The Microfinance Institutions Rating According to the Performance of their Lending Process: An Intuitionistic Fuzzy TOPSIS Evaluation

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Abstract

The main reason for the microfinance industry is to reduce poverty. However, recent research suggests that this objective was not always respected; the Microfinance institutions (MFIs) focus more on their financial sustainability and profitability rather than on customer, which is a mission drift from their original objective. Several processes are designed within the MFIs to allow the production of the services and its distribution to the beneficiaries, managing these processes effectively and efficiently may improve the social and economic conditions of the borrowers and enhance the MFIs sustainability and competitiveness. This study aims to rank and prioritize the MFIs according to the performance of their lending process. Such study may allow MFIs to understand their position compared to their market rivals and then to seek differential advantages for retaining their customers and attracting new ones. Measuring the microfinance lending process (MLP) performance is a precondition for its analysis and subsequently its improvement. However, collecting data on lending process within an MFI is not always easy. Therefore, we managed to develop an Intuitionistic fuzzy TOPSIS approach. It is a complex decision making (DM) tool that is highly recommended to deal with uncertainty and vagueness in comparative analysis.

Keywords

Microfinance Lending Process; Intuitionistic Fuzzy TOPSIS; MCDM Approaches.

References:


Biographies

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