

Demographic characteristics of credit officers and loan performance in MFIs in Tanzania

Martha Seko Swai

Master of Business administration (Finance)

University of Dar es Salaam, Business School, 2016

This study assessed the demographic profile of credit officers and loan performance in microfinance institutions in Dar es Salaam and Arusha Tanzania. The study mainly centered on working experience, level of education and gender of credit officers. The study used primary data from 200 officers from 20 MFIs selected randomly among the FMIs operating in Dar es Salaam and Arusha, and analyzed by using descriptive and regression analyses. The regression model shows that working experience and education level of credit officers have positive influence on loan repayment. Based on information asymmetry theory the study observed that gender of credit officer in the MFIs does not influence loan repayment. It is therefore recommended that in order for the MFIs to reduce risk on loan repayment default it should consider the demographic profile of its credit officers such as their educational level and experiences by employing skilled and experienced personnel responsible for screening and monitoring the use of the loan