

LOAN OFFICERS' VOICES: Perspectives and Lessons from the Foot Soldiers

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This note focuses on the management tier that is instrumental in generating the largest share of revenue for a typical microfinance organization. Loan officers help in building goodwill or otherwise with the clients of the microfinance industry; the economically active low income poor population of the country and hence it is extremely important that the right kind of social and financial discipline message is conveyed through them.

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1. INTRODUCTION

Loan officers in microfinance serve as an intermediary between the Microfinance Providers (MFPs) and clients. They are the frontline staff and have the best knowledge of their client, having spent approximately 70 percent of their time in the field (Gray, B. 2013). Loan officers are predominantly responsible for verifying the clients' needs, screening the loan applications, monitoring and following up with the clients and documenting the loan processes. Balancing both the clients' needs and organizational goals makes for perhaps the most testing aspect of their jobs, as they have to keep the well-being of the clients in mind, while considering the overall success of their organization (Gray, B. 2013). Additionally, loan officers also face challenges such as meeting the targets/quotas set by the management, recovery of loans especially those that are past due, selecting new clients', solving logistical issues which add to the pressures of their job. Considering that the loan officers are responsible for recovering the disbursed loans and keeping the Portfolio at Risk (PAR) under check, they are a key player in maintaining the quality of the loan book (Ross and Denzer, 2011). How a microfinance provider addresses and minimizes the challenging factors faced by the loan officers working on the field has direct implications on the quality of financial services delivery to the 'bottom of the pyramid' (Pralhad, 2005). Due to this direct impact, it is pertinent to focus on the policies and procedures for loan officers designed by the MFPs. Despite the fact that loan officers form the bottom of the organizational hierarchy, they build and maintain vital client interface that is essential for an organization's survival (Siwale and Ritchie, 2012). There is little dispute amongst microfinance practitioners that well-designed staff incentive schemes can have positive and powerful effects on the efficiency and productivity

¹ List of reporting MFPs is in Annex I



of MFI operations. However, staff incentive schemes remain a 'white spot' in microfinance. Most of the available data on staff incentive schemes is anecdotal and limited to specific MFIs (Holtmann, M. 2002).

Box 1: Universal Standards for Social Performance Management (USSPM) on Treatment of Employees

In Social Performance Management, treating staff responsibly is an important dimension. This is reflected in Universal Standards for Social Performance Management (USSPM) Manual prepared and launched by Social Performance Task Force (SPTF). These 'Universal Standards' are meant to provide a comprehensive toolkit of essential practices to clarify and standardize SPM for microfinance practitioners.



Out of these six dimensions, fifth dimension is in direct relevance with the focus of this note i.e. loan officers. This dimension focuses on 'Treating Employees Responsibly'. It emphasizes the following points as part of SPM strategy of an MFI.

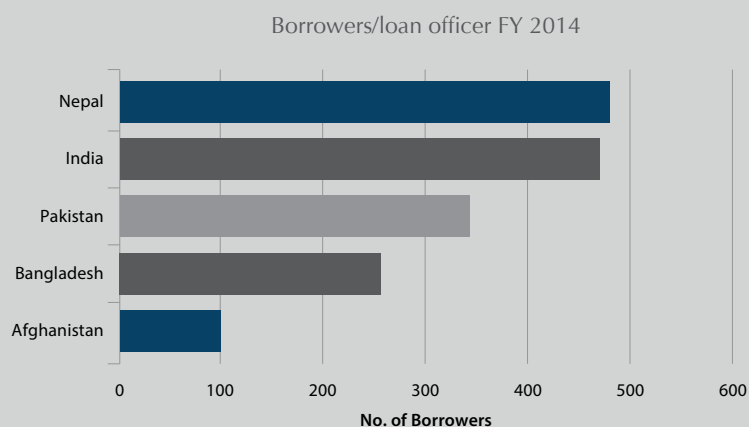
- 5A:** The institution follows a written Human Resources Policy that protects employees and creates a supportive working environment.
- 5B:** The institution communicates to all employees the terms of their employment and provides training for essential job functions.
- 5C:** The institution monitors employees' satisfaction and turnover.

Ross and Denzer in their 2011 study state, "Microfinance is a powerful part of the solution in alleviating global poverty. Strengthening the people side of the equation will go a long way to ensure that microfinance institutions have the **human capital** they need to do their part."

The aim of this MicroNOTE is to focus on this vital **human capital component** that is indispensable for the survival of a microfinance provider. The Note will begin by **highlighting** the challenges faced by the loan officers in the field. A comparative analysis of loan officers' perspective with that of the top management is also presented to highlight the existent communication gaps within the organizations. A set of recommendations for the improvements in current human resource practices are offered in the last sections to help organizations identify and address the issues pertaining to the loan officers in a better way.

Box 2: Statistics on Borrowers per Loan Officer Ratio

As the future of microfinance industry is based on its loan portfolio and its quality, number of clients loan officers bring, becomes a crucial indicator of their performance. However, working with a large number of clients, poses a major challenge for the loan officer as this large number brings with it the burden of managing them. The graph below gives borrower per loan officer ratio in South Asian countries.



Source: MiX Market www.mixmarket.org

2. METHODOLOGY

This note presents results from primary as well as secondary research conducted by Pakistan Microfinance Network (PMN) and TNS Aftab Associates. Focus Group Discussions (FGDs) were conducted to gauge the perspective of loan officers. The perspective of MFIs' management on policies and practices designed for loan officers was gauged through in depth interviews (IDIs). The selected sample consisted of 4 microfinance banks (MFBs), 7 microfinance institutions (MFIs) and 1 rural support program (RSP), with all the organizations volunteering for participation. There were 8 participants per FGD and a total of 6 focus groups were conducted in varying geographical locations to account for the context in which the loan officers work. Due to the huge geographical spread of microfinance providers, we divided our sample size in urban, semi urban and rural areas.

Figure 1: Geographical locations of FGDs

Region	Sindh		Punjab	
	Karachi	Nawabshah	Lahore	Khushab
No. of FGDs	2	1	2	1

3. STUDY PARAMETERS

PMN understands that loan officers are central to microfinance operations in the field and represent a crucial point of contact between a microfinance provider and its clients. The centrality of a loan officer's role requires them to have a certain type of skill sets, experience and a pleasant yet firm personality as it sets up the tone for how the process of disbursement and repayment is carried out in the field.

Keeping this in mind, the discussion with loan officers and senior management was designed along four thematic areas given below.

Figure 2: Parameters of the study

<p>Understanding loan officers and their career perspectives</p>	<ul style="list-style-type: none"> ▪ Reasons for pursuing this career ▪ LOs perspectives on their job ▪ Career aspirations ▪ Job satisfaction ▪ Motivation factors for a loan officer
<p>Reasons for attrition</p>	<ul style="list-style-type: none"> ▪ Inadequate knowledge and understanding of microfinance sector ▪ Lack of monetary benefits
<p>Understanding the challenges in work lives of loan officers</p>	<ul style="list-style-type: none"> ▪ Extreme weather conditons & commutation problems in far flung areas ▪ Clients behaviors & identifying potential clients ▪ Balancing the emotional side as a professional ▪ Gender based challenges ▪ Achieving targets
<p>Training and development needs of loan officers</p>	<ul style="list-style-type: none"> ▪ Training opportunities available to loan officers ▪ Awareness regarding employee rights ▪ Career coaching

4. FINDINGS

4.1 UNDERSTANDING LOAN OFFICERS AND THEIR CAREER PERSPECTIVES

This parameter revolved around loan officers' reasons for pursuing this career, how they see their job, their career aspirations, job satisfaction and what motivates them on their job. Overall, their responses were mixed in nature and only the dominant responses are reported and analyzed in this section.

4.1.1 Reasons for pursuing this career

Most of the loan officers come from a modest economic background being hired from the local communities in which they work. The flexibility in works hours that this job allows, was stated as one of the reason by the interviewed loan officers to pursue this career, as this makes it a viable profession for part-time students. Interestingly, very few loan officers from the sample, stated philanthropic or social cause as a reason to come in this line of work. However, loan officers working in Microfinance Institutions (MFIs) reported that social aspect of their job does add value to their work and makes them feel good about their work.

Another finding that emerged during the FGDs was that loan officers do not consider joining MFIs as a permanent career choice and tend to keep their options open for switching their jobs. Several factors contribute towards this mindset, the dominant one being the challenging field environment in which they operate. However, it is important to draw the distinction between MFBs and MFIs here. Majority of the loan officers who did not mention this job as their permanent career choice belonged to MFIs. Loan officers working in MFBs regarded banking as their long term career.

"There is no proper procedure that you have to follow for becoming a loan officer. All you need is a certain degree of education and communication skills."

- Loan Officer- Lahore

² This finding holds for both MFBs and NBMFPs.

4.1.2 LOs perspectives on their job

Loan officers form the base of the organizational pyramid. Most of them are aware of the vital role that they are entrusted with i.e. the backbone of MFPs growth and risk management. Their work is primarily based in the field, premised upon the assumptions of self-surveillance, monitoring and discipline to achieve the targets set for them. When asked if they can share with us their vision about the job at hand, responses differed from helping the under privileged to seeking experience in client handling. Another group viewed their jobs in terms of authority and social power it brings to them as they get to monitor the clients' usage of loans. This improves their self-esteem as they feel good about the fact that they are in a position to oversee and help people.

A job which gives diversified experience of client handling

"Going to the field to make clients, recovering loans from them, confirming their installments and everything else related to it is the job of a loan officer. Carrying out these interactions, we get to know a lot about our client".

- Loan Officer- Lahore

A job that gives them monitoring authority and improves their self-esteem.

"My job is of monitoring. For example, visiting the branches, identifying new areas, overall responsibility of checking up on people and recovering loans from them.

- Loan Officer- Khushab

A job that helps uplifting the local underprivileged talents

"We give financial assistance to people who have experience but do not own capital to set up their businesses. These are the skillful people who want to work for example by setting up a store in which they keep pulses and/or vegetables for selling".

- Loan Officer- Lahore

4.1.3 Career aspirations

While discussing the career aspirations of the loan officers, many officers were cognizant of the career pathway from a loan officer to senior management which is an indication of the fact that microfinance organizations are investing significantly in communicating the lucrative incentives and potential of promotions to their employees. Despite their knowledge of potential of growth in this line of profession, interestingly, their personal aspirations for future were found out to be vague and not aligned with their current jobs. When asked, the loan officers working in MFIs revealed diversified interests such as interest in textile, government jobs and personal business, leading to the assumption that they treat their jobs as loan officers to be temporary till a better opportunity comes along.

"Our CEO told us that there are a lot of growth opportunities in this sector. If we work hard, we can become branch managers and manage the portfolio

- Loan Officer- Khushab

4.1.4 Job satisfaction

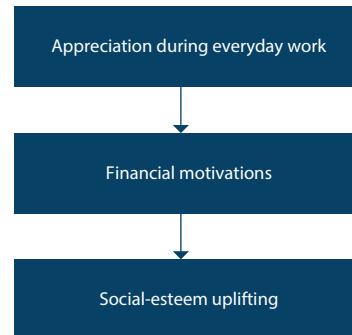
Overall, loan officers interviewed seemed to have a low job satisfaction and expressed little emotional attachment to their work. Many loan officers reported to be on a lookout for a better opportunity, a finding which partly explains the high turnover rate among this profession.³ Some of the reasons for low job satisfaction are given below:

- **Building morale at the LO level:** The loan officers did not have sufficient guidance and motivation to pursue their career in microfinance sector. Although the micro-finance organizations do conduct meetings to boost up employee motivation, they are unable to address the issues faced by their employees at grass root level.
- **Transferring organizational mission from branch management to LO level:** Through our FGDs, we found out that the relationship between loan officers and their branch managers was on a surface level and the need of building a strong mission oriented team was felt by the researchers. This communication gap often leads to frustrations at the loan officers' level as they had to cope up with most of the challenges in the field on their own.

4.1.5 Motivations for a loan officer

As motivation is the fuel for improved employee performance, loan officers were questioned on the sources of motivation in their work lives. They highlighted the following factors:

Figure 3: Motivation factors



- **Appreciation during every day work:** Considering the difficult nature of their rigorous field work, many loan officers reported that appreciation of their work by their supervisors serves a source of motivation for them. This appreciation can take the form of an award or commendation of their work in front of the colleagues. Acknowledgement amongst peers by the senior management gives them zeal to not only perform better but also gives them a push to supersede their previous performance.

"Employee who does good work is given an opportunity to progress up in the hierarchy and getting praised in front of fellow employees also motivates me a great deal."

- Loan Officer- Lahore

³ High attrition rate (as high as 22 percent) emerged as an area of concern in our interviews with the senior management of some large-scale MFPS.

- **Financial motivations:** In addition to acclamation, financial benefits make for another source of motivation for the loan officers, who come from modest economic backgrounds. Through incentives (like increment and bonus on meeting the target) in addition to their incomes, they are able to uplift their standard of living and accommodate additional expenses. Most of the loan officers directly linked their motivation of meeting targets to monetary gains in the form of bonuses and incentives.

"We get a bonus on Eid which is very beneficial for me. Similarly we get bonuses when we meet certain targets. This policy serves as an incentive for us, motivating me to perform my job better."

- Loan Officer- Nawabshah

It was heartening to see in our interviews with the senior management that microfinance providers are already invested in introducing financial incentives for their staff from sales incentives to increments to bonuses. However, while most of the MFBs are offering pay-packages above normal market prices, exceptions withholding, MFIs were found out to be lagging behind. Although this does contribute to dissatisfaction amongst loan officers, however, the high turnover rate cannot be entirely attributed to this factor, as non-monetary factors such as lack of appreciation in daily work also play their part.

As most of the loan officers come from modest economic backgrounds, job security that this profession offers also serves as a huge motivation for them for it results in a steady flow of income in their households. From the interviews we conducted with the senior management of participating organizations, we gauged that an employee cannot be fired without a proper procedure and there are organizations where loan officers are permanent employees. Other than job security, fringe benefits in the form of health insurance and life insurance also add to their motivation.

"My employer takes good care of its employees. Last year, an employee got a heart attack. They took him to Faisalabad and the company covered all his expenses which amounted to around 4.5 lacs."

- Loan Officer- Khushab

Currently, majority of the microfinance providers in Pakistan are providing life and health insurance to their employees. However, there are few organizations that are covering employees' parents as well as part of their health insurance. Provident fund and gratuity for loan officers is offered in almost all the organizations. Fuel allowance is provided by all the organizations and there are few that are providing airtime to its field officers for their voice conversations with the clients.

"We look around us and if we see anyone in need of our help, we definitely help them and guide them. We develop a relationship with our client in return of which we get respect. This is fulfilling for us."

- Loan Officer- Karachi

4.2 REASONS FOR HIGH TURNOVER OF THE LOAN OFFICERS

Since the loan officers work on the grass root level with basic facilities, they need to have high levels of motivation to continue this work. As mentioned before, most of the loan officers in the FGDs conducted showed their inclination towards switching their job if they found any better opportunity. Some of the reasons mentioned for this turnover by the loan officers are as follows:

4.2.1 Lack of formal career counseling & inadequate knowledge and understanding of the microfinance sector

Overall, the concept of microfinance was not well developed among the loan officers. Most of them consider microfinance as tier two banking. Although the loan officers are well aware of the career ladder present in their organizations, the inability of immediate line managers to counsel and coach their subordinates with their career aspirations leads to lack of clarity in loan officers' career mapping directly affecting their pace of progress, resulting in high turnover.

4.2.2 Monetary benefits

Low pay packages were said to be another demotivating factor, leading to a high turnover rate. However, it is interesting to note that all the microfinance providers interviewed in the sample are invested in making themselves monetarily incentive-rich institutions. In addition to a fixed salary, several MFPS have linked monetary benefits to the performance of loan officers. For instance, in the event of reaching the branch sustainability threshold, some MFPS award the branch staff a certain percentage of their salary as a bonus. Some MFPS also reward their branch staff for reaching operational self-sufficiency (OSS) quickly. It is worth noting that some of the organizations are focused on linking monetary benefits directly to achieving loan disbursement and loan repayment targets which has important implications for loan officers, discussed later in the note.

4.3 UNDERSTANDING THE CHALLENGES IN WORK LIVES OF LOAN OFFICERS

Loan officers' work involves a series of challenges emerging out of their time in the field. While some of these challenges can be addressed easily by making changes in their work style and taking control of the situation, others challenges are somewhat extrinsic in nature and can only be dealt with strong will and determination. This section lists the most pressing challenges faced by loan officers which surfaces during FGDs.

4.3.1 Extreme weather conditions and commutation problems in far flung areas

Since, a majority of microfinance clientele reside in rural areas, loan officers have to travel to far flung areas in all weather conditions and feel that this aspect of their job makes it more difficult than regular office work. Although the female loan officers are given office vehicle for transportation purposes, they are not given the option of overnight stay if they travel a long distance and are required to get back the same day. This makes travelling more hectic and at times dangerous for them as well. The male loan officers are provided fuel for their bikes. A few loan officers consider this distinction of providing cars to females and only fuel allowance to males as discriminatory, though, most of them understood the cultural dynamics of this distinction.

Some of the organizations we interviewed currently have no female staff due to security issues of females traveling to rural areas. Considering that some organizations provide backpacks, medical kits, gloves, raincoats to their loan officers is an indication that these organizations are cognizant of the conditions in which their loan officers operate.

4.3.2 Client behavior and identifying prospective clients

Increasing clientele is one of the core functions of microfinance. The job of a loan officer entails bringing in new clients and providing them with opportunities to acquire loans. This is a risky task because a new client without a background check can default when it comes to repayment. The loan officers thus prefer clients with a good reputation in their social circle, reducing the number of potential clients if a loan officer is working in a saturated and competitive location. Due to this, the loan officers tend to engage previous clients again and again. However, there is a limit to which they can keep coming back to their old clients as the annual targets set for them push them to bring new clients.

“The market is usually extremely competitive in the cities and bigger and old organizations already have their clientele set there. Clients in these cities have been with these organizations for the 14-15 years. In such cases, it becomes very hard to take in those clients and then there are problems of indebtedness if they take loans from multiple organizations!”

- Loan Officer- Lahore

Another challenge pertaining to clients that loan officers frequently face is client misbehavior. For clients who do not understand much about these loans, they misbehave with the loan officers and make it hard for a loan officer to convey his message to them.

4.3.3 Balancing the emotional and professional sides of their job

The nature of the loan officers' job necessitates constant and close interaction with the clients. More often than not, loan officers come from the local communities and know their clients beforehand. Both the factors lead to increased interaction with the client, at times beyond professional domain, complicating the loan officers' job. While loan officers are tasked with ensuring repayment of the loans, at times, they do feel the struggle of the borrower in case he/she is not able to repay the loan. In such situations, loan officers go by the organizations' policies for repayment process and keep up with their professional side. However, when asked if balancing emotional and professional life is a challenge for them, most of the loan officers in the FGDs replied in affirmative.

“In case of livestock disease/death or business failure, we give an application to senior management for some flexibility but we have to take the repayment no matter what. We feel for them but we have to put our emotions aside and abide by the policies of our organization.”

- Loan Officer- Khushab

4.3.4 Gender based challenges

Although the microfinance sector on the whole shows an inclination towards female entrepreneurship and empowerment, males constitute a large segment of microfinance clientele, posing a series of challenges for female loan officers.

In a male dominated society such as Pakistan's, traveling to far off areas for loan recovery is difficult for female loan officers. They have to rely on a close family member or a male loan officer to accompany them on their visits. Then there is an issue of dealing with male clients or male members of their female clients. While some female loan officers stated being quite comfortable on their own when dealing with the clients of both genders, most of the female loan officers interviewed reported that they try to take a male colleague with them at the time of loan repayment for security purposes.

However, there are exceptions when male clients are more comfortable speaking to

female loan officers in cases where they have to convince their wives for taking loan. Overall, the experience of female loan officers varies by individual cases.

“There are certain instances when female loan officers face problems; otherwise, it is more or less the same. At the time of recovery from a female borrower, her family’s male members step in and they try to put pressure on us. That is when we involve our team and get the recovery.”

- Loan Officer- Nawabshah

4.3.5 Achieving targets

From the FGDs it was found out that pressure to meet the targets of maintenance of clients and expansion of loan portfolio is another aspect of a loan officer’s job especially because target setting follows a top down approach. When the loan officers were asked if they are aware of the criteria for setting the targets for them, the answers were mixed in nature indicating the lack of clarity in this regard. Some of the responses were:

- Targets are given by the State Bank of Pakistan to microfinance banks
- Targets are set keeping in view the individual’s capabilities
- A branch gets annual targets from Head Office
- Targets are given randomly

“It is the policy of the State Bank of Pakistan. We have meetings within the office and we are assigned our targets. If we are unable to meet them, we have discussions over that as well.”

- Loan Officer- Karachi

“Our yearly targets are determined by the Head Office. There are different targets for different branches.”

- Loan Officer- Khushab

“The targets are randomly assigned to us or they look at the performance of previous year and based on that, they set the targets for the coming year.”

- Loan Officer- Lahore

After the delinquency crisis in 2008-9, the overall burden of target-chasing was somewhat eased. Currently, there are fewer organizations chasing after ambitious targets as was the case before 2008-9. With more individual based lending introduced, disbursement and repayment mechanisms are eased. However, this challenge still exists in an expanding and competitive microfinance industry. As achieving targets of maintaining previous clients and bringing in new clients is crucial to the success of microfinance organizations, we see emphasis of this aspect in the form of linking monetary benefits to targets in all the MFPs. On average, loan officers have to maintain Portfolio at Risk (PAR) below 1.5% to get full bonus and can go up to 3% with some cut in their bonus. This cut in the bonus results in increasing pressure on a loan officer to reach the assigned targets so that he doesn’t face a cut in his bonus. Although there is no 0% PAR policy in any of the MFPs, not being able to achieve targets has direct impact on the appraisal. However, if someone has a strong reason for not being able to achieve the target set for him/her, it is discussed and sorted out. It is important to note that organizations that are expanding fast have increasing pressure on their field officers to ambitiously achieve their targets.

4.4 TRAINING AND DEVELOPMENT NEEDS OF LOAN OFFICERS

In this section, the training opportunities currently available to the loan officers are discussed. The loan officers were also asked about their familiarity and awareness of their rights as employees of their organization. The responses recorded are highlighted below.

4.4.1 Training opportunities

Although most of the organizations conduct preparatory orientations for the loan officers prior to sending them to the field, periodic on-the job capacity building programs were found to be lacking among most of the organizations in the sample. From the FGDs, we found out that though monthly meetings are held at the field offices with the loan officers, the discussions remain limited to targets and achievements and training and coaching needs of loan officers are rarely discussed.

However, when we interviewed the senior management, it was found out that most of the organizations have extensive training programs in place; including orientation workshops and on-job training spanning from 15 days to a month on average. Most of the organizations also conduct an assessment of the training after 15 days to see the problems/issues faced by the employee. Loan officers are also routinely nominated for trainings with the National Institute of Banking and Finance (NIBAF) under their grassroots level training initiative. The trainings revolve around risk management, portfolio management, communication, community management, credit and recovery techniques and for some organizations soft skills development.

4.4.2 Awareness regarding employee rights

Under USSPM, an organization is required to measure job satisfaction and reasons of employee turnover. In addition to that, it is required to communicate to all the employees their terms of employment and provide them training for essential job functions. However, when we asked the loan officers about their rights as their organization's employee, we received vague responses which indicated their lack of familiarity with them. When the same was asked from the senior management, we got mixed responses ranging from the fact that they might not understand the term but they are briefed about their rights in orientation.

5. INSIGHTS AND RECOMMENDATIONS

The objective of this exercise was to understand the perspectives of loan officers and the challenges faced by them in the field. In this section, we bring together the findings of six focus group discussions and in-depth interviews with the senior management. Based on the insights that we received, we will draw recommendations around the parameters defined in the study. The insights and recommendations revolve around understanding of microfinance sector by the loan officers, guidance available for the LOs on the field and financial incentives available.

1. The loan officers have limited understanding of the objectives of microfinance sector and philosophy behind its existence. Through the FGDs, it was gauged that the objectives of the industry loan officers were working in were unclear to them. The benefits of direct engagement with the underprivileged masses and microfinance being the new way of financial inclusion for the unbanked were not highlighted by any of the loan officers. A few even confused the microfinance sector with regular banking, the only difference being the percentage of mark up. Roughly, loan officers' perspectives of the sector can be divided along three lines. While the one group had a positive view of the microfinance sector with the loan officers believing that microfinance has the potential to contribute in poverty eradication and give an opportunity to talented individuals to improve their lives, the second group had a rather negative understanding of the sector as they considered microcredit as a tool to

burden the poor further by first tempting them to take loans and then forcing them to pay mark ups. The third group took a neutral stance and believes that microfinance sector came into existence to help empower the underprivileged and unbanked people for which they pay the price in the form of mark up.

Figure 4: Kinds of perspectives

Positive approach

Loan Officers with this approach regarded microfinance segment as an important segment that can contribute in poverty eradication and uplifting the underprivileged talented individuals.

Negative approach

This approach regarded microfinance organizations as a way of burdening the poor by tempting them to take loans and then forcing them to pay markups.

Neutral approach

This approach believed that microfinance sector was based on the initiative of empowering people to stand on their feet and markup was a price these people had to pay for this favor.

Perhaps the biggest push for the microfinance industry to evolve in a country with low literacy level and large underprivileged population will come from proper penetration of the message and objectives of microfinance. From what we understood from our FGDs, there is a need for regular training sessions for the client facing representatives of the industry on the essence of microfinance. This would not only help the industry maintain the mission it was established for, but it will also help increase the clientele by serving the clients better.

2. The loan officers do not have enough association with their job to turn it into a career and most of them seem to come into this line of profession because they are unable to find a better job. From the 12 microfinance organizations that were part of the focus group discussions, it was found out that most of the loan officers were not ambitious about a career within the microfinance industry and this was reflected in their inclination towards switching jobs given the opportunity. It was also observed that loan officers rely a lot on appreciation and guidance from branch managers. The work lives of these loan officers are tough because of the crude circumstances faced in field, poverty and illiteracy; however this tough work environment is not the only reason of high turnover in this essential layer of the microfinance sector. The branch managers should be trained in retention of employees, team building activities and employee job mind set. All of these activities will help develop a work bond that can increase efficiency and retention within the field.

In addition to this, there is a need for formal career coaching which is currently lacking mostly. Immediate supervisor should be made responsible for communicating to the loan officers the importance of the work that they are doing as appreciation in their daily work motivates the loan officers to perform better.

3. Overall, it was encouraging to see that on an industry level, efforts are being made to retain the field staff by offering them rich incentives. However, there are some MFPs that are currently undergoing changes in their structure to improve the incentive schemes in order to retain staff. Attrition on an overall level is a big issue for the big names in the industry due to increasing competition in a booming microfinance industry. It is also important to look at the bigger picture when

dealing with the issue of attrition instead of catering only to the financial side. In order to better understand the loan officers voices, it would be interesting to do a cross regional analysis, comparing the countries with high and low penetration levels.

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ANNEX 1: LIST OF PARTICIPATING MFPS IN THE STUDY

1	Tameer Microfinance Bank
2	Khushali Bank
3	Waseela Microfinance Bank
4	First Microfinance Bank
5	National Rural Support Program
6	Kashf Foundation
7	Soon Valley Development Program
8	Association for Gender Awareness and Empowerment
9	Mojaz Foundation
10	Orangi Charitable Trust
11	Shah Sachal Sami Foundation
12	Wasil Foundation



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