

The Effect of Microfinance Services on Women Entrepreneurship: A Case Study in Jordan

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Abstract

Microfinance is seen as a tool for poverty elimination by providing various services characterized as financial and non-financial to minority groups in the society to be included in the mainstream financial system. This paper seeks to examine the effect of microfinance institutions' (MFIs) financial and non-financial services on women's entrepreneurship and empowerment in Jordan as a developing country. To gain a deeper understanding of the effectiveness of microfinance services, the study is undertaken to address the question of what kinds of services are available and whether the MFI services are in line with the actual needs of women entrepreneurs to improve their performance. Hence, a qualitative approach was adopted in this study using semi-structured interview questions to collect data from twenty-four women entrepreneurs in Jordan. The results showed that, as regards financial services, the most important needs of women entrepreneurs include providing adequate financing with necessary financial facilities such as reducing interest, reducing monthly installments, and extending the grace period, while non-financial services should include holding specialized courses, accessing a counseling center, providing incentives and psychological support, marketing support, and monitoring and evaluation. This study concluded that factors associated with MFI play a crucial role to uplift women entrepreneurs and eliminate gender inequality.

Keywords: Microfinance Institution, Financial Services, Non-Financial Services, Women Entrepreneurs, Jordan

JEL Classification Code: G2, L26, L31

1. Introduction

Microfinance, which refers to the issuance of microloans and the delivery of other related services to entrepreneurs, has remained a major developmental tool across developing countries (Chirwa, 2002). With its inception in Bangladesh in 1976, microfinance assisted many entrepreneurs to engage in income-generating activities in order to increase their assets and reduce vulnerability (Hamada, 2010).

Hence, entrepreneurs planning to start their own businesses rely on microfinance as a source of resources for their micro- and small-sized enterprises (MSEs).

Women have been recognized as key contributors toward livelihood and poverty eradication, especially in developing countries. Women empowerment is crucial for the entrepreneurship development in these countries as their involvement in MSEs creates employment and ultimately economic growth (Mari et al., 2016). Moreover, increasing women's access to microfinance enables women to make a greater contribution to household income and this, alongside other interventions, increases household well-being and improves well-being for women and the possibility to bring about wider changes in gender inequality (Biswas, 2008). According to Abdullah et al. (2021) microfinance's financial and non-financial services have significant influence through the mediation of household's financial management and entrepreneurial competencies on all three aspects of socioeconomic performance, which are social wellbeing, economic well-being, and entrepreneurial success.

Although the essential role of microfinance on women empowerment, poverty alleviation, and uplifting their social

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status has been discussed, empirical studies are scarcely examined whether MF facilities influence the creation of new businesses and the growth of existing businesses among women entrepreneurs. Moreover, the findings of previous studies were inconclusive and failed to explain how MF influences women's entrepreneurial practices. Therefore, given the uncertainty as to whether MFI contributes to entrepreneurial activity essentially, understanding the underlying mechanism of MFIs is necessary. That is to say, it is important to know how MFIs contribute to the improvement of women entrepreneurs' enterprises and in the case of unsuccessful women entrepreneurs, what are the shortcomings of MFIs.

In Jordan, NGOs are mainly emphasizing women empowerment through microcredit. Using microfinance for the alleviation of poverty and livelihood diversification is one such attempts. Nonetheless, the number of women losing their entrepreneurship projects funded by microfinance intuitions is increasing. In 2019, hundreds of women MSEs in Jordan went to court as a result of their inability to pay MFI loans. Nearly 13,000 women failed to pay their debts (TJT, 2019). Thus, it is obvious that the optimal use of women's capacity is hindered due to the challenges they face in running their businesses; certain barriers that do not let women in Jordan to sustain their business careers. It is necessary to examine the impact of internal factors in the MFIs environment.

Evaluating the performance of MFIs is getting more attention recently and it is still ambiguous in some part, which calls for further research (Aker et al., 2021). This study seeks to clarify the function of these two aspects in the field of women entrepreneurs in Jordan. Revisiting the role of MFI accessibility in stimulating the survival of women MSEs as an engine for economic growth in Jordan is important. It clarifies the significant role MFI as a protection tool that contribute to economic outcomes in the absence of physical collateral and property rights among women MSE borrowers. Therefore, this research investigates the mediating role of microfinance services in the survival and growth of women owners of MSEs in Jordan, one of the developing countries. In other words, the purpose of this study is to examine the effect of financial and non-financial services of MFI in enhancing the performance of women running MSEs in Jordan.

2. Literature Review

2.1. Microfinance and Women Entrepreneurship

Microfinance provides services, both financial and non-financial; the former one covers a range such as small business loans to lower-income clients, savings, insurance, mortgages, and retirement plans, all of these representing

small amounts of finances for those who have been denied such services by formal banking and financial institutions (Khavul, 2010). Generally, it is devoted to needy communities with the aim of supporting economic development through the growth of their entrepreneurial activities. The latter one includes capacity building services, management, vocational skills training, consultancy, and advisory services, marketing assistance, information, technological development and transfer, and business linkage promotion (Bruton et al., 2011; Khavul et al., 2013). There are studies conducted to find out the impact of microfinance on poverty alleviation, women empowerment, entrepreneurship, and other related topics. The following section deals with them in detail.

2.2. Financial Services

One of the main causes of poverty in developing countries is the lack of access to productive capital, because formal financial institutions mainly exclude the poor in their lending activities (Chirwa, 2002). Therefore, in many developing countries, the implementation of microfinance programs to provide credit to the poor is used as a strategy. At the international level, microfinance programs have proven to help the government achieve several aspects of the United Nations' Sustainable Development Goals (SDGs), including poverty reduction. It is said that in cases of rapid growth in the economy, in agricultural products and better infrastructure creating demand for products and services provided by micro-entrepreneurs, microfinance institutions will be more effective in increasing the income of beneficiaries (Peprah, 2009). Therefore, microfinance, along with other innovative programs that provide people with potential benefit, is an essential tool for reducing poverty around the world (Yunus, 2003). In addition, microfinance can compensate market failures through providing credit for the poor. This credit creates economic power through which it also produces social power and frees the poor from poverty (Velasco & Marconi, 2004). The pioneering MFIs credit schemes show that microfinance consists of various elements, including poverty reduction, creation of business opportunities, investment, increasing income, empowerment of the poor, and family risk management. It shows that although microfinance primary goal was poverty reduction and empowerment, i.e., the social mission, later, the focus has been shifted from social aspects to financial function (Hamada, 2010).

As regards the effect of microfinance on women-run MSEs, Nallari and Griffith (2011) assert that access to finance and credit paves the way for women's empowerment, which manifest itself in the form of women's increased earning capacity and control of the household assets, resulting in greater autonomy and decision-making within the household. They also believe that increased gender

equality in the households, markets, and society increases women's access to markets, education, and health. In the same line, Bansal and Singh (2020) examined microfinance performance in improving women's lifestyle in India. They found that microfinance by giving loans to women, as the marginalized section of the society, helped them develop entrepreneurial skills, start their own microenterprises, and in the end, support themselves and their families. Moreover, microfinance improved women's involvement in household decision-making and facilitated women to become self-reliant. Women were found to be more socially empowered. As a result, it contributed to narrowing down the gender gap in the society. Bongomin, et al. (2020) investigated the mediating role of social cohesion in the relationship between microfinance accessibility and survival of women-run MSEs in post-war communities in sub-Saharan Africa, especially in Northern Uganda where physical collateral was destroyed by war. The results indicated that social cohesion has a significant influence on survival of women-run MSEs in post-war communities in Northern Uganda and when the effect of microfinance accessibility and social cohesion combined together, exhibit greater contribution towards survival of women-run MSEs. Indeed, social cohesion provides the social safety net (social protection) through which women can access business loans from microfinance institutions for survival and growth of their businesses.

Atiase and Dzansi (2019) examined the impact of microfinance on the necessity entrepreneurs in the areas of poverty reduction, job creation, as well as various problems related to microfinance delivery in the Greater Accra region of Ghana. The result showed that although microfinance has contributed to job creation and poverty reduction in this region, necessity entrepreneurs are faced with loan inadequacy distribution alongside other under-financing difficulties such as non-flexible loan terms and complicated loan application procedures which hinder business expansion. Similarly, Nguyen et al. (2011) confirmed the positive impact of microfinance, with 89.8 percent of 971 Vietnamese households surveyed showed that their income increased after borrowing, levels of assets, savings and spending also increased significantly.

2.3. Non-financial Services

Microfinance programs will also be more beneficial if entrepreneurs have access to non-financial services, which enable them to use their loans more productively. Moreover, many MFIs encourage their clients to develop a socio-economic agenda covering matters such as health, nutrition, and education of children to enhance their empowerment and higher income. Participation in microfinance programs motivates clients to adopt other socio-economic agendas

(Peprah, 2009). Non-financial services mainly include skill development and business support programs provided to entrepreneurs. In other words, non-financial services are in the form of programs for entrepreneurship development and assistance in marketing and technology development of the products and services of entrepreneurs. These services include business training, health education and group meetings. These services are provided by MFIs mainly to women in low-income groups. However, only a small number of entrepreneurs use non-financial services except participation in group meetings provided by MFIs (Czura, 2010).

Masakure et al. (2008) investigated the effect of microfinance's non-financial services on the performance of microenterprises in Ghana. Although previous studies showed that apprenticeship positively influenced performance such that former apprentices transferred the knowledge they acquired to their own businesses, the result of this study failed to support that view. Despite the fact that the majority of entrepreneurs in microenterprises in Ghana did not have apprenticeship training, those who were trained often ended up operating in sectors irrelevant to their apprenticeship. They suggest that to provide non-financial services to entrepreneurs, it is necessary to know not only the level of education and/or training entrepreneurs have obtained, but also to make sure of the relevance of the skills they have acquired for their businesses. Babajide (2011) examined the effects of non-financial services of microfinance institutions on the performance of MSEs using multiple regression techniques. The author also employed advisory services, pre-loan training, group membership, cross-guarantee-ship, networking meetings, business training, and supervision as proxies for non-financial services in order to see if they affect microenterprise performance. Though the result was inconclusive, the study established a positive relationship between the dependent and independent variables.

Mahmood (2011) examined the impact of microfinance on women's entrepreneurship and empowerment in the context of Pakistan. The findings show that MFI provides credit to women for starting their businesses but it is not used by majority of women entrepreneurs in Pakistan. He found that the lack of training by MFIs is a factor in the limited number of women starting new business from microfinance loan. In a similar study on women entrepreneurship and non-financial services, Alexandre and Kharabsheh (2019) claim that in Bahrain, the place of women in the work landscape is evolving. Nonetheless, the results of the study show that women in Bahrain are more in a pull, not push situation to entrepreneurship. They believe that it is due to a lack of experience and knowledge among Bahraini women entrepreneurs in setting a business online. The result implies that non-financial services are essential to help women run their businesses.

3. Research Methodology

In this paper, a qualitative method was employed. The data were collected through a primary source. A purposeful sampling method was used to determine sample size (Patton, 2002). Therefore, twenty-four women entrepreneurs from micro- and small-sized enterprises in Amman, Jordan, were selected for the interview. The MSEs were divided into two groups: successful MSEs that were active from the period 2011 to 2019, and MSEs that failed to sustain their success within two years at the same time period. Twelve women entrepreneurs from each category were interviewed. The interview questions were developed based on the literature related to the research topic. These questions were evaluated by experts for their reliability and validity. The interview questions focused on the demographic information of women entrepreneurs. The second section was devoted to examining the strategies that MFIs need to improve the success rate of women entrepreneurs. Including: The importance of access to financial support for women's business, the importance of access to business-related training courses and its impact on the Women Entrepreneurs project. The importance of having access to an MFI counseling center for women entrepreneurs. Recognizing the types of improvements that MFI needs to increase the success rate of women-owned companies and how MFI achieves these improvements according to women entrepreneurs. The identities of the participants remained confidential and they were coded from 1 to 12 in each group. NVivo 11 software was used to analyze, compare and enter the data obtained from the participants during the interviews. NVivo 11 software enabled the researcher to collect, organize and analyze the interview transcripts. The process of data analysis includes the following steps: organizing the data set, classifying, coding, and interpreting the data, and finally, concluding the analysis of the interview findings (Rowley, 2012).

4. Results

The purpose of the study was to examine how the MFI works in Jordan in relation to women entrepreneurs. The interviews conducted in this study were aimed at identifying the factors in financial and non-financial services that are critical for women entrepreneurs to enhance their enterprises' sustainability. Women entrepreneurs provided valuable feedback to researchers by sharing their personal experiences with MFIs. In other words, the qualitative data collection focuses on the need for some changes in MFI performance to strengthen female entrepreneurs financially and non-financially in order to achieve the sustainability of their enterprises. A number of factors related to financial and non-financial services provided by MFIs mentioned in

the previous researches were examined in this study in the Jordanian context.

4.1. Financial Services

4.1.1. Financial Support

Participants were asked to explain to what extent financial support was influential in their business success. This examines the role of MFI capital and finance as factors in the success of women entrepreneurs in their businesses. According to Jahed et al. (2011), financial aid is one of the main reasons for success in women's entrepreneurship. Financial autonomy, enhanced through availability of external finance sources, plays a central role in enhancing the small businesses performance (Zarrouk et al., 2020). On the other hand, lack of capital and limited access to financial resources negatively affect and even hinder women's entrepreneurial growth (Pretorius & Shaw, 2004). The result of the interview showed that all successful women entrepreneurs in their business have confirmed that the budget they received from MFI during the early years of their business has had a significant impact on supporting their business success, and only three of women entrepreneurs who received adequate financial support from MFI in the early stages of their businesses have failed in their careers. Despite the importance of these factors, most women entrepreneurs in Jordan have confirmed that they did not have sufficient financial support, which has been an obstacle to the sustainability of their projects.

Participant S2 stated that with the help of the financial support by MFI, she was able to modernize the equipment and supplies of her beauty shop, upgrade the services, and develop her career. The same goes true for participant S12, who said that with the financial support of MFI, she was able to buy a new set of sewing machines that helped her to develop her business. On the contrary, according to participants F1 and F12, the very little amount of funding they received from the MFI was not commensurate with a dramatic increase in the commodity prices, and they were unable to offer a wider variety of goods to their customers. This prevented the expansion and development of their projects. Participant F2 points to the large monthly installments she had to pay from the first month, which had a negative impact on her business.

Comparing the results of the interviews with successful and unsuccessful women entrepreneurs reveals the importance of considering the amount of funding provided by MFIs for women's projects. In this interview, all successful women entrepreneurs emphasized the key role that funding played in their projects. In the same line, 75% of failed women entrepreneurs stated that insufficient financial support affected their projects and played a major role in the

failure. This fact contradicts the goals of micro-financial institutions to support the success of these projects.

4.1.2. Financial Procedures

It was discussed in the literature that MSEs and MFIs often go hand in hand. In other words, the success or failure of MSEs reflects the capability of MFIs as MSEs' situation is closely related to the performance of MFIs. To examine how MFI financial procedures affect MSEs' success, participants were asked to explain how MFI financial procedures positively affect their businesses. Analyzing the interview data revealed that although women entrepreneurs have differing views on the financial procedures provided by MFI for women entrepreneurs, all female entrepreneurs in the success sample stated that the financial procedures and facilities provided by the microfinance institution had a positive impact on supporting their ability to succeed in their projects. The most important of these procedures are providing a grace period, acceptable access to finance, extending a loan, and deferring installments.

Participant S2 stated that MFI's procedures had enabled her to meet the requirements of her project clients' requirements in a timely manner. Participant S3 mentions two good features of MFI. First, it consults with the woman entrepreneur before determining the monthly installment to be paid by the beneficiary. Second, the institution also extends the loan regardless of the completion of previous loan payments. According to participant S4, MFI recently provided a two-month deadline for its beneficiaries due to the closure of the country during the COVID-19 pandemic. Participant S7 mentions the ease and availability of MFI methods, which motivated her to receive financial support four times for her project. Participant S10 said MFI defers the monthly payment when a woman entrepreneur is unable to pay it until she can pay it. MFI also offers seasonal loans to support the women's projects in a season that witness an increase in purchases.

The results of the failure sample were completely different from that of the success sample. Women entrepreneurs said that the strict procedures of MFIs put their businesses at risk of failure. This was due to the weakness of the facilities offered

by the institutions for the beneficiaries of financing loans. The strictness of the procedures related to facilities include high interest rates, high monthly installments, difficult financing conditions, and lack of grace period allowing the beneficiary to postpone the payment of installments in circumstances when she is unable to pay, especially in the early stages of the business. As shown in Table 1, about 92% of women entrepreneurs claimed that the lack of grace period is the key factor threatening the sustainability of their businesses.

Participant F2 believes that grace period cannot help a beneficiary compensate her condition in case of default. So, she will have to pay the installments from the capital. According to participant F3, lack of grace period increases women entrepreneurs' burdens. She goes on to say that when she could not pay the installments, MFI filed a lawsuit against her and that she would have been in prison if she had not received government assistance. Participant F7 said that one of the reasons for her failure was her inability to pay the monthly installments because the installments were too much for her to pay.

4.2. Non-Financial Service

4.2.1. Training Courses

According to Nawaz (2009), undergoing entrepreneurship training and gaining knowledge in the specific business field are necessary for the women entrepreneurs' success in their businesses. The results of the interviews showed that one of the tasks of the MFI is to enroll women entrepreneurs in the training programs relevant to the business field of women entrepreneurs. In the interview, women entrepreneurs were asked to explain how the courses were conducted and how effective the courses were for running their businesses. Despite the significant importance of training qualification in providing women entrepreneurs with the skills and knowledge necessary to achieve sustainability and success in their project, only six women entrepreneurs interviewed stated that they had enrolled in and passed the training courses relevant to their businesses. In contrast, the rest of the women entrepreneurs stated that they had not received any training before starting their businesses. Moreover, five

Table 1: Negative Microfinance Institution Procedures Impact on Women Entrepreneurs

Code	Num. of Part.	Participants Codes	Percentage
High installment payments	2	F1, and F7	17%
High-interest rate	1	F9	8%
No grace period	11	F1, F2, F3, F4, F5, F6, F8, F9, F10, F11, and F12	92%
Strict financial conditions	2	F1 and F3	17%

female entrepreneurs among those who failed to achieve business success stated that they not only did not enroll in any training courses but also were not even aware of any specialized training courses offered by the MFI. According to Azis and Amir (2020), in small businesses, there is limited training with content that leads explicitly to entrepreneurship.

Participant S3 said that the training courses held by MFI helped her gain skills and appropriate experiences in the woodworking field. The same goes true with Participant S6 who stated that training courses enhanced her experience in her business field. Participant F1 responded that attending some courses helped her strengthen herself psychologically, in addition to enhancing her knowledge of the market needs. The courses were held three days a week, and MFI covered the transportation. Participant F5 answered that she did not participate in any kind of training courses. She assumes it was the reason for which she failed to overcome the obstacles she faced. Participant F9 cited MFI's inappropriate way to inform about training classes for woman entrepreneurs as a weakness of its performance.

4.2.2. Access to MFI's Counseling Center

Another interview question was about the importance of having access to MFI's counseling center. In response to this question, interviewees explained the ease of having access to MFI counseling centers and the extent to which they are successful in running their businesses using counseling assistance. Participants, women-run MSEs in Jordan, shared their personal experiences whether accessing a counseling center could help them overcome the constraints and obstacles they faced in running their business. The results showed that only a limited number of women entrepreneurs in Jordan used MFI consulting services. Informing about the existence of the counselling service should be on the agenda of MFI. As shown in Table 2, only 25% of women entrepreneurs in the failure sample were told that they have access to a counseling center for support, advice, and guidance. Despite this information, none of these women entrepreneurs who were on the verge of failure have contacted the center to avoid it. Moreover, 75% of women entrepreneurs interviewed reported that they had never heard of the center before. It is worth noting that most successful women entrepreneurs acknowledged that they had access to the MFI counseling center to grow their businesses. This group of women entrepreneurs indicate that the center should

provide counseling services in a way that pave the way for them to achieve their business goals.

Participant S4 said that the situation became tough for her during the coronavirus pandemic and because of lockdown in Jordan, she faced several obstacles. MFI's counseling center gave her the necessary advice to settle the problems. Similarly, participant S8 stated that with the advice of counseling center, she could overcome various obstacles that she faced and presented her some solutions. Sometimes, the counseling center helped her through a specialist in her business field.

Moral stimulations provided by MFI were diverse to support women entrepreneurs psychologically and morally, such as conducting competitions, presenting prizes, offering tourist trips, and keeping contact with the entrepreneurs.

According to participant S2, MFI contacted her during the COVID-19 pandemic period to enquire how her business goes on which gave her a sense of being in a family. Similarly, participant S8 stated that the MFI support had not been limited to the financial side, but went beyond that and covered moral stimulation. She said that she had won many awards from the institution which encourage her to continue expanding her project so as to gain more success. She also referred to a tourist trip to Lebanon and Saudi Arabia, and many other internal trips and a gift on the occasion of Mother's Day offered by MFI.

4.2.3. Marketing Support

Among the non-financial services provided by MFI to women entrepreneurs, helping to promote and market their products is significant. According to the participants, this step has helped increase their sales and thus increase the revenues of their projects. For example, the two participants, S2 and S8, claim that MFI production methods facilitate their marketing. Participant S2 claimed that MFI not only invited her to exhibit her products and market the products of the beneficiaries through a bazaar, but also it supervised her and covered all the costs of the bazaar. Similarly, participant S8 said that MFI gave her the opportunity to participate in a variety of bazaars to promote her products.

4.2.4. Monitoring and Evaluation

Despite the importance of monitoring and evaluation system in MFIs, only one entrepreneur referred to the

Table 2: Access to Counseling Center

Access to Counseling	Num. of Ps	P. Codes	Percentage
Had access	9	F1, F3, F7, S1, S4, S6, S8, S9, S12	37%
Do not have access	15	F2, F4, F5, F6, F8, F9, F10, F11, F12, S2, S3, S5, S7, S10, S11	63%

Table 3: Improvements Needed by MFI to Enhance Women Enterprise Success Rate

Needs		Num. of Responses		Participants Codes	Percentage	
More finance facilities	Reduce installment	6	16	S4, S10, S11, F2, F6, F7	25%	67%
	Increase the loan	5		S4, F1, F3, F4, F5	21%	
	Reduce the interest	4		S10, S12, F8, F12	17%	
	Extending the grace period	8		S8, F3, F4, F5, F7, F9, F11, F12	33%	
Marketing support		8		S3, S5, S7, S8, S9, S10, F4, F9	33%	
Psycho-social support		5		S1, S6, F1, F5, F10	21%	
Beneficiaries lead training courses		1		S2	4%	
Enhance the monitoring and evaluation system		4		F3, F5, F8, F10	17%	

contribution of this category of non-financial service for improving the performance of her business. According to participant S2, the institution often makes inspection visits to ensure that all the project requirements are fulfilled.

4.3. MFI and the Necessity of Improvements

In this question, expectation of women entrepreneurs from MFI concerning the improvement of the non-financial service was asked. The researchers aimed to identify aspects of improvements that are necessary to enhance women’s enterprise success and how MFI can achieve it. Providing more financial facilities to the beneficiaries was the expectation of 67% of interviewed women entrepreneurs from MFI (see Table 3). Such facilities can be in the form of reducing the monthly installment by increasing the payment period without increasing the interest rate. Offering more psycho-social support to the beneficiaries by MFI is the second expectation of participants towards the improvement of non-financial service. The improvement can be in the form of giving awards to women entrepreneurs, involving them in competitions, promoting their projects through the bazaars, and organizing recreational trips. In the same line, participant S1, psycho-social support can be gained by offering incentive awards to businesswomen or nominating them to compete in local and regional competitions. One of the things that negatively affects successful women entrepreneurs’ morale is excluding them from being nominated for awards.

There is consensus among almost 33% of the interviewed women entrepreneurs that a grace period during the initial stage of the business is essential. They also indicate that MFI must increase the loan and reduce the loan’s interest for the women entrepreneurs. For example, according to participant S12, MFI must decrease the interest rate, especially in the case of high-interest rate and government taxes on loans. In this interview, it was found that MFI must make more efforts to support women entrepreneurs in Jordan. 33%

of the interviewed women entrepreneurs announced that MSE’s owners in the marketing process must be consistently and strongly supported by MFI. Participant S12 stated that women entrepreneurs usually in the initial stage of their businesses face considerable challenges in terms of marketing and promoting their products. MFI can promote its beneficiaries’ products and market start-up projects whether within the MFI’s branches or through bazaars. To increase the possibility of success of especially new women entrepreneurs, participant S2 suggested that MFI can hold training courses for the new women entrepreneurs in various work fields wherein its senior beneficiaries share their practical and scientific experiences. Another point is that 17 % of women entrepreneurs believe that MFI should enhance its monitoring and evaluation system. According to participant F8, MFI should provide women entrepreneurs with a monitoring and evaluating system to help businesswomen take an appropriate business approach and give suggestions in this regard. Participant F3 claimed that MFI did not contact her to monitor and evaluate her project at the time it was on the verge of failure.

5. Conclusion

This paper was a case study that aimed to examine the effect of microfinance institutions’ (MFI) financial and non-financial services in uplifting the performance of women entrepreneurs, as well as clarify the importance of services provided by MFIs to female entrepreneurs. The findings of the study showed that financial services provided to women entrepreneurs in Jordan include the provision of adequate financing, necessary financial facilities such as reducing interest, reducing monthly installments, and extending the grace period. As regards non-financial services, holding specialized courses, accessing a counseling center, provision of incentives and psychological support, marketing support, and monitoring and evaluation are on the agenda of MFI.

After interviewing twenty-four women entrepreneurs including those who were successful and those who were unsuccessful in running small businesses in Amman, the findings of the study showed that accessibility to these services makes women entrepreneurs able to tackle tough situations that they face in running their businesses, to engage in income-generating activities, improve the performance of their projects and guarantees their business success and sustainability. On the other hand, the absence of these services is one of the main reasons leading to the failure of women entrepreneurs' projects and their transformation from entrepreneurs into financially distressed women and even insolvent.

Lack of skills and knowledge in running a business plays a key role in running a business by women. It was also found that there is a meaningful relationship between training, on the one hand, and women entrepreneurs' rate of income, assets, and savings, on the other hand. Therefore, MFIs are required to encourage women entrepreneurs to improve their business skills through obtaining appropriate training. Moreover, MFIs should be supported by the government to provide entrepreneurship training courses for start-up women entrepreneurs to develop their managerial capabilities.

Falling into debt and equity capital is also a major problem that threatens female entrepreneurs. On the one hand, women entrepreneurs in Jordan are faced with non-flexible loan terms and complicated and time-consuming loan application procedures which hinder business expansion. On the other hand, investors and banks are often reluctant to finance start-up businesses run by women because they avoid putting themselves at risk. To tackle the problem, programs are required to improve the financial environment and provide a variety of financial instruments and impetuses that will assist women in running their businesses. Moreover, the financial services should meet the business needs of the women MSEs taking into consideration their ability to fulfill the terms and conditions of use.

Meanwhile, fair and equal access to the services financing institutions is required, as this study showed a clear discrepancy in the access of female entrepreneurs to the services provided by financial institutions in Jordan. Moreover, the study showed that a database needs to be available for female entrepreneurs to help them develop necessary policies for promoting and thus improving their performance.

The results of this study can help policymakers to develop purposeful growth policies in an appropriate way and provide services to women entrepreneurs in Jordan to be in line with the actual needs of women. Moreover, the paper contributes to the existing knowledge associated with women-owned businesses in Jordan. Due to the limited number of persons interviewed, the findings of the study

cannot be generalized to women entrepreneurs in other countries. Some research perspectives are offered to help researchers delve into the domain of microfinance and female entrepreneurship. Women entrepreneurs are running their businesses according to certain rules and regulations and are consequently faced with certain barriers according to their specific regional policies. Hence, future research is required to study the performance of MFI in other regions in the Middle East. Moreover, a research addressing the impact of microfinance services can be undertaken to investigate the performance of various MFIs associated with women entrepreneurship on a comparative basis in urban and rural areas to see to what extent services provided by financing institutions in urban areas are likely to be different from that of rural areas.

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