix determines all of these abilities. The reachability matrix is used to divide the variables in various levels, while the driving power and dependency power of the variables are used to perform the MICMAC analysis (Figure 2).

Table 4: Final Reachability Matrix

Code	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Driving Power
1	1	1*	1	0	1	0	1*	1*	1*	0	0	0	1	0	0	1	0	0	9
2	1	1	1	1	0	1	1*	1	1*	0	0	0	1	1*	0	1	0	0	11
3	1	1	1	1*	1	1*	1*	1	0	0	0	0	0	0	0	1	0	0	9
4	1	1*	1*	1	1	1*	1	1	1	1*	1*	1	1*	1*	0	1	0	0	15
5	1*	1	1*	1*	1	1*	0	1*	0	0	0	0	1*	0	0	1*	0	0	9
6	1	1*	1*	0	1	1	0	0	1*	1*	1*	0	1	0	0	1*	0	0	10
7	1	1	1	1	1*	1*	1	1	0	1*	1*	1*	1	0	1*	1*	1	1	17
8	1	1	1*	1	1	1	1*	1	1*	1*	1*	1*	0	0	0	1*	0	0	13
9	1	1	1*	1	1	1*	0	1*	1	0	1*	1*	1*	0	0	1*	0	0	13
10	1	1	1	1*	1*	1*	0	1	0	1	1	1*	1	1*	1*	1	1	1	17
11	1	1	1	1*	1*	1*	1*	1	0	1	1	0	1	0	0	1	1*	1*	15
12	1	1*	1*	1	1	0	1*	1*	0	1	1*	1	1*	0	0	0	0	0	11
13	1	1*	1	1*	1	0	0	1*	1	0	1	0	1	0	1*	1*	0	0	11
14	1	1*	1	1	1*	1*	1	1*	0	1*	1*	0	1*	1	0	0	1*	0	13
15	1	0	1	1	1	1*	1	1	1	1*	1	1*	1*	1*	1	1	1*	1*	18
16	1	1	1	0	1	0	1*	0	0	1	0	1	0	1	0	1	0	0	9
17	1	1	1*	1*	1	1	1*	1	1	1	1*	1	1*	1*	1*	1*	1	1	18
18	1	1	1	1*	1*	1	1	1	1	1	1	1*	1	1*	1	1	1	1	18
Dependence Power	18	17	18	15	17	14	13	16	10	12	14	11	15	8	6	15	7	6	

Level Partitioning and ISM-Based Modelling

On the basis of final reachability matrix, antecedent and reachable factor's lists was created for each of the factor and factors that were similar to both lists (the intersection set) were listed. Then, intersection set was compared to the reachability set in order to evaluate the degree of each factor. Factors for which reachability and intersection sets were similar are considered as level 1 factors. Then, from the table, the established factors' rows and columns were removed and the new reachability and intersection sets were tested for the remaining factors. Factors equal to the intersection and the reachability sets were to be considered level 2 factors and the iterations were repeated until all variables were classified into different levels. Level partitioning was done and final hierarchical structure was designed using ISM based modelling.

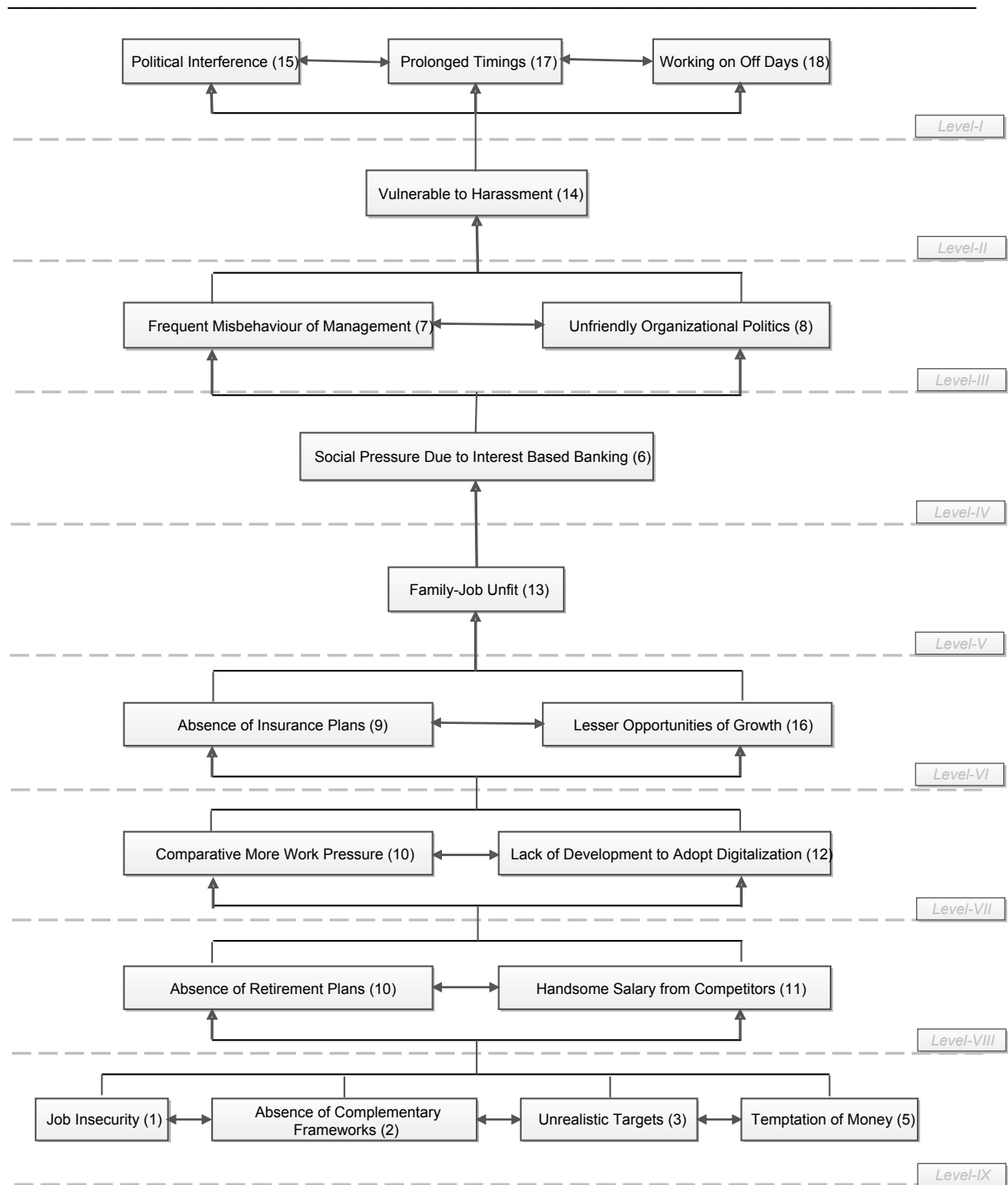


Figure 4.1 Hierarchical Model

Explanation of Hierarchical Model

Factors named job insecurity (1), absence of complementary financial and nonfinancial services (2), unrealistic recovery targets (3) and temptation for money laundering (5) make the foundation for other factors specially those at the upper level. These factors are linked to each other having a two-way relation between absence of retirement plans (4) and handsome salary from competitors (11). Lack development to adopt digitization in industry (12) is linked with comparative more work pressure (10) if there is lack of technology in industry then there will be more pressure on staff to complete targets. Absence of insurance plans (9) and lesser opportunities of growth (16) are linked with each other if there is absence of insurance plans in any organization then there will be lesser opportunities of growth for employees. Family job unfit (13) is critical for a countries or microfinance

sector growth. Frequent misbehaviour of management (7) and unfriendly organizations policies (8) may be severely affect the organizations growth. The effectiveness of the microfinance structure is primarily determined by the continuity of good leadership. When policy priorities change within a short period of time in microfinance organizations, a sector's growth is considered inefficient. The relationship between working on off days (18), prolonged timings (17) and lesser opportunities of growth (16) can be measured in two ways. To begin with, working on off day's climate breeds instability and volatility, which discourages microfinance employees and slows development of sector. Second, working on off days directly influences the lesser opportunities of growth. It effects the growth of microfinance sector, and alters microfinance growth patterns, both of which have a direct impact on economic growth and microfinance sector's growth (Asteriou & Price, 2001). On the whole political interference (15) has a negative impact on development and the microfinance sector experts should take steps to restore opportunities of growth and vice versa (Tabassam et al., 2016). Political interference and working on off days do have an adverse effect on lesser opportunities of growth in a microfinance sector as well as they impact each other. In the same way causes of turnover in microfinance sector effects on its growth. In short, the political interference has a negative effect on microfinance development. Economic growth is a critical factor in bringing less developed or developing countries' economies up to a steady state level of income. Local and foreign investments in microfinance sector and some other factors have an inverse relationship with sector's growth. Political interference not only limit the economy's capacity for expansion, but they also stifle economic growth across multiple channels (Shaukat et al., 2019). It shows that working on off days does have an impact on lesser opportunities of growth. All these factors have an impact on the employee turnover. Due to changes in all these factors microfinance sector fluctuates and does creates problems for economy. Changes in causes of employee turnover creates doubts in the minds of microfinance experts as these changes may cause them to suffer losses or the returns are not high enough. The microfinance sector success is influenced by turnover factors. Job Insecurity and misbehaviour of Management are two significant microfinance variables that influence turnover in microfinance sector (Barakat et al., 2015). Any cause in employee turnover can have a negative impact on the microfinance growth (Tunali, 2010). Job Insecurity and frequent misbehaviour of Management are amongst the most reliable microfinance variables that can explain microfinance sector fluctuations (Adrangi et al., 2011). Microfinance fluctuation also have had a strong impact on quality of services provided by the organization. If the organization is services oriented, it has to provide good services in order to gain advantage from investments. A strong positive relationship exists between market orientation and service quality (Sukanthasirikul & Trongpanich, 2013) and there is a positive impact of quality on customer satisfaction which enhances profitability (Anderson et al., 1994). Microfinance sector movement had a direct impact on Asset utilization as increase in consumer spending allows organizations to release their finance in the market utilizing majority of their resources for investment purposes. All these organizational level factors directly impact perceived experience of an individual. If we look closely, financial methods and techniques are evolving very quickly. This creates doubts in minds of microfinance investors whether to invest at a certain time or not. Investors having a good experience with some investment may not be willing to invest with changed procedures and innovation in investment. Reputation and value that a fund possesses directly impact the experience of an individual. An investor is much more interested in investing in the sector with good reputation. All these organizational factors thus impact on the perceived experience of an individual. This perceived experience then affects the expectation of the individual and how tolerance can he possess to take that risk in investment.

MICMAC Analysis

Using the final reachability matrix, MICMAC analysis is conducted (Figure 2). This is done in order to analyse the driving and dependence power of proposed criteria. In this analysis, the driving power is shown on horizontal axis and dependence power on vertical axis.

- Top right shows high driving and high dependence power. They are linkage enablers and highly unstable. It means a little change in them can affect entire output of the system.
- Top left shows low driving and high dependence power. They are the driving enablers and are basically input variables as they facilitate other factors.
- Bottom left shows low driving and low dependence power. They are autonomous enablers and are typically detached from the system as they possess a low impact on the system.

- Bottom right shows high driving but low dependence power. They are dependent enablers and are usually output variables as they are achieved from many other enablers of the system.

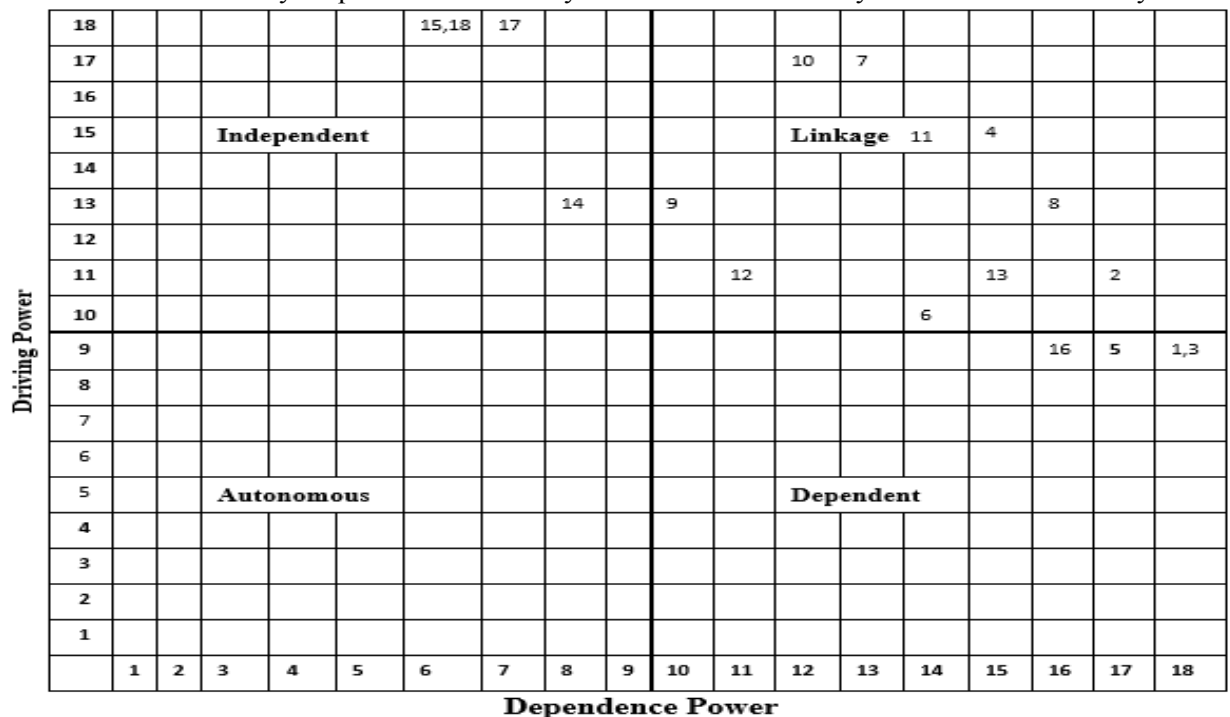


Figure 2: MICMAC Analysis

Explanation of Micmac Analysis

The hierarchical structure designed using ISM shows 18 factors classified at different level being driven by others or driving other factors. MICMAC analysis validates these factors by showing dependence power, driving power, linkage power and autonomous factors. Factors with least driving and dependence power lies in the Autonomous quadrant. In our study there was no such factors as autonomous as all the factors analysed have had some impact on the system. The most important quadrant in MICMAC analysis is the independent one as all the factors lying in this quadrant are driving other factors. MICMAC analysis done in this study shows four independent factors 14, 15, 17 and 18. Factors 17 and 18 have the maximum driving power and they are actually driving all other factors explored using the Literature. Both these factors are social level factors that are affecting the perception of people related to causes of employee turnover in microfinance sector. Factors 1, 3, 5 and 16 although depend upon the social and political conditions of the society but in case of microfinance sector they are driving organizational level factors. All these personal level factors in combination drives other factors that affect perception of people with regards to causes of employee turnover in microfinance sector. Factor that lies in this quadrant prolonged timings does affect microfinance sector in a way that people do not have confidence whether this is the right time to continue job in this sector or not. Looking at the MICMAC analysis performed a chunk of factors lies in the top right quadrant termed as linkage factors i.e. 2, 4, 6,7,8,9,10,11,12 and 13. All of these factors, directly or indirectly, are driven by organizational and personal level factors but they also drive perception of individuals related to causes of employee turnover in microfinance sector. These factors actually provide a linkage between social factors and individual level factors. All these factors are affected by causes of employee turnover in microfinance sector and at the same time perceived experience of individual is established on basis of these factors. The last quadrant in the MICMAC analysis belongs to dependent factors. All the factors including 1, 3, 5, and 16 are depending upon other factors directly and indirectly. These personal or individual level factors depend directly upon organizational level factors which in turn are depending upon microfinance factors. These two factors are the key factors therefore microfinance institutions and microfinance sector should focus on these individual perceptions of causes of employee turnover in microfinance sector in order to cope up with requirements of individuals.

Discussion

This research aimed to explore factors that impact causes of employee turnover in developing countries like Pakistan. Along with that basic aim is to design a framework or structure showing relationship between the factors explored. This structural relationship will make it easy for the firms or microfinance sector on the desired factors to enhance job opportunities and growth in microfinance. The literature review concentrated on finding out the most appropriate factors affecting causes of employee turnover in microfinance sector. Based on the qualitative analysis of all the turnover factors that impact the growth of microfinance sector, it can be concluded that there are three categories of factors impacting turnover perception namely; social factors, organizational factors and individual factors. Research was undertaken based on extensive literature review in order to work on the factors affecting employee turnover.

In this fast-moving world of microfinance sector, most of the microfinance institutions are conscious about their investment in individuals and the profits they can reap out of their money. Microfinance Institutions are trying to enhance their investment strategy and convince maximum people to invest in their firms. Developed countries has advanced technology and moved towards branchless banking investment while developing countries are still lacking in this aspect due to the facts recognized in the research. The main goal of this paper is to create a hierarchical structural model to investigate interrelationships between various factors by measuring the driving, dependency, and linkage power of each factor. The results of this study provide important information about the impact of various factors on Employee Turnover in developing countries. The factor recognition, combined with the measurement of driving and dependency capacity, provides useful information for microfinance investing. The contextual relationships for factors presented in this study assist decision-makers in formulating successful policies, guidelines, and regulations in order to acquire information about which organizations to invest in.

The factors “Political Interference” and “Prolonged Timings” are the most important factors. These two factors are the most independent factors out of all the explored factors. Both the factors do contribute in the decision-making process of an individual but he/she does not have any impact or authority to get hold of these factors. These two factors do have an impact on two other microfinance factors namely “Working on Off Days” and “Vulnerable to Harassment”. Although these factors depend upon the Economic conditions of the country and Political instability but they have an impact on the microfinance institutions while investing in microfinance sector. Due to these factors value of money in microfinance sector changes and along with those returns are affected by these factors. Due to change in value of money and return rate microfinance institution feel hesitant to invest. All these are microfinance factors and does have an impact on movement in the prices. Causes of employee turnover or fluctuation in response affects the organizational level factors including Quality of services, market condition, and reputation of microfinance loans and non-cash benefits. All these organizations level factors do impact the perception of microfinance institutions while investing in microfinance. These organizational level factors lie between the Government level factors and individual factors that forms the linkage to relate these factors. Any change in these linkage enablers may affect the system's performance, so they must be treated carefully. All these organizational factors do develop an experience for an individual. This “Perceived Experience” make an individual take necessary risks to gain rewards while investing in microfinance sector. The present study represents role of each factor at different levels and how they are; directly or indirectly impacting the perception of people to invest in microfinance. The present study facilitates the microfinance investors by creating relationship between different factors at all levels including organizational level and individual level and their impact on other factors.

Implications of the Research

This study will assist the microfinance investors to use their existing resources and means to manage loans in a better way. This study will assist policy makers to design their policies according to the designed framework to gain advantage. This study will also assist the decision makers to use their existing resources and means to manage these factors optimistically. The current study was conducted in a developed country such as Pakistan, but it can be effectively extended to neighbouring developing countries with minor changes to the hierarchy structural model. Since the present study is applied in relation to causes of employee turnover in microfinance sector, the finding can be utilized to develop hierarchical model in other types of investments.

Limitations of the Research

The ISM technique makes use of expert inputs that are subjective in nature. If experts provide biased feedback, it will have a direct impact on the study's final outcome, and it may fail at the adoption level. The present study mainly focuses on most of the causes of employee turnover in microfinance aspects related to investment whereas behavioural aspects are not been put into consideration. These behavioural aspects can also hamper the perception of people related to microfinance sector. These behaviours may change from place to place according to the conditions. It may be possible that developed results are limited to certain city from where the experts are selected.

Opinions may differ if move to rural area or the area different from where expert's opinion are gathered. The present study has selected 18 factors by reviewing the literature but it is not necessary that this is the only list of factors affecting microfinance sector and some other factors may also have an impact on microfinance sector.

Concluding Remarks

Three main categories are explored related to factors affecting microfinance sector namely social, organizational and individual. All the three categories do impact investment decisions, thoughts and processes of individuals at different levels. The hierarchical structure designed in this research demonstrates that social level factors are the most independent factors as they cannot be controlled by individuals. While Organizational level factors provide the link between microfinance and individual factors.

All the organizational factors create confidence, experience and linkage while depending upon the Organizational factors to develop their strategies. Based on the discussion, key areas that must be attended to for microfinance investment are divided into different categories where one category have had an impact on other and also impacting different factors at same hierarchical level. Framework is developed that determine different factors for Social, Organizations and individuals to analyse while investing in microfinance.

The study concludes that insecurity of job, absence of complementary financial and non-financial services, unrealistic recovery targets and temptation for money are they key factors that cause majorly cause the employees turnover in micro finance industry, therefore, it is recommended that the regulators must keep in mind whiles preparing policies thereof, management of micro finance institutions must address these issues and research community should explore the core and related issues to employee turnover of microfinance industry. This is a seminal study that can serve as basis for understanding the phenomenon for the stakeholders.

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