Micro Finance Institutions and its Contribution on the Growth of Small and Medium Size Businesses in Bambili-Bambui Area

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ABSTRACT

This study examines the contribution of micro finance institution on the growth of small and medium size businesses in Bambili-Bambui area. The quantitative and descriptive research design was used for this study with a sample size of 100 respondents. The simple random sampling technique was adopted for this study. A four Likert scale questionnaire was adopted as instrument used for data collection in this study (Primary source of data) among the sampled SMBs in Bambili and Bambui area. The data collected was coded and analyzed using Statistical Package of Social Science (SPSS) version 20 using descriptive and inferential statistics. Result from the first component "Microloan" data analysis on the aggregate score indicate that 307(62.3%) of the respondent agreed on all the indicators of the Microloan. The sample correlation coefficient(R) was 0.647^a indicating that 51.9% of the variation in the growth of SMBs was accounted by the contribution of microloan from MFIs. Also, the F calculated was (36.992) with p = 0.000 indicating a significant effect of microloan on the growth of SMBs Hence, $H0_1$ upheld by concluding that microloan significantly affects the growth of SMBs. Also, the second component "Business training and education", the aggregate score of 332(66.4%) agreed to the important of all the variables with a sample correction coefficient (R) of 0.714 indicating that 56.3 % of the variation in growth of SMBs is accounted for by business training and education provided by MFI and the F calculated was (34.471) with p = 0.000 showing a significant effect of business training and education on the growth of SMBs. Hence, $H0_2$ upheld, by concluding that there was a significant effect of business training and education on the growth of SMBs. Lastly, the third component "saving account", the aggregate score of 350(70.0%) of the responses agreed to all the variables with a sample correction coefficient (R) of 0.742 indicating that 55.1 % of the variation in growth of SMBs was accounted for by saving account provided by MFI and the F calculated was (34.324) with p = 0.000 indicating a significant effect of saving account on the growth of SMBs. Hence, $H0_3$ upheld by concluding that there existed a significant effect of saving account on growth of SMBs. Results from the Pearson Correlation Matrix on all the indicators under study reveals that there is a strong positive correlation between microloan and growth of SMBs with a value 0.451*at 0.05level of significant. Again it shows that there is a positively moderate correlation between training and education with a value 0.310** at 0.01 level of significant. And lastly, the result shows that there is a weak correlation between saving account and growth with a value of 0.171 but there exists a positively strong correlation between saving account and business training and education with a value of 0.759** at 0.01 level of significant. The researcher recommends in view of the result obtained from data analysis that microloan should be client-oriented and not product- oriented. Proper and extensive monitoring activities should be provided for members who are granted loans. Microfinance institution can research into very profitable business lines and offer loan to members who have the capacity to exploit such business lines and lastly business and financial training should be provided by microfinance institutions on a regular basis and in most cases should be tailored

toward the training needs of their members. Lastly the researcher suggested that since the examined microloan, business training and education and saving account revealed a positive and significant effect on the growth of small and medium businesses, further research should be conducted to determine the effect of other factors, such as access to market, infrastructures and technology in influencing the growth of small and medium size businesses.

Keywords: Microloan, Business training and education, Saving account, MIF, Growth, SMBs

INTRODUCTION

The primary concern of microfinance clients has been the access to microfinance services well-suit with their requirements rather than the cost of such services. This idea had chanced microfinance operators to charge higher interest rates on microloans. This is asserted by World Bank "Strategy for the Financial Sector" (2019), which viewed improving access of low-income producers and the poor to basic financial services as an ingredient and efforts to promote economic growth and reduce poverty. The World Bank's financial sector priorities for developing microfinance focus on removing legal provisions such as interest ceilings which are inconsistent with micro finance operations.

Credit unions in Cameroon were likely influence by the broader cooperative movement as well as international models of credit unions. This came as a result of complaints that were coming up from farmers and inhabitants in rural locality. Among the difficulties or complaints faced by these locals; was the issue that most of them often save their money by hiding in some parts of the house, in which case ants often eat them up; again some famers sold their crops before harvest due to fear of, the lack of storage facilities. It was then that, in 1963 the first credit union was formed such that farmers could have a bit of financial power to afford for better seedlings (Njoya *et al*., 2022).

The contribution or stake of small and medium size enterprises in the development of any nation is enormous as financial institution have assisted in regional and rural development while remaining the key catalyst for industrialization for most economies (developed or developing economies) of the world (Hansah *el at,* 2013). This great contribution from the financial institutions accounts for the need to support and enhance the growth of small and medium size businesses which is dependent on many factors (Isoh *el at.,* 2020).

Despite the numerous benefit of Small and medium size businesses (SBs) from the MFIs on the economy of Cameroon the sector still suffers from a Significance number of constraints from the past and these constraints still exist up till date. Otero (2019) asserts that the aim of MFIs is not only about providing capital to the poor to fight poverty but have additional roles of delivering other financial services to assist borrowers' businesses to grow.

However, research had uncovered that microfinance institutions gain more from the SBs than the benefits the later gain from the former due to the high interest rates on loans and short period granted for repayment (Valentino 2018). Other writers unveiled that, Microfinance mechanism is shrinking and finally collapsing SBs that take credit facilities from them (Karlan *et al.,* 2016).

Due to these perceive negative effect, many observers think that Microfinance businesses operate with selfish interest to enrich themselves rather than assisting small and medium size business (SBs) to grow. Many Small Businesses in Bambili and Bambui seems to become poorer, to the extent of closing up their businesses and still remain in debt just by accepting Microfinance loans couple with crisis that before the region since 2016 and the pandemic of Covic-19 that slow down the rate business transaction in the rural area. However, Microfinance institutions keep springing up in Bamenda (Bambili and Bambui) over the preceding 10years at a faster rate since the creation of the University of Bamenda by Decree n⁰ 2010/371 on

the 14th December 2010. It is therefore important to research into the benefits and the services of Microfinance operations on small and medium size businesses (SBs) in Bamenda case of Bambui and Bambili. specifically, to investigate the impact of microloans on the growth of SMEs in Bambili and Bambui., To evaluate the impact of business training and education on the growth of SMEs in Bambili and Bambui and to analyze the impact of savings account on the growth of SMEs in the Bambili and Bambui.

Research Hypotheses

Specific Research Hypothesis

$H0_1$: There is no significant effect of microloan on the growth of SMEs in Bambili and Bambui.

$H0_2$: Business training and education has no significant effect on the growth of SMEs in Bambili and Bambui.

$H0_3$: There is no significant effect on saving account on the growth of SMEs in Bambili and Bambui.

LITERATURE REVIEW

Empirical literature on microloan

Many international organisations around the world have recognised the relevance of SMEs in economic development (UN, USAID, CGAP, etc). This is because they are critical in creating jobs, reducing poverty and improving living standards in the country. Apollo K.O (2013), conducted a study aimed at analysing how the provision of financial and non-financial services like; Seed Capital, Financial Skills training, provision of role models and saving mobilization by microfinance institutions affected small and medium size enterprises in the Gikomba Market, Nairobi, Kenya. In the course of his work, he used data collection techniques like questionnaires, interviews and a descriptive statistic method to assess the influence of the above independent variables on small and medium enterprise growth. To this effect, he found out that there exist a strong relationship between seed capital and small and medium enterprises growth (96% of respondent saying it was necessary), as without this capital, the business will remain an idea which cannot be implemented.

Other scientists like Gathogo (2014) supported this thesis by conducting a study aimed at analysing the effect of microfinance institutions on the growth of SME capital, human resources, taking Kiambou County as his case study. In his work, he used descriptive and inferential statistics to assess the influence of Microfinance institutions on the above SMEs performance indicators. The study established that savings remains the most important source of finance throughout the business cycle and even though the MFIs play a smaller role in economic empowerment of SMEs, they are with no doubts key elements for small scale enterprises to succeed in their drive to build productive capacity, to compete, to create jobs and to contribute to poverty alleviation in the county.

Within Ghana Bougheous Mizan and Yalcin in 2005 carried out a research on the determinants of Access to credit by small and medium size enterprises in Ghana. The results revealed that collateral is very essential for SMEs to succeed in accessing external finances from lender or banking institutions.

Studies carried out in Kenya by Kanyagi in 2011 on the effect or impact of access to credit on the growth of small and medium size enterprises with greater attention given to growth by measure of profit margin increase. The study made use of descriptive statistics and found out that profit after the acquisition of the loan or credit was higher than that before the access to credit by the enterprise.

Shinozaki (2012) examined the impact of credit accessibility on SMEs' growth performance in Vietnam. Using regression analysis, the study found a positive relationship between bank lending and sales growth of SMEs. Nevertheless, the authors explained that bank lending in Vietnam was still based on political connections and credits may still go to profitable firms. Though the most profitable firms rely on retained earnings and not bank finance

Literature Gap

Many studies have been carried outside Cameroon on the growth of small and medium size enterprises. A good number of these studies focused mainly on the determinants of the growth of SMEs. Some of these studies have focused on challenges encountered by small and medium size enterprises in obtaining external finance for their operations. This gap justifies the purpose of this research to seek out the effect of other forms of credit on the growth of SMEs within Cameroon from the different sources available.

METHOODOLOGY

Research Design

It is point worth noting that, for this research work, the quantitative approach was used. Data was analyse using descriptive and inferential statistics. Descriptive statistical analysis procedures including cross-tabulations and frequency distributions from the database template was used to determine the relations between pairs of variables. The inferential statistical analysis, namely t-test was used. The t-test was employed to test the research hypothesis.

Model Specification

A Linear regression equation is used representing the independent and dependent variables. By so doing, the model assumes a functional relationship between the growth of SMEs on one side, and the contribution of Microfinance institutions on the other hand. This is expressed as follows:

Y= f (M, Ed & T, S)...1

Where

Y: growth of SMEs

M: microloan

Ed & T: education and training

S: savings

The regression model used was as follows:

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$.. …2

Where;

Y: Growth

X_1: Microloan

X_2: Education and training

X_3: Saving

βi: coefficient of independent variables

α: Intercept that is the value of Y when all other variables take the value of zero

ε: error term

Annual growth in turnover= $\alpha + \beta_1$(Microloan) + β_2(education and training) + β_3(savings) + ε (Error term)

The strength of the relationship between the dependent and the independent variables was measured by carrying out f-test and student's t-distribution test at 5% level of significance and 95% level of confidence. The test was determined whether the coefficients $\beta 1$, $\beta 2$, and $\beta 3$ were significantly different from zero and this being so, it would be concluded that there is a strong positive relationship between the dependent and independent variables.

Validity and Reliability of Instruments

Validation of Measuring Instruments

The instrument was validated in two phases. That is face validity and content validity in order to ensure validity and reliability of the instruments.

After constructing the questionnaire, it was presented to peer's review for scrutiny and cross checking. Adjustments was further made following the supervisors' remarks and corrections. From there, the questionnaires were tested by administering to some business men to see if they understood the questionnaires and if their responds are suitable for the objectives of the study.

Reliability of Measuring Instruments

Reliability is the degree to which scores on the same test by the same individuals are consistent over time (Amin, 2005). To approve the reliability of the instrument, a test re-test method was used. A pilot study involving 10 business men was carried out by the researcher in Bambili and Bambui area. After two weeks, the same questionnaires were administered to the same group of respondents.

PRESENTATION OF FINDINGS

Data collected from the field through questionnaires is analyzed, presented (in the form of frequency tables and charts) and discussed.

Demographic characteristic

The demographic information concerning the respondent such as Gender (Sex), Age, Level of Education and Occupation of the respondents who took part in the study was investigated and the results are represented on table 4.1 below

Table 2: Gender(sex) Age, Level of Education and Occupation of respondents

Variables	Frequency	Percentage
Sex		
Male	40	40.0
Female	60	60.0
Age		
20-30	25	25.0
31-40	45	45.0
41 and above	30	30.0
Level of Education		
FSLC	5	5.0
O/L Certificate	5	5.0
A/L Certificate	5	5.0
Diploma	35	35.0
BSc Degree	15	15.0
Master	20	20.0
PhD	15	15.0
Occupation		
Teacher	40	40.0
Business man	30	30.0
Doctor	10	10.0
Taxi/Bike drivers	17	17.0
How old is your enterprise (Business)		
0-5 years	30	30.0
6-10 years	50	50.0
10 +	20	20.0
Post of responsibility at the enterprise		
Owner	40	40.0
Sale personnel	35	35.0
Assistance manager	25	25.0

Source: 2024

Base on the gender, the table reveals that 40 out of the 100 respondents who participated in the study were male while 60 respondents were female. This represent 40.0% and 60.0% respectively. Table 2 also revealed that, 45(45.0%) of the respondents who participated in the study were in the age range of 31-40 years while 30(30.0%) of the respondents who participated in the study were in the age range 41years and above and 25(25.0%) of the respondents were of the age range between 20-30years

The study also examined the educational level of the respondents and the results reveals that 35(35.0%) of the respondents who participated in the study were Diploma holder, while 20(20.0%) of the respondents were master certificate holder and 15(15.0%) of the respondents who participated in the study were holders of PhD while 15(15.0%) were holders of BSc degree certificate holders and lastly 5(5.0%), 5(5.0%),

5(5.0%) of the respondents were FSLC, O/L Certificate and A/L Certificate holders respectively. Hence, this is a clear indication that most of the respondents where Diploma holders who are in active service and are financially stable with regard to their monthly salary that sustained the business fluctuation in Bambili and Bambui area in Mezam subdivision Bamenda.

The study also examines the occupation of the respondents and the results reveals that 40(40.0%) of the respondents who participated in the study were teacher who are business owners while 30(30.0%) of the respondents where business men who are customers to some financial institution where they can obtain loan to carry out business activities. Also, 17(17.0%) of the respondents were taxi/bike drivers who participated in the study while 10(10.0%) of the respondents who participated in the study were Doctors. Also the table examine how old the business has been in existence and 50(50.0%) of the respondent revealed that their business has been for 6-10 years in existence and 30(30.0%) of the respondents said their business 0-5year old while 20(20.0%) of the respondents revealed that their business is above 10years.

Lastly the demographic table 2 examined the post of responsibility in the business and the result reveal that 40(40.0%) of the respondents were the owners of the small and medium size businesses around Bambili and Bambui are. While 35(35.0%) where sale personnel and lastly, 25(25.0%) were assistance managers.

Contribution of Microloan to the Growth of SMBs

Table 3: Contribution of microloan to the growth of SMBs

Statement	SA	A	D	SD	Total
As a business man from time to time you seek or demand for microloan from MFIs for the purchase of goods to increase stock that lead to growth of your business	41 (41.0%)	38 (38.0%)	12 (12.0%)	9 (9.0%)	**100** **(100%)**
The microloan provided by MFI has help me to expand my business operations	20 (20.0%)	35 (35.0%)	25 (25.0%)	20 (20.0%)	**100** **(100%)**
Microloan provided by MFI has improved my business's financial stability over many years	40 (40.0%)	20 (20.0%)	20 (20.0%)	20 (20.0%)	**100** **(100%)**
Microloan has contributed greatly to the improvement of my business profitability	17 (17.0%)	40 (40.0%)	30 (30.0%)	13 (13.0%)	**100** **(100%)**
Microloan has enable me to invest in new equipment, technology and in hiring more staffs for the growth of my business	21 (21.0%)	35 (35.0%)	29 (29.0%)	15 (15.0%)	**100** **(100%)**
Aggregate total **Percentages %**	**139** **(28.7%)**	**168** **(33.6%)**	**116** **(22.2%)**	**77** **(15.4%)**	**500** **(100%)**

Source: (2024)

The first research question on the effect of microloan to the growth of SMBs of this study was "As a

business man from time to time you seek or demand for microloan from MFIs for the purchase of goods to increase stock that lead to growth of your business", The results on table 3 reveals that an aggregate of 79(79.0%) of the respondents agree to the fact that they the demand microloan from MFIs for the purchase of good to increase stock that leads to the growth of their business i.e. 41(41.0%) and 38(38.0) Strongly agree and agree respectively, while a sum total of 21(21.0) of the respondents who participated in the study disagree to the importance of this component that is 12(12.0%) and 9(9.0%) of the respondent disagree and strongly disagree to that they do not demand for microloan for purchasing good to increase stock of their business but do plough back.

With regard to the second component "The microloan provided by MFI has help me to expand my business operations", an overwhelming aggregate of 55(55.0%) of the participants agree to the importance of this component that the availability of microloan provided by MFIs help expand their business operation that is 20(20.0%) strong agree and 35(35.0%) agree to the important of this variable while a sum total of 45(45.0%) of the respondent who took part in this study disagreed to the importance of this component that is 25(25.0%) disagree and 20(20.0%) strongly disagree.

Furthermore, the third component "Microloan provided by MFI has improved my business's financial stability over many years" an overpowering aggregate of 60(60.0%) agreed to the importance of this component that microloan provided by MFIs has help improve their financial stability that is 40(40.0%) of the respondent strongly agree and 20(20.0%) agree to the important of this component while a sum total of 40(40.0%) disagree to the importance of this component that is 20(20.0%) of the respondent disagree and 20(20.0%) of them strongly disagree to the important of this component.

Considering the fourth component "Microloan has contributed greatly to the improvement of my business profitability" an overriding aggregate of 57(57.0%) of the participants agreed to the importance of this component demonstrating high profit margin as a result of an increase in capital from the microloan obtain from MFI while 43(43.0%) of the respondents disagreed to the importance of this component expressing a high interest rate paid from the loan obtained from MFI with low turnover due to many look down and ghost town leading to market recession or stagnation that is 30(30.0%) of the respondents disagree and 13(13.0%) strongly disagree to the important of this component.

Finally, the last component, "Microloan has enable me to invest in new equipment, technology and in hiring more staffs for the growth of my business" an overwhelming 56(56.0%) of the respondents agree to the important of this component that microloan enable them invest in new equipment, technology and hiring of many staffs to ease business activities that is 21(21.0%) strongly agree and 35(35.0%) agree while 44(44.0%) of the respondents were against the importance of this component, that is 29(29.0%) disagree and 15(15.0%) strongly disagree.

To conclude, it is evident that majority of the respondents believe that the availability of Microloan contributes to the Growth of SMBs in Bambili and Bambui. With regard to the results obtained, an overpowering 307(62.3%) of the aggregate total of the respondents agree to the importance of this component while 193(37.7%) of the respondents disagree to the importance of this component and concluded that, with high interest rate from microloan obtain from MFI, low turnover and many look down and ghost town in the North West Region due to the Anglophone crisis does not contribute to the growth of SMBs in Bamnili and Bambui.

Verification of hypothesis one

Ho$_1$: Traditional beliefs and practices do not significantly influence help seeking behaviour of mentally ill patients in Bamenda III

Relationship between predictor

a. **Predictors:** (Constant), Microloan
b. **Dependent variables:** Growth of SMBs

Table 4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.647[a]	.519	.510	10.605

Table 4 shows that a linear regression analysis was conducted to verify the relationship between microloan and growth of SMBs**.** The sample correlation coefficient(R) was 0.647[a] indicating that 51.9% of the variation in the growth of SMBs is accounted by the contribution of microloan from MFIs while 49.1% indicate variation in growth of SMBs accounted by other factors not explained by the model. The correlation coefficient (R) of 0.647 infer that there is a positive and strong relationship between microloan and the growth of SMBs in Bambili and Bambui**.**

Interpretation of coefficient

Table 5 Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.132	2.324		1.212	.000
	Microloan	.646	.135	.545	6.281	.000

Table 5 on the regression coefficients indicates that the regression equation is given by Growth of SMBs = 3.132 + 0.646 Microloan. Thus when there is no microloan, growth of SMBs is at 3.132. When microloan increases by one unit, growth of SMBs increases by 0.646. This increase is significant as indicated by the p-value of 0.000.

ANOVA Test

Table 6 ANOVAb

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.957	1	4.957	36.993	.000[b]
	Residual	4.043	30	.134		
	Total	9.000	31			

Table 6 is a summary of Analysis of Variance (ANOVA) for our regression model. From the summary tabulated above we note that the residual sum of square of our model is 4.043 with 30 degrees of freedom while the regression sum of square (4.957) with 1 degrees of freedom. When comparing the two, (Residual sum of square < than Regression sum of square) we can comfortable conclude that the model account for a closer fit of estimation to the variation in the dependent variable. Also, the F calculated is (36.992) with p = 0.00. This suggests that there is a significant effect of microloan on the growth of SMBs. Cognizant of the fact that the p value=0.000 which is less than 0.05 indicating a significant relationship between microloan

and growth of SMBs. Consequently, H0 was rejected and $H0_1$ upheld (The null hypothesis was rejected and the alternative hypothesis accepted). It can therefore be concluded that microloan significantly affects the growth of SMBs in Bambili and Bambui.

Effects of Business training and education on the growth of SMBs

Table 7: Business training and education on the growth of SMBs

Statement	SA	A	D	SD	Total
The training and education provided by the MFI on business venture and loan repayment has significantly contributed to my business growth	12 (12.0%)	40 (40.0%)	30 (30.0%)	18 (17.8)	**100** **(100%)**
The training and education programs provided by MFI have improve my business skills and knowledge	60 (60.0%)	25 (25.0%)	10 (10.0%)	5 (5%)	**100** **(100%)**
The training and education programs have help me develop new strategies and techniques for business growth	35 (35.0%)	20 (20.0%)	30 (30.0%)	15 (15.0%)	**100** **(100%)**
The training and education programs have provided me with valuable networking opportunities	35 (35.0%)	25 (25.0%)	30 (30.0%)	10 (10.0%)	**100** **(100%)**
The training and education program have increased my confidence in managing and growing my business	50 (50.0%)	30 (30.0%)	15 (15.0%)	5 (5%)	**100** **(100%)**
Aggregate Total **Percentages**	**192** **(38.4%)**	**140** **(28.0%)**	**115** **(23.0%)**	**53** **10.6%)**	**500** **(100%)**

Source: (2024)

The study further examine how business training and education offered by MFI contribute to the growth of SMBs in Bambili and Bambui area. Table 7 presents descriptive statistics on how the respondents responded with regard to the various elements of business training and education.

To conclude; taking into consideration the aggregate total, it is reveal that 332(66.4%) of the responses agreed that business training and educational program provided by MFI improve the growth of their business while 168 (33.6%) disagree to the important of this component indicating that their business growth depends on other variables not stated in this research model as well as not training and education obtained from MFI.

Verification of hypotheses two

Ho$_2$: Business training and education has no significant effect on the growth of SMEs in Bambili and Bambui.

a. **Predictors:** (Constant), Business training and education

b. **Dependent variables:** Growth of SMBs

Relationship between predictor

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.714[a]	.563	.552	12.803

Table 9 shows that a linear regression analysis was conducted to verify the relationship business training and education on the growth of SMBs**.** The sample correlation coefficient(R) was 0.714 indicating that 56.3 % of the variation in growth of SMBs is accounted for by business training and education provided by MFI while 43.7% were accounted by other factor apart of training and education obtained from MFI. The correlation coefficient was 0.714; we can infer that there is a positive and strong relationship between business training and education provided by MFI to the growth of SMBs**.**

Interpretation of Coefficients

Table 9: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.265	2.924		1.151	.000
	Training and Education	.762	.102	.614	7.683	.000

Table 10 for regression coefficients indicates that the regression equation is given by Growth of SMBs= 4.265 + 0.782 Training and Education. Thus when there is no Training and Education, the growth of SMBs is at 4.265. When training and education increases by one unit, Growth of SMBs increases by 0.762. This increase is significant as indicated by the p-value of 0.000.

ANOVA Test

Table 10 ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.757	1	4.757	34.471	.000[b]
	Residual	4.143	30	.138		
	Total	9.000	31			

Table 11 is a summary of Analysis of Variance (ANOVA) for our regression model. From the summary tabulated above we note that the residual sum of square of our model is 4.143 with 30 degrees of freedom while the regression sum of square (4.757) with 1 degrees of freedom. When comparing the two, (Residual sum of square < than Regression sum of square) we can comfortable conclude that the model account for a closer fit of estimation to the variation in the dependent variable. Also, the F calculated is (34.471) with p = 0.00. This suggests that there is a significant effect of business training and education on the growth of SMBs. Cognizant of the fact that the p value=0.000 which is less than 0.05 indicating a significant relationship between business training and education affect growth of SMBs. Consequently, H0 was rejected and $H0_2$ upheld (The null hypothesis was rejected and the alternative hypothesis accepted). It can therefore

be concluded that business training and education significantly affects the growth of SMBs in Bambili and Bambui.

Table 11: Saving account on the growth of SMBs

Statement	SA	S	D	SD	Total
The saving account provided by MFI has contributed to the growth of my business	20 (20.0%)	25 (25.0%)	40 (40.0%)	15 (15.0%)	**100** **(100%)**
The saving account has provided a secure and convenient way to manage my business finances	60 (60.0%)	20 (20.0%)	15 (15.0%)	5 (5.0%)	**100** **(100%)**
The saving account has help me accumulate funds for business expansion	50 (50.0%)	25 (25.0%)	20 (20.0%)	5 (5.0%)	**100** **(100%)**
The saving account has offered competitive interest rates, encouraging me to save more	65 (65.0%)	25 (25.0%)	7 (7.0%)	3 (3.0%)	**100** **(100%)**
The saving account has facilitated my access to capital for business investment	20 (20.0%)	40 (40.0%)	30 (30.0%)	10 (10.0%)	**100** **(100%)**
Aggregate total **Percentages %**	**215** **(43%)**	**135** **(27%)**	**112** **(22.4%)**	**38** **(7.6%)**	**500** **(100%)**

Source: (2024)

The study further sought to examine how saving account provide by MFI affects the growth of SMBs in Bambili and Bambui. Table 12 presents descriptive statistics on how the respondents reacted with regarded to the various elements. The findings from the first component revealed that 45(45.0%) of the respondents agreed that the saving account provided by MFI has contributed to the growth of their business while 55(55.0%) of the respondents disagreed that the saving account provided by MFI has not contributed to the growth of their business.

Considering the second component "The saving account has provided a secure and convenient way to manage their business finances" an overwhelming 80(80.0%) of the respondents agreed that saving account help securing their business finance and management while 20(20.0%) of the respondents disagreed to the importance of this component.

With regard to the third component "The saving account has help me accumulate funds for business expansion" an overwhelming 75(75.0%) of the respondents agreed that the saving account has help them accumulate funds for business expansion while 25(25.0%) of the respondents disagreed to the importance of this component indicating that their expansion and growth of their business does not depend on the saving account provided by MFI.

Also, according to the fourth component the finding reveals that 90(90.0%) of the respondents agreed that

the saving account has offered competitive interest rates, encouraging them to save more and earn more interest rate from MFI while 10(10.0%) of the respondents disagreed to the important of this component.

Finally, with regard to the last component "The saving account has facilitated my access to capital for business investment" 60(60.0%) of the respondents agreed that, the saving account has facilitated their access to capital for business investment whereas 40(40.0%) of the respondents disagree that their facilities and access to capital does not depend on saving account but other factors.

To conclude; taking into consideration the aggregate total it is reveal that 350(70.0%) of the responses agreed that there is a significant effect on the growth of SMBs that comes as a result of saving account provided by the MFI whereas 150(30.0%) of the responses disagreed to the importance of this variable .

Verification of hypothesis three

H0₃: There is no significant relationship between saving account and the growth of SMBs in Bambili and Bambui area

a. **Predictors:** (Constant), Saving account
b. **Dependent variables:** Growth of SMBs

Relationship between predictor

Table 12: model summary

Model summary				
Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.742[a]	.551	.537	.20522

Source: (2024)

Table 9 shows that a linear regression analysis was conducted to verify the relationship business training and education on the growth of SMBs. The sample correlation coefficient(R) was 0.742 indicating that 55.1 % of the variation in growth of SMBs is accounted for by saving account provided by MFI while 43.7% were accounted by other factor apart of saving account obtained from MFI. The correlation coefficient was 0.742; we can infer that there is a positive and strong relationship between saving account provided by MFI to the growth of SMBs.

Interpretation of Coefficient

Table 13: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.422	2.635		1.299	.000
	Saving account	.783	.089	.848	8.761	.000

Table 14 for regression coefficients indicates that the regression equion is given by Growth of SMBs = 3.422 + 0.783 Saving account, thus when there is no saving account, the growth of SMBs is at 3.365. When growth of SMBs increases by one unit, saving account increases by 0.783. This increase is significant as indicated by the p-value of 0.000.

ANOVA Test

Table 14: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Significant
Regression	4.997	1	4.977	34.324	.000^b
Residual	4.353	30	.145		
Total	9.000	31			

Source: (2024)

    a. **Predictors:** (Constant), ATM Service Accessibility, ATM Service reliability, and ATM Service Efficiency.

    b. **Dependent variables:** in your opinion, would you say that NFC ATM services generally satisfy its customers' needs and wants

Table 4.9 is a summary of Analysis of Variance (ANOVA) for our regression model. From the summary tabulated above we note that the residual sum of square of our model is 4.353 with 30 degrees of freedom while the regression sum of square (4.997) with 30 degrees of freedom. When comparing the two, (Residual sum of square < than Regression sum of square) we can comfortable conclude that the model account for a closer fit of estimation to the variation in the growth of SMBs in Bambili and Bambui. Also, the F calculated is (34.324) with p = 0.000. This suggests that there is a significant effect of saving account on the growth of SMBs. Cognizant of the fact that the p value=0.000 which is less than 0.05 indicating a significant relationship between saving account and the effect on growth of SMBs. Consequently, H0 was rejected and H0$_3$ upheld (The null hypothesis was rejected and the alternative hypothesis accepted). It can therefore be concluded that saving account significantly affects the growth of SMBs in Bambili and Bambui.

Growth of Business as a result of MFI

Table 15: Growth of business

GROWTH OF BUSINESS	SA	S	D	SD	Total
My business has improved its competitiveness in the market as a result of the present of MFI	40 (40.0%)	25 (25.0%)	20 (20.0%)	15 (15.0%)	**100 (100%)**
My business has created new job opportunity and hire additional staff because of the business training and education obtain from MFI	35 (35.0%)	30 (30.0%)	25 (25.0%)	10 (10.0%)	**100 (100%)**
My business has increased its revenue and profitability as a result of saving account and loan obtain from MFI	45 (45.0%)	25 (25.0%)	25 (25.0%)	5 (5.0%)	**100 (100%)**
My business has expanded its customer base and market niche due to the aid and services of MFI	35 (35.0%)	30 (30.0%)	15 (15.0%)	20 (20.0%)	**100 (100%)**

My business has experience a significant decrease in the past years	20 (20.0%)	35 (35.0%)	30 (30.0%)	15 (15.0%)	**100 (100%)**
Aggregate total **Percentages %**	**175** **(35.0%)**	**145** **(29.0%)**	**115** **(23.0%)**	**65** **(13.0%)**	**500** **(100%)**

Source: (2024)

The study finally examined how the growth of business are influenced by MFI in Bambili and Bambui area. Taking into consideration the aggregate total, it is reveal that 175(35.0%) of the responses strongly agreed that the growth of their businesses is as a result of services, loans, education and training, saving account provide by MFI while 145(29.0%) agree to the important of their growth with sum total of 320(64.0%) that agreed to the important of the various reasons attributed to their growth while 115 (23.0%) disagree to the important of this component indicating that their business growth depends on other variables not stated in this research model and 65(13.0%) of the respondents strongly disagree, giving a sum total of 180(33.0%).

Interpretation of combined Coefficients

Table 16: Coefficients of Microloan, Training and Education and Saving account

Model	Unstandardized coefficients		Standardized coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	10.819	7.883		1.959	.053
Microloan	.646	.135	.545	6.281	.000
Training and Education	.762	.102	.614	7.683	.000
Saving account	.783	.089	.848	8.761	.000

Source: (2024)

The result obtained from the values of unstandardized (B) coefficients on "Microloan" lead us to conclude that a unit increase in "Microloan" would yield 13.5%-unit increase in predicted overall growth of SMBs. Similarly, the value of standardized beta coefficient for this predictor leads us to conclude that for every unit of standard deviation increase in "Microloan" would yield 54.5% standard deviation increase in predicted overall Growth of SMBs in Bambili and Bambui.

Similarly, the result obtained from the values of unstandardized (B) coefficients on "Training and Education"; lead us to conclude that a unit increase in "Training and Education" would yield 10.2%-unit increase in predicted overall growth of SMBs. On the other hand, the value of standardized beta coefficient for the same predictor leads us to conclude that for every unit of standard deviation increase in "Training and Education"; would yield to 61.4% standard deviation increase in predicted overall Growth of SMBs.

And lastly, Similarly, the result obtained from the values of unstandardized (B) coefficients on "Saving account"; lead us to conclude that a unit increase in "Saving account" would yield 8.9%-unit increase in predicted overall growth of SMBs. On the other hand, the value of standardized beta coefficient for the same predictor leads us to conclude that for every unit of standard deviation increase in "Saving account"; would yield to 84.8% standard deviation increase in predicted overall Growth of SMBs.

Conclusively, for regression coefficients indicates that the regression equation is given by Growth of SMBs

= 10.819 + 0.646 M + 0.762 T&E + 0.783 S, where M is Microloan, T&E is Training and Education and S is Saving Account. Thus, when there is no M, T&E and S, the growth of SMBs is at 10.819. When growth of SMBs increases by one unit, M, T&E and S, increases by 2.191. This increase is significant as indicated by the p-value of 0.000. Also, the sign of all the coefficient is positive indicating that there is strong positive relationship between the variable used in this model.

Pearson Correlation

Table 17: Pearson Correlation for all indicators

MFIs	Growth	Microloan	Training and Education	Saving account
Growth	1.00			
Microloan	.451*	1.00		
Training and Education	.310**	.215**	1.00	
Saving account	.171	.041	.759**	1.00

Source: (2024)

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

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

From the table above, it reveals that there is a strong positive correlation between microloan and growth of SMBs with a value 0.451*at 0.05level of significant. Again it shows that there is a positively moderate correlation between training and education with a value 0.310** at 0.01 level of significant. Also, the result shows that there is a weak correlation between saving account and growth with a value of 0.171 but there exists a positively strong correlation between saving account and training and education with a value of 0.759** at 0.01 level of significant.

SUMMARY OF FINDINGS

Table 18: Summary of findings

Research questions and Hypothesis	Hypothesis testing	Qualitative Findings
Does microloan affect the growth of Small and medium size businesses in Bambili and Bambui? H0$_1$: Microloan has no significant effects on the growth of Small and medium size businesses in Bambili and Bambui?	**H0:** was rejected **H0$_1$**: was up held. It can therefore be concluded that microloan has a significant effect on the growth of SMBs in Bambili and Bambui area.	Some of the SMBs in Bambili and Bambui area does not belong to any MFI or are members.

To what extent does business training and education affect the growth of small and medium size business in Bambili and Bambui? $H0_2$: Business training and education has no significant effects on the growth of Small and medium size businesses in Bambili and Bambui?	**H0:** was rejected $H0_2$: Accepted. It can therefore be concluded that business training and education have significant effects on the growth of Small and medium size businesses in Bambili and Bambui	some of the SMBs Owners where not well educated and receive no training. Therefor many of this SMBs owners were unable to evaluate the growth of the business.
What is the effect of saving account on the growth of small and medium size businesses in Bambili and Bambui? $H0_3$: Saving account has no significant on the growth of Small and medium size businesses in Bambili and Bambui?	**H0:** was rejected $H0_3$: Accepted. It can therefore be concluded that saving account have significant effect on the growth of Small and medium size businesses in Bambili and Bambui area	Also, many business men do not have saving account with the MFI but rather save with "Njangi" with the aim of abstaining from the interest rate of MFI while minimizing their security risk

Source: (2024)

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

The main objective of this study was to examined the contribution of microfinance services on the growth of small and medium size businesses in Bambili-Bambui area and the specific objectives were to assess the impact of microloan, business training and education and saving account services on the growth of small and medium size businesses in Bambili Bambui. The target population of this study were the owners and workers of small and medium size businesses resident within Bambili Bambui area. The first set of the data was analysed using descriptive statistics as well as inferential statistics like correlation analysis, regression analysis, the R Square, the P-value test and results presented on tables and the second set was testing the hypothesis. From the analysis, conclusion was drawn following the specific objective

Microloans Services

Base on objective one it was concluded that microloan has a significant contribution on the growth of SMBs in Bambili and Bambui area. That is microfinance institutions provide access to credit and financial services for SMEs that often lack collateral or credit history, enabling them to secure the necessary capital to invest in their operations and expand their businesses which is in line with the study of Karlan et al., 2011.

Business Training and Education

With regard to objective two, it was concluded that business training and education have significant contribution on the growth of Small and medium size businesses in Bambili and Bambui. Microfinance institutions complement their financial services with business training and educational programs, empowering entrepreneurs with the skills and knowledge to effectively manage their operations, leading to

better business outcomes and increased sustainability (Drexler et al., 2014).

Savings Accounts

Lastly, it was concluded that saving account have significant contribution on the growth of Small and medium size businesses in Bambili and Bambui area. The availability of secure savings accounts through microfinance institutions allows SMEs to accumulate funds for future investments, smooth out cash flow fluctuations, and build financial resilience, contributing to their growth and long-term viability (Brune et al., 2016).

Limitations

The main limitation of the study was the time constraint. Due to socio-political issues facing the educational sector in the region, the length of time allocated to conduct the research effectively had been shortened considerably. In addition, access to reliable statistics concerning the subject under study is not easy, as most information are not disclosed online but kept at the national institute of statistics. Also, the hostility of the business owners toward participating in a study that involved university students, as they did not foresee any benefits.

The frequent lockdowns and ghost town in the region was also not favourable making it difficult for the researcher to go on the field to administer questionnaires, as well as for most business owners to open on a regular basis.

Additionally, the heterogeneity within the SME sector, such as differences in industry, size, and growth stage, may require more nuanced analysis to understand the specific needs and challenges faced by different types of businesses.

Recommendations

In view of the findings made and conclusions drawn from the study the following recommendations are provided to help enhance an accelerated and sustained growth in the small and medium size businesses and also provide recommendations to help in the improvement of the services of microfinance institutions.

The microfinance institutions may be quick to measure their success rate by considering factors like high repayment, outreach and financial sustainability, but these may not be success if their activities do not reflect in the growth of small and medium size businesses.

The growth of small and medium size businesses does not only rely on access to microloan but also the creation of favorable and formidable business environment.

The microfinance institutions have a great responsibility of ensuring the proper use of members which is an important facility in business acceleration.

To achieve this, microloan should be client-oriented and not product- oriented. Proper and extensive monitoring activities should be provided for members who are granted loans.

In order to reduce the rate of default, microfinance institution can research into very profitable business lines and offer loan to members who have the capacity to exploit such business lines.

Finally, the researcher recommends that business and financial training should be provided by microfinance institutions on a regular basis and most cases should be tailored toward the training needs of their members.

SUGGESTION FOR FURTHER STUDY

To increase our knowledge on the application of the impact microfinance institution on the growth of small and medium businesses, the following areas are suggested for further research:

A study should be carried out on the same topic using time series data from microfinance institutions across Cameroon so as to avoid generalization as well as considered many years as opposed to this study which used only cross-sectional data.

Further studies should be done to determine other factors implemented by MFIs in Cameroon in order to improve the growth of small and medium size businesses.

Also, since the examined microloan, business training and education and saving account revealed a positive and significant effect on the growth of small and medium businesses, further research should be conducted to determine the effect of other factors, such as access to market, infrastructures and technology in influencing the growth of small and medium size businesses.

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