

***Exploring the Role of Private Commercial Banks (PCBs) in
Increasing SMEs' Financial Accessibility in Developing Countries:
A study in Bangladesh***

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A thesis submitted to

The University of Gloucestershire

in accordance with the requirements of

Doctor of Philosophy in the School of Business and Technology

December 2018

Word Count: 71,893 (excluding Tables and Appendices)

Author's declaration

I declare that the work in this thesis was carried out in accordance with the regulations of the University of Gloucestershire and is original except where indicated by specific reference in the text. No part of the thesis has been submitted as part of any other academic award. The thesis has not been presented to any other education institution in the United Kingdom or overseas.

Any views expressed in the thesis are those of the author and in no way represent those of the University.

Signed

Date: 23/12/2018

Dedication

This thesis is dedicated to

My Mother

Who always prays for my brilliant future

Late Father

Whose eyes were full of dream for my bright future

And

My beloved wife

For her all sacrifices during this study in the UK

Acknowledgement

At first I thank Allah to complete the expedition. Then I must acknowledge my supervisors. Thanks go to Dr Robin Bown for his constructive guidance around the structure of the thesis and the SME financing matter. I must acknowledge Dr Mark Loon for his help and instructions with valuable materials helpful for theory development.

My thanks go to the participants for the primary research of this thesis for their valuable time, their openness and cooperation, which is exactly the way that I wanted it.

I have heartiest thank to Juli who sacrificed her best in all aspects that created my home and personal life a good research environment.

Last, but in no way least, I must thank my friends, particularly, Shahid, Nazmul, Tanveer and Abhishekh who instantly responded me with their openness at any kinds of appeal.

In memory of my much loved parents Hazara Begum and late Abdus Salam.

ABSTRACT

Poor collateral is the fundamental barrier in accessing to PCBs' (Private Commercial banks) for SMEs (Small and Medium Enterprises). In recent years, relationship-lending provision emerged where previous liability payment history, record keeping and other business transactions are the conditions. In relationship lending system, the soft information is importantly considered, which is collected through a long time relations between a branch level loan officers and applicant firms. However, the information opaque firms who have been declined or never applied for bank loan due to the expectations of decline (discouraged firm) do not have previous liability payment history, have poor record keeping habit and no long-time relationship with a particular bank. They have only a level of soft information. Only, the soft information could be the element of first accessing SMEs to gain initial bank finance to create a relationship lending for the particular group of SME. There is no solution for the group of SMEs. Considering the importance of the group of SMEs, there is an emerging attitude of both the micro-and macro-economic sector to enhance the initial financial accessibility of the group of SMEs; however, that is not well defined and effective. Hence, a one-size-fits all solution is needed. For that, a model should be developed in win-win basis for a one size-fits-all solution. Therefore the aim of this study is to find a model to use and assess the

This study considers formal SME financing in Bangladesh by focusing on SMEs applying for their first loan. The data collection method is discourse semi-structured interview with guide for undertaking discourse analysis method. The interviewing was conducted with branch managers and higher officials of PCBs, owner-Managers of SMEs, higher officials of Bangladesh central Bank (BB), SME Foundation, Bangladesh Small and Cottage Industries Corporation (BSCIC) and Micro-Industries Development Assistance and Services (MIDAS).

This study redefined collateral assets as Materialistic Collateral Assets (MCA) refers to collateral and Cognitive Collateral Assets (CCA). Soft information has been defined as CCA, which could be only element that can be used as an alternative of the collateral assets. This study proposed a model of interactions titled as TTF (Tour To Finance) by which the CCA could be improved, assessed and used for the first accessing SMEs' owner-managers. The CCA and the TTF can provide strategic building up for both the macro and micro-economic perspective.

The findings and proposition could be effective in those of countries where branch level loan officers are empowered in field level assessment and financing decision-making. This study recommends developing a matrix for CCA measurement through conducting a further Action research by using grounded theory.

Acronyms and Abbreviations

ADB	Asian Development Bank
BRAC	Bangladesh Rural Advancement Committee
CCA	Cognitive Collateral Assets
CIB	Central Investigation Bureau
DA	Discourse Analysis
DGM	Deputy General Manager
IDB	Islamic Development Bank
JICA	Japan International Cooperation Agency
MIDAS	Micro-Industries Development Assistance and Services
MCA	Materialistic Physical Collateral Assets
PCB	Private Commercial Bank
PCA	Physical Collateral Assets
SME	Small and Medium-size Enterprise
SMEF	SME Foundation

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Chapter One: Introduction

1.1. Background of the study

It is widely recognized that Small and Medium-size Enterprises (SMEs) are important in terms of macroeconomic development. The main indicators of macroeconomic development is the employment and GDP growth. The SME and economic growth has a causal relationship; however, it is substantially evident that many obstacles impede growth of this sector where poor formal financing accessibility is mostly important (Bink & Ennew, 1997; Udell, 2006; Beck, Demirgüç-Kunt, & Maksimovic, 2008; Torre, Peria & Schmukler, 2010; Shinozaki, 2014). The studies pay attention to this poor formal financing accessibility as a significant concern. This concern is perceived in all economic settings in the world; however, in high rising Asian Economies, the poor accessibility of SMEs to formal finance is the key impediment (Shinozaki, 2014). The general attribute of SME financing is that once they start up with internal financing source and later they need external finance to survive and grow. Studies widely recognize that Private Commercial Banks (PCBs) are the primary source of external finance (Lean & Tucker, 2001; ADB, 2013). In Bangladesh, more than half of SMEs (out of external finance user SMEs) uses PCBs' finance (Khan, 2016). A worldwide study on 73 developing countries concludes with a recommendation that SME lending by financial institutions should be better understood to identify further better practice (Beck, 2007) for macro-economic prosperity.

The factors that the risk assessment team assesses are known as financing determinants. What factors are considered as financing determinants depend on the different financing structure of different context. Berger and Udell (2006) divided SME financing structure in five kinds such as small business credit scoring technology, asset-based lending technology, factoring, trade credit and relationship lending. The each kind of determinants requires respective assessment process, quality of risk assessment team, respective kind of information and documents and lenders face the related kind of problems.

This study finds a similarity and dissimilarity in the mode of the financial technologies, which is classified as the collateral-based financing and relationship-based financing technology. The collateral-based financing requires collateral/collateral assets either by counting assets or third hand guarantor. On the other hand, the relationship lending technology depends on the soft information that has been collected/understood from a long time relation between an owner-managers and a branch level loan officer. Therefore, the soft information is gathered through a long time interaction between owner-managers and loan officers (Berger and Udell, 2006). It is assumable that enhancing the financial accessibility is not possible by using collateral-based financial technology as one of the key characteristics of SMEs is that they have lack of collateral (Lean and Tucker, 2001; Bosri, 2016). Therefore, this study intended to further understand about the relationship lending technology to enhance financial accessibility. Relationship lending requires a long time relation between a bank and owner-managers together with previous liability history and record keeping of business transaction of a firm. However, information opaque firms do not have either a long time relation, a liability payment history or good record keeping (Beck, 2008; Berger and Udell, 2006). Hence, for the SMEs who do not have long time relationship, poor record keeping and no previous liability payment history need some alternative way to relationship lending. This way is not clearly articulated in the literature. This study contributed by finding the alternative way for the information opaque firms to start-up a relationship lending.

In the Bangladeshi financial market, the number of PCBs is 52 excluding 4 state-owned commercial banks. This size is comparatively large in terms of the size of economy. Despite having this amount of banks, the credit gap (difference between formal SME financing and potential demand of Credit for SMEs) is high, which is \$1.8 Billion (Yoshino, & Wignaraja, 2015). The banks' contribution in SME projects is only 10% whereas internal sources' contribution is 75%. The PCBs and the state-owned banks together provide this 10%. So, the contribution of these PCBs in SME project is lower than the entire 10%. In other words, PCBs have low contribution towards SME financing despite having many initiatives.

Only 18% SMEs receive this 10% finance from Banks (Ahmmed, 2009). Khan (2016) showed that half of the approved SMEs derive finance from state-owned bank.

Hence, the 52 PCBs' have only 5% contribution in SME financing. Khan (2016) found that PCBs have availability of finance but SMEs' accessibility to PCBs' finance is poor. Therefore, it is confirmed that PCBs have available finance, SMEs have demand of finance; however, both sides are struggling for the poor financing accessibility.

The amount of finance provided to SMEs is discriminated in distribution between large, medium and small enterprises. According to BB database, June 2014, the Large-scale industry received 69.35% finance, medium scale industry 24.60% and small and cottage/micro industry received only 6.06% finance from banks (Akter and Alauddin, 2016). This 6.06% was distributed in small and micro industries. The micro enterprise does not fall into the definition of SME. So, it can be assumed that small firms who have poor record keeping, no long time relationship and no previous liability payment history have poor financing accessibility to banks. This is also assumable that the event of being declined is common in the SME sector.

1.2. Declined and Discouraged SMEs

How many SMEs apply for finance and how many of them become declined and approved is not well defined in literature; however, Cole and Sokolyk (2016) classified the entire SMEs, in terms of financial accessibility, four kinds in USA context, which are- declined, discouraged, approved and no-need firms. It is assumable that the same kinds of SMEs are existed in all countries across the world. In the USA context, the ratio of no-need and approved firm is same and the discouraged firms outnumber the application. However, only 20% firms are declined. On the other hand, in Bangladesh, only 18% SMEs have formal financial accessibility to banks i.e. 82% have no accessibility. Literature informs that the reason for the decline is poor collateral, no long time relationship with banks, no liability history and poor record keeping habit (Lean & Tucker, 2001; Berger and Udell, 2006; Beck, 2008; Bosri, 2016; Akter and Alauddin, 2016).

Likewise, in the Bangladeshi context how many firms are discouraged to apply for loan to banks with the expectation of decline is also not identified. A recent study claimed that 50% firms do not apply for loan due to the lengthy process (Chowdhury, Azam and Islam, 2015). Part of this figure is the firms who do not apply for loan due

to the expectation of these delays. Therefore, the amount of declined and discouraged firms is huge in Bangladesh. Both the declined and discouraged firms expect finance from bank. These groups of SMEs are defined in this study as “First Accessing SMEs”. No previous study has introduced an effective model to include this group of SMEs in mainstream external financial sources. A theory/model to enhance the financial accessibility to the particular SMEs will improve the macroeconomic development.

After conducting extensive research on SME Asian Monitoring countries (20 Asian countries out of Asian Development Bank member countries), ADB (2013) recommended to take a holistic approach to enhance financial accessibility (ADB, 2013). This study recommended PCBs to enhance the efficiency of the risk assessment team to be more involved with firms for soft information collection. Torre, Perya and Schumbler, (2010) and Torre, Pería, Politi, Schmukler, &Vanasco, (2008) also found that in developing countries PCBs have afford to increase involvement with SMEs to create interaction between the loan officer and owner-managers for enhancing relationship lending but they are failure for poor relation and lack of first access to finance.

Shinozaki (2014) recommended a holistic approach for enhancing SME financing in particular for Asian countries as there is huge gap between supply and demand and there is not “one-size-fits-all” financing solution. This gap is 1.8 billion dollar in Bangladesh. For enhancing bankability and diversified financing models, identifying missing area to be covered by policies and regulations to reduce barriers for SMEs to external financing to PCBs.

Moro, Fink and Maetsh (2015) recommend that the firms should have more openness in disclosing the internal information with owner-managers in interaction as they can collect soft information for using in making lending decision; however, this study did not provide any safe method/concept to increase the openness.

There is a changing attitude in Bangladesh to enhance the involvement of PCBs’ branch level loan officer and the particular group of small business. In the Bangladeshi context, the Bangladesh central Bank (BB) finds small business as prospective for the macroeconomic development. The bank has specially signified the

small firms for the financial accessibility to PCBs. It undertook a non-mandatory regulatory approach to enhance the financial accessibility of the particular group of firms. One of the key points is that the BB allows PCBs to provide up to BDT2.5 million without collateral. For that, the BB allows the PCBs' branches to be empowered in making financial decision. The BB also advice PCBs to be involved in training and awareness programme with the small firms' owner-managers. This regulatory approach indicates that the BB intends to create more interactions between loan officers and the owner-managers. The PCBs also are motivated to be flexible in collateral requirement for the firms (Choudhury, Azam and Islam, 2015); however, the effectiveness of the involvement and interaction is poor

The concerns and recommendations indicates that the PCBs have been trying to change their position of collateral requirement and trying to be flexible in traditional collateral requirement for increasing SME financing. They have been attempting to undertake new approaches. All the approaches focus on enhancing the interactions between branch level loan officers and the owner-managers of first accessing SMEs. However, the effectiveness of the approach is yet to be scientifically evaluated and no studies found the degree of practical consequences of the changing attitude and BB's regulation. The concerns of the above studies produce a landscape that the changing approaches are still not effective (BB, 2017, Akter and Alaudding, 2016; Shinozaki, 2014; ADB, 2013).

1.3. Interactions between PCBs and SMEs

However, risk assessment process focusing on enhancing involvement and interaction between loan officers and owner-managers for collecting/creating soft information is still in middle of on-going learning process by investing huge amount of money (Torre, Peria, Politi, Schmukler, and Vanasco, 2008). After conducting a massive study on Chili's and Argentina's banks, the study found that relationship managers are the key people for reducing risk or information asymmetric affect. This is because the loan officers/relationship officers have opportunity to see, to observe/guess about the applicant through interaction from application submission to end process. For enhancing this interaction, the banks are investing huge amount of

money to develop relationship between the loan officers and the SMEs (Torre. et.al. 2008; OECD, 2015). Beck, Demirgüç-Kunt, & Maksimovic, (2008) found that in many countries banks have been introducing a separate wing for enhancing involvement with SMEs for increasing financial accessibility. This rate is 30% in developed countries and only 9% in developing countries. This study also found that there is a changing attitude in banks to see small business as prospective for banks' profitability.

However, no study produced any data that informs the effectiveness of the involving attitude. If the Bangladeshi situation is mentioned here the consequences of the involving attitude is not satisfactory because the PCBs eventually have to rely on the collateral assets (BB, 2017; Bosri, 2016).

As the alternative of collateral, literature informs the relationship lending. Relationship lending refers to a lending technology by which banks' branch level loan officer have long-term relation with an owner-manager. In addition, to this the loan officer gathers some soft information about the firms and owner-managers to use in making financial decision. However, only having this relation respectively does not ensure financial accessibility. Soft information collected/gained from long time relationship, previously liability payment history and other hard information together help the concerned loan officer to make decision (Denis and Mihov, 2003; Welch, 1997). The role of the soft information is that it more likely assists the loan officer to lessen the confusion of information asymmetry and ex-entry and post-entry cost (Elas and Krahn, 2002; Lehmann and Neuberger, 2001).

It is perceived that the changing attitude of PCBs from traditional collateral-based financial settings is moving to emerging soft-information-based financial setting. Therefore, the soft information is the alternative of collateral requirement. The soft information is collected through long time relation of an SME and a PCB's branch level loan officers. There are ambiguity in relationship lending and soft information.

The soft information collected by long time relation creates a kind of trust in the loan officers (Morro, Fink and Maredtsh, 2013); however, what kind of trust- is not clear. Is it the trust if the borrower will pay or the borrower would make good performance from where the return will come back? The relationship-lending concept

is repeatedly mentioned in the literature but it is not considered as the key financial determinant. So a successful decision of the application eventually becomes grounded in the form of collateral (Denis and Mihov, 2003). However, no research found any distinguished feature on how many firms are financed by relationship lending. Relationship lending is, indeed, a concept that helps collateral-based financial accessibility, which is important. This helps the decision on the firms who once accessed to the bank finance on collateral/collateral assets and needs refinancing (BB, 2017).

Another ambiguity about the relationship lending is its applicability in the decision-making for the declined and discouraged firms. The main barrier in enhancing lending for the particular group of firm is poor relation with bank and poor record keeping of the business transactions (Akter and Alauddin, 2016; Bosri, 2016). The reason is the loan officers are unable to collect/create soft information without first access to finance and a relationship with the firm. Therefore, the application of the relationship lending is apparently not possible for the declined and discouraged firms. The precondition for starting up a relation with bank is the first access for the particular group of SMEs.

Literature repeatedly mentioned about the soft information that is collected through a long time relation. Simply soft information is hardly possible to be quantified (Berger and Udell, 2006). However, what about the information? What factors determines the soft information? As Moro, Fink and Maretsh (2013) mentioned soft information creates trust. However, what about the trust? Is it about the security that if the borrower would pay back or not? Alternatively, is it about the prospect that the lender will make good business performance from which the returns will come back? Ramsden, & Bennett, (2005) found that soft information about the management capability of the owner-managers that reflect the prospect of the business. However, the owner-managers are free to take management decisions and the business and management decisions being influenced by social factors, changing circumstance and human behaviour (small business is operated by no organised management decision). Social relations and human behaviour drive small business management (Carson, Gilmore & Maclaran, 1998: Hogarth-Scott, 1996). Other studies reflected in the perspective of business performance that ability to manage

business (Liberti and Petersen, 2017), honesty, norms of the owner-managers (Iyer, Khwaja, Luttmer, & Shue, (2015), human behaviours and social factors.

The factors that the people assess for measuring the value of the soft information are not informed in the literature. The loan officers intend to understand the management capability, the adoption of timely decisions, and the norms of financial handling etc. However, the factors they use to make the assessment are not revealed. Some studies informed the some personal attributes owner-managers influence the soft understanding of the loan officers (Lean and Tucker, 2001; Bink and Ennew, 1996; Doležal, Šnajdr, Belás, & Vincúrová, 2015). Factors such as personality trait (Nootbume, 1996); social capital (Du, Guariglia, & Newman, 2015; Ismail, Ford, Wu, & Peng, 2013; Gedajlovic, Hong, Moore, Payne and Wright, 2013); learning attitude; self-efficiency approach (Townroe and Mallalieu, 1993) determine a level of soft information for making a relation and potential business performance, but no study evident that the loan officers considers them for financial accessibility. Some of the factors are quantifiable and some is not. The soft information of some of the factors could be easily quantifiable (e.g. level of education) and some are not but understandable (social capital using capability, learning attitude, management capability etc.).

As the management capability and prospect of firms depend on the human behaviour and social factors and it varies person to person, then the usability of the soft information depends on the assessing and measurement of its value. Ramsden, & Bennett, (2005) viewed that the usability and assessment/measurement varies from different loan officers' attitude. Therefore, the entire usability of the soft information is also vulnerable and ambiguous. Berger and Udell (2006) informed that the loan officers could collect the information that is public to the local business environment. They collect the soft information from people in the environment. It could be effective for reducing information asymmetry about the assets and dealing norms of a person but they are unable to use that information for making final decision. So, we cannot state that the finance is soft information-based. Because the information is collected that could be influenced by the neighbouring people of the firm and different type of relation and social complexity. To use the soft information, a clear

set of assessment process should be outlined by which the loan officer can measure the value of the soft information in a quantifiable mode.

Therefore, the use of the soft information needs to get rid of the huge ambiguity. That could be done by further defined in a constructive way, measured, assessed and improved through enhancing direct interactions between the loan officers and the owner-managers. Then a relation should be established prior to start-up a relationship lending through a first access.

To thus far, the relationship lending, soft information and interactions are perceived linked to each other and not distinguished with respective purposes. The purpose of the soft information created a different meaning and the soft information is issued as an alternative form of collateral. The purpose of soft information is to improve financial accessibility.

1.4. Aim of the research

Therefore, the aim of the study is to find the determinants of the soft-information, which could be used as an alternative of collateral for the first accessing SMEs. In addition, the further aim of this study is to define and understand the process of interaction between PCBs and first accessing SMEs for assessing and using the soft-information for the particular group of SMEs. Moreover, this study also intends to find impediments in enhancing the current micro and macro-level initiatives of enhancing interactions between PCBs and SMEs. Since, the existing soft-information based financing and interaction-based assessment process is ambiguous and contextually weak, the study aims to introduce a clear set of models/concepts by which the first accessing SME can gain first access to PCBs' finance leading to start-up a relationship lending. Finally, this study, intends to specify the contribution of PCBs in enhancing financial eligibility of the first accessing SMEs for the first finance prior to relationship lending in a win-win framework. In a word, the aim of this study is to develop a model, which will provide a one-size-fits-all solution in a win-win basis.

1.5. Research questions

1. What factors do the PCBs' branch level loan officers assess prior to making financial decision as an alternative form of traditional collateral based financial technologies for first accessing SMEs?
2. What procedure do the branch level loan officers use to create interactions with the firms' owner-managers for assessing the soft information for making financial decision?
3. What are the key factors that impede the interactions between the loan officers and the owner-managers to assess and use the soft information?
4. **A.** What could be an approach to improve the financial accessibility of decline and discouraged firms through better use of the soft information?
B. How PCBs could contribute to develop the financial accessibility of the declined and discouraged SMEs on a win-win basis?

1.6. Research objectives

1. To analyse the entire factors that the PCBs' risk assessment teams (loan officers) assess for making financing decision for the first accessing SMEs. Within this objective, this study analyse the factors that the loan officers considers when the applicant owner-managers do not have sufficient collateral or have poor value of hypothecation (Section 2.5.1). The objective also analysis the practice of BB's regulations in a pragmatic manner.
2. To analyse the method of interactions between the applicant owner-managers and loan officers in making assessment for the first accessing SMEs' owner-managers.
3. To analyse the entire factors to find the problem. Within this objective, this study analyse the actual barriers and the scope of reducing the problem of the financial accessibility.
4. To find a revised model that could reduce the barriers in assessing and using the soft-information for the first accessing SMEs.

1.7. Gap and Contribution

In the literature, relationship lending, soft information and interaction have been repeatedly mentioned as an alternative of collateral-based financial accessibility. However, the terms are not well distinguished. It is considered that the soft information acts as financial determinant for the first accessing SMEs. It could be entitled as a soft-information-based and collateral-based financial system. Collateral-based financial system is traditionally established, whereas, the soft information-based financial system is in developing process.

The interaction is perceived in micro-level initiatives where PCBs are trying to enhance interactions between their branch level loan officers and SMEs. Macro-level initiatives for enhancing the interactions are contained in the Bangladeshi context where BB regulates for PCBs to enhance micro-level interaction.

This is assumable that the aim of the initiatives for enhance interaction is to create a relationship between the first accessing SMEs and the loan officers for either finding prospective firms or reducing the information asymmetric effect.

None of the soft information-based financing, interaction-base assessment is well defined in literature. The literature sporadically provided some theoretical and contextual concept. To include the first accessing SMEs in the relationship lending, the soft information based financing and the interaction-based assessment process should be shown in a clear set of models. This study contributes to the ambiguity in soft information-based financing. This study defines the soft information-based financing as CCA based financing (Cognitive Collateral Assets based financing) (see Chapter Five, theme 2B). This study also finds the reason of being failure of BB's regulatory initiatives. The barrier is the subjective assessment and judgmental process. The problem is defined as "Inverse Information Asymmetry" together with information asymmetry (See section 5.7.4). This study also contributes by providing a model to enhance the interactions between the branch-level loan officers and first accessing SMEs' owner-managers titled as "Tour To Finance" (TTF) (See Chapter Five). The CCA is the financial determinant for the first accessing SMEs and the TTF is the method of improving, assessing and using the CCA without information asymmetry and inverse information asymmetry (Section 5.7.4).

1.8. SME Definition

Statistical definition of small and medium size enterprise does not matter for SME financing and other issues (Ardic, Mylenko, & Saltane (2011). SME definition varies country to country; however, entirely it is different from large business in terms of operation, ownership and decision-making. “A small business is one which is independently owned and operated, and which is not dominant in its operation” (d'Amboise, & Muldowney, 1988; p226). The other parameter of definition is ‘turnover’, ‘amount of assets’ and number of employee, which are considered to different interest group differently. For example, PCBs consider the definition in terms of financing accessibility; likewise, other public institutions such as central bank consider the definition in terms of economic development. In Asian countries, SMEs are defined based on number of employees. A firm that employs less than 100 employees defines an SME (Shinizaki, 2014). In Bangladesh, the firms that employ 10 to 25 people is defined as small and 26 to 100 is defined as medium size enterprise (Bangladesh Bank, 2017). This definition varies on the basis of service, manufacturing and trade sector.

1.9. First accessing SMEs and first Accessed SMEs

In terms of financial accessibility, this study defines SMEs in two kinds, which are first accessing SMEs and first accessed SMEs. First accessing SMEs includes the firms who have applied for bank finance and have been declined, as well as the firms who never apply for bank finance with the expectation of decline. This group of firms are defined as declined and discouraged SMEs (Cole and Sokoly, 2016). Both of these firms need and expect bank finance to survive and grow. The first accessing SMEs have some benchmarks in characteristics, which are they have poor information regarding business and bank transaction, they are generally small on size (out of SMEs), poor record keeping and poor or no collateral assets. Thus, the first accessing SMEs are information opaque SMEs.

On the other hand, the first accessed SMEs for bank finance have the option to be considered based on relationship lending. To get the relationship lending the first access is the precondition. Medium and established firms comparatively have easy access to refinancing as they have relation with the PCBs through first access. This

study focuses on the first accessing SMEs leading to refinancing through relationship lending.

1.10. Structure of the study

In this introductory chapter, I have introduced a theoretical framework that considers the principal-agent relationship between SMEs and PCBs, information asymmetry and collateral affect, financing determinants and risk assessment process. On this framework, I clearly specified how I would carry out the research to find a way for PCBs to increase financing accessibility by reducing information asymmetric affect and using alternatives of collateral.

Chapter Two contextualizes the study in relevant literature. Chapter Three presents an account of methodological tools to carry out the research. Chapter Four analyses the data achieved from primary research in light of the gap outlined from literature. Chapter Five conducted a critical discussion based on the literature and findings from primary research. Finally, chapter Six summarizes the key outcomes and contribution including a reflexive account.

1.11. Limitation of this study

According to theoretical discussion, it is noted that the first accessing SMEs fall into the assets-based financing structure, classified by Udell (2006). This kind of financing structure more likely fits with declined and discouraged group of firms. I will critically discuss the findings prior to start up a relationship-lending model for PCBs.

Hence, I will not attempt to outline an entire financing structure where the size of banks, urban or rural financing and preferable sector of financing. Rather I will be with the principal-agent relation between PCBs and first accessing SMEs. I will not include state-owned banks' SMEs customers because this banking sector is related to government long-term policy and mostly gives priority to the agriculture sector where small and micro enterprises are difficult to classify. Furthermore, the aim of state-owned bank is not profitability, rather to gain the government's specific objectives. A model is not implementable for the state-owned banks in short time because the policy is closely associated with macroeconomic policy and bureaucratic complexity.

Furthermore, by nature, Bangladeshi state-owned banks are low dynamic and they require high collateral due to having low screening and monitoring process (Mian, 2003). This thesis will concentrate on PCBs because they are free to take their decision in the interest of organization development as business organizations.

1.12. Methods of the study

The tradition of SME research focuses on given constructs in terms of SME financing determinants. Fillis (2007) argued that literature lacks adequate attention to the role that more critical perspective might help in understanding SME related issues, where one might be SME financing accessibility to PCBs. As such, qualitative approach to researching SMEs has been a concentration of some researchers. Lindgren and Packendroff (2009) argue that SME literature has a trend of institutionalized preoccupation with quantitative studies. Macleran, Saren, Stern and Tadajeski (2009) comment that such quantitative approaches often replicate previous and positivistic studies. This is the scope of seeing things in new beyond objectivist, rationalist or functionalist paradigm towards more relativist, implicit and subjectivist where banter, small talks and conversation are central to the main approaches (Copley, 2010).

This stance is predicted to change. Constructive and subjective epistemological position is being influential within social research arena where knowledge becomes dependent on the respective social context (Halkier, 2010; Crotty, 1998). Based on the changing trend, this paper has emerged from a study conducted on the theoretical perspective of social constructivism by using a qualitative approach to researching SME financing settings between PCBs and SMEs. The social process and reason behind human behaviour was central to the study. To gain deeper understanding of the particular financing setting, the study was more than “What is” since it sought deeper understanding of process, attitude and motives about traditional financing setting to construct new meaning for a holistic approach. The traditional financing principle is fundamental; however, meaning changes based on time, context and situation (Crotty, 1998). The research adopted a qualitative approach, based on created meaning from the social constructivists’ position.

To achieve the qualitative data, I will use snowball-sampling method. Regarding question two, I will conduct face-to-face interview with PCBs' branch managers/Loan Officer (LO) who act as primary risk assessment personnel. To achieve deeper understanding, I will then interview some SMEs' Owner—Managers (Owner-managers). In this group of people, I will interview denied and approved Owner-managers. For LOs and Owner-managers, I will use a semi-structured set of questions. For research question three, I will then interview with higher officials of PCBs and public and private institutions who are directly associated with SME financing issue. For this group, I will conduct conversation-giving priority to find alternative form of collateral and way of reducing information asymmetric affect. Then I will adopt discourse analytical tools to bring out the different views. The chosen discourses will finally develop themes through a thematic discussion.

1.13. Chapter summary

The main aim of the research is to find the traditional financing constraints leading to find a conceptual model to enhance the SME financing accessibility to PCBs. The key aim of the research is to find gaps and find concepts to respond to those gaps. The gaps are on the financing determinants, risk assessment process, key problem in financing and a revised model to overcome the problem. The study brings forward the concept that the PCBs may have some scope to enhance applications from SMEs to reduce the financing barrier.

Chapter Two: SME Financing Structure of Bangladesh

2. 1. Introduction

Bangladesh is a labour intensive developing country located in south-east Asia with the agricultural sector being dominant. The majority of the economic activities pay most attention to the agro-based industrial development (Choudhury, Azam and Islam (2015). The economic growth rate of Bangladesh is over 6% in last decades and it has been attempting to increase this with a new target. The estimated range of GDP growth target of Bangladesh is 6.5% to 7% from 2018 to 2020. However, employability is the main challenge for Bangladesh. The rate of employment has not reached to expected goal. Bangladesh government considers SME development to improve the unemployment condition.

This chapter presents the contextual settings of the Bangladesh. The three main issues discussed in this chapter are as follows. First, the potential contribution of SMEs in macro-economic development focusing on employment and the GDP growth. Second, the innovative holistic approach of Bangladesh central Bank (BB) to enhance the financial accessibility of the first accessing SMEs. The key of this point is that the BB has introduced regulations for the PCBs in providing a collateral-free loan. Finally, this chapter discusses the regulatory policy of BB to enhance interaction between branch level Loan Officers and the applicant owner-managers. The benchmark of this chapter is that the discussion has been mainly conducted on the BB's policy because there is little literature on the BB's policy in making interactions.

2.2. SMEs and employment

The importance of SMEs in economic growth is widely recognised in the world (Arora, & Vamvakidis, (2011). SMEs are an important sector in Bangladesh in all aspects of economic development. SMEs have contribution in 85% of industrial employment (uzZaman and Islam (2011). According to the International Monetary Fund (IMF), SMEs have contributed about 99% of industrial establishment in private sector and created employment for 70%-80% non-agricultural labour force (Akter and Alauddin, 2016). It may be that 80% is the overall proportion. One of the key advantages of the SMEs to employment is that this sector employs comparatively unskilled people with low

educational attainment in Bangladesh (Allen, 2006; Bosri, 2016). Though the literature indicates that SME sector development has been increasing (Akhter and Alluding, 2016), the rate of the employment of people is slowing. According to the ILO report 2017, 42% of people aged 16 to 24 are in neither a job, training nor education. This rate was 29.19% in 2013). The growth of SMEs is slower than the growth of population, and the rate of unemployment has been increasing.

In the perspective of financial accessibility, the large and medium firms have been gaining the majority of finance and they have been educating and employing their existing set of employees. On the contrary, the first accessing firms have been receiving a very small proportion of PCBs finance (Akhter and Alauddin, 2016) and they remain at an underprivileged level with any employing capability of young people. This is a social risk for a country when the employability decreases. Allen (2006) observed that different countries are taking initiatives to develop small enterprises for creating employability of local low skilled labour as an objective of macro-economic development. Hence, the SME sector becomes a domain for employing low and unskilled people.

In addition to that, according to the Bureau of Statistics of Bangladesh (2017), more than 16% of higher educated people (graduation and above) are unemployed. Alam and Ullah (2006) recommended that the development of SMEs is the most important way to create employment in Bangladesh. In literature, the issue of employment of higher educated people in SME sector has not been prominent; however, initiatives for engaging higher educated people in the SME sector, as entrepreneur is a common phenomenon in pedagogical literature (Crueger, 2009).

2.3. SME and GDP

In Bangladesh, the contribution of SMEs to GDP has been increasing at a slow pace in comparison to other neighbouring countries. Table 1 shows the number of SMEs as a percentage of all enterprises in a number of Asian countries.

Table 1. Gap in SMEs' Contribution to macro-economic development of Bangladesh

Country	% of SMEs out of all enterprises	SMEs' contribution to GDP	SMEs' contribution to employment
Bangladesh	80%	20 – 25%	40%
India	97.6	80%	80%

Pakistan	60%	80%	80%
China	99%	60%	92%
Japan	99.7%	69.5	72%
Hong Kong	--	--	61.5%

Source: Created by the Author

For Bangladesh, the percentage of SMEs is 80%; however, its contribution to employment and GDP is the lowest of the neighbouring countries. The table reflects that the amount of SMEs reflects the positive attitude to SME of the public and private initiatives is satisfactory; however, the outcomes of the SME development are constrained by underlying barriers. This study thinks that the contribution of declined and discouraged firms is a significant constraint on their output. As noted above the BB's policy and the contribution of PCBs have been increasing; however, that is only for comparatively established and medium sized enterprises.

2.4. PCBs and Macro-economic settings of Bangladesh

For enhancing the first accessing SMEs' financial accessibility to external sources, the financial market is influenced significantly by macro-economic policy. Bangladesh central Bank (BB) regulates the formal financial market. For the BBs' regulatory activities, there is a positive attitude in SME financing in Bangladesh. The entire financial market divides into formal, semi-formal and informal sectors (Alauddin, and Chowdhury, 2015). Formal sector includes banks and financial institutions. The semi-formal sector such as Insurance Authority, Securities and Exchange Commission and other financial regulators, is regulated by BB but not included in their jurisdiction. This sector provides finance through specialized financial institutions such as House Building Financial Corporation (HBFC), Palli Karma Sahayak Foundation (PKSF) (rural employment-friendly foundation), Samabay Bank (Cooperative bank), GeameenBank, NGOs and other government programmes (Abdullah, 2015). In Bangladeshi context, the informal sector is completely unregulated and unregistered and as such, their contribution in SME financing is not apparent (Abdullah, and Chowdhury, 2015). It is widely recognized that the banks are the key financing sources for SMEs (Aker and Alauddin, and Chowdhury (2016).

In the Bangladeshi context, BB classified entire banks into four types in terms of SME financing accessibility. They are State-owned Commercial Banks (SCBs), Specialized Banks (SBs), Private Commercial Banks (PCBs) and Foreign Banks (FBs).

Out of these, PCBs are the more preferable banks to BB in terms of SME financing accessibility (Akter and Alauddin, 2016).

Table 2. Banking sector of Bangladesh

Type of Banks	Number of Banks	Number of branches	Total Assets (BDT Billion)
PCBs	40	4529	8136.32
SCBs	06	3713	3339.79
DFIs	02	1407	313.49
FCBs	09	71	582.33
Total	57	9720	12371.94

Source: BB report, June 2017

The table shows that the number of PCBs is 40 out of 57 banks in Bangladesh. In terms of the branches, the number of branches of PCBs is highest. In the case of the total assets, the PCBs are in highest position. The PCBs' branches locate themselves mainly in city districts and town areas where the business concentrations are prospective and rising. All the banks have respective objectives; however, the PCBs' main goal is to maximise their profitability and growth. In that intention, the SMEs are the most important customer group to the PCBs (Akhter and Alauddin, 2016). BB prefers the PCBs to distribute the finance under "SME & SPD" and CMSME fund through the PCBs. For example, in 2010 BB disbursed 75.63% SPD fund through PCBs, which increased to 87% in 2014. Therefore, PCBs are a step ahead to BB among other financial institutions. This is the reason this study prefer to focus on PCBs rather than other financial institutions.

2.5. SME financing policy setting of Bangladesh

Mainly there are multiple indicators of macro-economic policy, such as GDP, employment, health, education and social outcomes. However, GDP and employment is, indeed, the key determinant of a sound macro-economic development of a developing country, in particular. The Bangladesh government set up their visionary goal, which was the GDP growth rate, increasing to 10% in 2021. As the part of this goal, the government set up the macro-economic and micro-economic development objectives. One of the objectives is to create employment through enhancing SME development. Three public organisations are the significant in this area: the Bangladesh central Bank (BB), Bangladesh Small and Cottage Industries Corporation (BSCIC) and SME foundation (SMEF). These three public institutions work together in collaboration.

The most important constraints of SME development is the poor accessibility to formal financial sources and poor training & development. For enhancing financial accessibility, BB acts as the government representative. For training and other facilitation, the SMEF works for the SME and BSCIC works for the cottage and micro enterprises.

BB tailors its policy to the objective of the existing government's target for GDP. The vision 2021 is to increase GDP growth rate to 10%, which was 6.3% in 2010, and still this is stable at the same rate with little fluctuations. For achieving the target, BB has taken massive and aggressive initiatives for increasing SME financing in 2010. Regarding this the BB developed two different kind of scheme such as "CMSME (Cottage, Micro and SMEs)" and "SME & Special Programme Department" (SME & SPD). Under this sector, the organisation directly raises SMEs fund, it collect fund from other intra-governmental organisation and provide regulatory and coordinating facilities for the SMEs. After critically evaluating the BB's official website, its latest financial annual report and concerned literature of the BB's policy the entire initiatives has been pointed out as below-

2.5.1. BB's Macro-economic Policy for First accessing SME financing

The BB acts as the key financial facilitator as the government representative where its primary aims is to increase financial accessibility of SMEs to formal financial sources. The role of BB is regulatory activities for banks, financial institutions (FIs), Non-bank Financial Institution (NBFIs), coordination with other SME facilitators such as public and private training providers and other intra-governmental organisations. BB not only controls the financial market through regulatory activities rather it created itself a fund raising programme. Under an ACT undertaken in 2010, the organisation developed two programmes for SMEs titled as "SME & Special Programme Department" (SME & SPD) and Cottage, Micro and SME (CMSME).

The BB's initiatives are clear and creative. BB organised its strategy for both the first access of small firms and refinance for the firms who once have received the first access. The BB separately emphasised the small firms who do not have sufficient collateral and previous liability repayment history. This group of firms are characterised as information opaque firms (Beck, 2008). The medium and established firms have sufficient collateral and have hard information including previous liability payment history. Lenders often

prefer this group of firms. For information opaque firms, BB initiated regularity activities for financial institutions. The financial regularity aims to increase financial accessibility to small firms based on the firms' prospect rather than the traditional strict collateral requirement. To achieve this aim, BB fully empowered the branch level managers/loan officers of banks. The entire initiative ends with three consequences. First, some firms get a 'declined' status. Second, some become discouraged and do not intend to apply for loan in the future. Third, a few firms get accessibility, which is 6.06%. (See Figure 1 below). The consequence of the macro-economic development is that 42% of young and 16% of higher educated people are unemployed. The targeted 10% GDP growth taken in 2010 remains at the same rate. The BB policy (2017) that the financial institutions are to reserve 40% (of SME & SPD and CMSME funded by BB) for small firms. It shows that the increasing rate is possible; however, the 6.06% reflects that eventually the finance does not usually go to the small firms; rather a majority of it goes to the refinancing of medium and established firms. It is assumable that the loan officers cannot rely on prospect based finance; this diverts them to choose the medium and established firms. Therefore, the entire initiatives effectively fail and the vision 2021 is far away from the targeted 10% GDP growth (WB, 2018).

First Access for small business

Within this programme, the BB intends to increase the first access to external financial sources. For increasing the first access of small business, the BB initiated the CMSME programme to ensure available funds. Within these programme the BB took small business assistance in two perspectives. First, it emphasises the first access to external fund. Second, it emphasises small business in terms of providing training and development.

A recent survey found that the small firms (up to 25 employee) employ 60% of people (Chowdhury, Azam and Islam, 2013). Considering the BB's emphasis on the financial institutions to give priority to small firms in terms of financial accessibility. For the small firms, BB have their own fund distributed through the financial institutions. In this initiative, BB instructs the financial institutions to keep reserve at least 40% of entire fund provided by BB under CMSME programme.

Prospect-based loan

In the theoretical literature in chapter 1, there was an ambiguity that why soft-information-based financial system emerged. The policy of BB reflects that the soft information, indeed, be considered for finding the prospect of first accessing SMEs. The key of this argument is that the BB instructed PCBs to enhance the prospect of the particular group of SMEs through providing training and development programme through improving the quality of the soft information. The key benchmark of the Bangladeshi financial system from developed countries is that the information system is poor and yet to securely develop. A scoring-based system is not possible like developed country such as UK. Another benchmark is that Bangladesh lacks a debt-management system that could cover the low performing firms' repayments. Therefore, the BB regulated PCBs to provide collateral-free loan and hypothecation-based loan, mainly provided to the prospective firms.

Collateral-free Loan

Considering the constraints of financing due to the lack of collateral assets, BB instructed all financial institutions to provide up to BDT2.5 million without collateral. In this system, women-headed firms become a priority together with the general firms. BB defined women enterprises as firms who have more than 51% female employees.

Hypothecation based loan

For collateral-free loan, BB instructed to provide hypothecation based loan for the first accessing firm. In that case, for the prospective firms, BB provide a flexible mode of the collateral requirement for a hypothecation-based loan. The BB defines hypothecation-based loan as one in which banks and financial institutions should find prospect of owner-managers and firms and tangible assets. If the prospect and the tangible assets such as the product and goods appeared on the firms' premises, personal assets of the owner-managers are satisfactory then the banks and the financial institutions can provide loan on personal guarantee. The personal guarantee is the advance signed cheque (LO1, LO1, & Ključnikov, 2016).

Security assessment method

As the alternative to collateral assets, the BB proposed two kinds of security, social security and group security. Now the question is – how the prospect should be

measured/assessed. The BB did not provide any set of assessment process for prospect measurement. However, it considers two points. First, the prospect could be measured through the direct involvement of loan officer. Second, the BB thinks that the prospect could be improved. For assessing the prospect, the BB instructed the PCBs to enhance creating relation with the SMEs and for the improvement of the prospect, the BB instructed PCB to provide training and development to the SME clients, arrange for seminars, workshop and other method of being together with the SME clients.

Social Security

Social security is considered however; it is not well defined and no literature on the social security. BB have enormous freedom to PCBs to accept any security that may be provided by any individual, group of people or a local chambers of commerce and industrial association. The assigned group/individual's guarantee is defined as social security.

Group Security

Group security refers to a kind of promise that could be provided by a group of same industrial firms' owner-managers. Against the promise, the group should have sufficient assets that support the size of the loan. In this system, the group members for ensuring the security of returns will back up the unfortunate defaulter by providing the concerned return. The ideology is that the loan user will be held responsible for repayments by the pressure of the group members.

Cluster policy

A particular group of firms of the same industry within a business/industrial place become guarantor for a particular member of the group in this system. The cluster development programme includes many industries such as light engineering, handicrafts, flower cultivation, small garments etc. The system helps to reach the target of CMSMEs but it was not quantified how much loans are provided through the system.

Personal Guarantee

Here the owner-managers are to provide an advance signed bank cheque. This requirement comes when the owner-managers can prove their prospect, can show any

social security or group security. This is a common lending system in informal system, which is widely known in the Bangladeshi context.

Soft-information and Interaction Improvement Policy

Now the question is – how should the prospect be measured/assessed? The BB did not provide any set of assessment process for prospect measurement. However, it considers two points. First, the prospect can be measured through direct involvement of loan officer. Second, the BB thinks that prospect assessment could be improved. BB instructed the PCBs to enhance creating relation with the SMEs and for the improvement of the prospect, the BB instructed PCB to provide training and development to the SME clients, arrange for seminars, workshop and other method of being together with the SME clients.

The BB has also initiatives for enterprise development. Under these initiatives, it has a collaboration with PCBs, intra-governmental organisations and other public and private organisation. The public and private facilitators provide training and after training session, the BB provide a bulk amount of finance with 9% interest rate that is lower than the interest rate of common 16 to 18% interest rate of PCBs. For example, for the year, 2016, BB budgeted is BDT100 billion which includes the training expenses and initial loan.

However, for all kind of training and development programme either for enhancing SME development or for creating enterprises there are no impact analysis method, training needs analysis method, training materials selection methods, trainee selection method and other associated factors associated with training and financial accessibility.

Training and Development programme

The BB found that the small business lending considers any prospective needs. In addition, the organisation realised that the prospect of the business is poor and the financial institutions are unable to rely on them in the mode of flexible collateral requirement. So, it instructs PCBs to provide training and seminars, workshop and other activities that create a relation between the supply and demand side of finance improving skills and prospects. The BB only provide instructions to PCBs for provide training but there is no clear process of training needs analysis.

The international organisations' common objectives are skill development of SMEs in Bangladesh together with financial accessibility. They provide training and development for SMEs to ensure the return of their refinancing through creating smooth and favourable financial settings of Bangladesh. They have a specific budget for the training programmes. The organisations continue the training and development programme through the BB and other private and public institutions (BB, 2017; Ahmed, 2012). However, some organisations directly runs projects for the training programme such as Skills for Employment Investment programme (SEIP) by ADB and SDC (Swiss Agency for Development and Cooperation).

Public and Private training provider

Other public and private organisations work for SME training and development in Bangladesh in collaboration with BB. They are SMA Foundation and BSCIC (Bangladesh Small Cottage Industry Corporation) together with a number of private training providers such as MIDAS.

SME Foundation

SMEF (SME Foundation) is a public institution powered by some other global organizations such as Asian development Bank (ADB), Islamic development Bank (IDB) and Bangladesh central Bank. SMEF facilitates the SME financing including some other initiatives such as training and development and awareness programmes prior to small business issues. This organisation has started its journey in 2007 and has been serving with limited human resource, facilitating tools and finance in the comparison of that larger size of SMEs in Bangladesh.

BSCIC- Bangladesh Small and Cottage Industries

BSCIC is a public institution that facilitates micro-entrepreneurs. This organization provides training and development programmes to micro-entrepreneurs. The higher official of this organization was interviewed in order to articulate the nature of training provision.

MIDAS- Micro-Industries Development and Service

MIDAS is a private organization. This organization provides training and development as a NGOs funded by global and other intra-governmental organization, BB's fund and other public and private organisations' fund.

2.5.2. Refinance to first accessed (Medium and established) firms

Once the firms received and successfully paid returns of initial finance, then they need to survive and grow. In that case, the refinancing is important. To enhance the refinance, the BB developed SME credit policy in 2010 titled as "SME & Special Programme Department" (SME & SPD). This fund adds value to the PCBs' own funds for the SME lending. Theoretically, the BB emphasises the successful small firms. For example, 87% of "SME & SPD" fund of BB provided to small firms in 2015, which was 30% in 2010. This means the established and the medium/first accessed firms received bank finance more easily.

However, the question for first accessing firms is not solved by the refinancing system of BB. From the first access, a previous liability payment history develops and the owner-managers can develop a business profile with quantitative information. This group of first finance receiver firms have a relation with the bank as well. Based on the relation, the loan officers have an understanding about the owner-managers and can easily take further decision for refinance in comparison to the first financial decision-making. In literature, this is relationship lending, though there is no literature on this term in the Bangladeshi context.

For refinancing and SME training and development, the BB works with some other intra-governmental organisations. The SME development i.e. the macro-economic meets the objectives of the organisations. Therefore, the organisation have interest to develop SME in both the perspective of refinancing and training and development. The global intra/governmental organizations such as JAIKA, ADB and IDA provide loan for SME business operation on interest basis through the collaboration with central bank of a country. For example, BB provided BDT17, 861 million revolving finance to SME up to June 2013 where IDA 3,126 million, ADB BDT9512 and JAIKA (BB, 2016). These organizations invest money to SMEs through BB. They benefit from this model because they will get a part of interest given by newly financed SMEs.

2.6. Gap in the contextual literature

The sum up of this phase of the study is that the BB has initiatives for SME development. These include financial accessibility for the first access to external finance and subsequent refinancing for the first accessed firms. All of the initiatives are innovative and a clear approach shown that the BB has been trying to take the PCBs out from the strict traditional collateral requirement and to rely on prospects. The BB also has specific initiatives for enterprise development/incubation. However, the assessment process is the main barrier for prospect-based firms to access PCBs' finance. For that, the BB fully authorised branch level loan officers to find the prospect prior to make final decision.

In the chapter one, it was informed that the relationship lending and the soft information are positioned in between the applicant owner-managers and the loan officer. It is assumable that the loan officers can gain an understanding about the prospect of the first accessed SMEs and can feel easy to make a decision with low risk of information asymmetry. However, how the criteria for loan officers to identify any prospects is not clear, and no other study provides any clue in the contextual literature. It is available in the literature that the previous liability payment history, hard information and a long time relation with a SME customer determines the prospect (e.g. Bosri, 2016; Akter and Alauddin, 2016). However, what about the first accessing firms who do not have a relation with a particular bank? No study found any clues about the use of soft information and the determinants of the soft information.

For the first accessing SMEs, the BB fully empowered the branch level loan officers of the bank but there is no clear instruction that how the loan officers should use their empowerment in deciding for the first accessing SME. BB mentioned that the accessibility of small business to bank finance has been increasing. It is simply assumable that the BB has been increasing funding under CMSME programme and that has been being distributed through PCBs. Accessibility to the PCBs' finance has therefore been increasing. The question is who are getting that finance? There is no data in BB's database or no study has distinguished which firms have been gaining how many loans? As the rate is 6.06% then it is understandable that the increasing amount of the financial accessibility is centred on the established firms, who gain the first access by collateral

assets. Therefore, all the initiatives have failed for the particular group of first accessing SMEs.

It is shown that there is a gap between the BB's initiatives and the expected outcomes. The BB's initiatives are holistic but the rate of first accessing SMEs' accessibility is traditional i.e. poor. An underlined driver eventually pulls the PCBs to the first accessed established/medium SMEs rather than the first accessing SMEs. Is that the driver information asymmetry? Alternatively, is it poor efficacy of loan officers, which the ADB (2013) recommended to develop? In the contextual literature, this is not obviously articulated.

Another point is that the BB mentioned prospective firms for collateral free loan. On the other hand, the organisation instructed for social security, group security, cluster loan and personal guarantee i.e. anyway the security has been required. This means that there is a mixture of security and the prospect. So, does prospect ensure security or does the security determines prospect? The point is not clear in the BB's initiatives. Probably this is a confusing point for the BB itself as well. Probably, a clear set of methods for an alternative form of traditional collateral for first accessing firms' financial accessibility to PCBs is still developing as the OECD (2015), ADB (2013) and Torre, Peria, Politi, Schmukler, & Vanasco, (2008).

BB fully relies on the PCBs by providing full authority to identify prospects. This indicates that the BB realised the needs and importance of the financing for the group of SMEs and it aggressively wants the financial market for SMEs to come out from the strict traditional collateral system but it does not know how to do this. That is why the organisation pushes the PCBs with huge empowerment only to count the rate of accessibility for record keeping. The contextual literature (e.g. Akter & Alauddin, 2016, Bosri, 2016, Tarek and Azizx, 2015) saw that the PCBs have an attitude to increase the SME financing as they find prospect in investing in the sector for organisational profitability. No contextual literature provide a scenario that happens in the duration between submitting loan application and the final decision. As despite all initiatives and afford of BB and financial institutions, the rate of first accessing SMEs' financial accessibility is poor then it could be assumed that all the drivers that impede positive financial decision play in the duration.

There is a relation between the risk and the prospect. Jegers (1991) found that the firms who pay returns as target are not that much assessed for risk; considered to have good prospects. On the other hand, the firms who pay returns below the target are assessed for finding risks. The literature abundantly says that the small firms are risky, costly and difficult to monitor (e.g. Berger and Udell, 2006; Zabri, 2013). Hence, it could be easily assumable that the PCBs tailor their all methods to provide loan to first accessed firms who once received finance and successfully paid returns.

Power is misused to provide loan to the first accessed firms on good liability payment history, good relation, good hard information and good prospect. They have to do that because they also struggle to develop an innovative way to find prospect, to develop prospect or to assess risk properly. In the Figure 1, the box inside the boundary of the entire financial market shows that the SME financial accessibility is concentrated on the first accesses/established/medium size firms. Consequently, only this small group of firms easily receives majority of finance, they grow their business, they develop skills of their existing employee's skills and entirely they become facilitated by all public and private institutions. So, it is perceived that both risks still occur and any prospect is not properly increased, assessed and used. Therefore, execution of the initiatives should be further researched.

The financial settings in Bangladesh, the perception is that the BB mostly relies on the PCBs sector in all perspectives such as increasing financial accessibility of first accessing firms, refinancing of the first accessed firms and enterprise development through training and development and post training financial accessibility. The rising financial setting has been developed based on the huge responsibility of the PCBs because they eventual financial decision is made by them. More clearly, the branch level loan officers have the power to eventually determine the fate of the applicant owner-managers. In this case, an innovative set of prospect-determinants should be developed and the loan officers only can do this because the interactions happen between them and the owner-managers in the duration between the application for the finance and the final decision. Since the existing consequence of the ambiguous prospect-based financial determinants and the assessment is poor, then a complete innovative determinants should be developed, it should be assessed in an innovative way and this study submit the proposition that only PCBs' branch level officer are the perfect group of people for doing this.

Likewise, the BB proposes the training and development programmes, the seminars, workshop and other method of SME development and enhancing interactions between the PCBs and the SMEs. However, there is no information that provides a detailed scenario of the interactions and development approaches. The subject materials, the training materials and the degree of the consequence/advantages of the approaches are absent in the contextual literature. How the interactions enhance the financial accessibility of the first accessing firms is not well defined. Therefore, to enhance the role of PCBs in enhancing the financial accessibility of the first accessing SMEs the approaches related factors should be articulated. Furthermore, the training and development programmes arranged by the public, private and other intra-governmental organisations by collaboration with BB is not clear in terms of the training materials, the relation between the training and the financial accessibility to PCBs and how that create new enterprises. These factors should be further researched.

2.7. Chapter Summary

After considering the literature in theoretical literature (Chapter 1) and the contextual literature (chapter 2), it is assumable that there are three steps of interactions.

An overall micro-economic interaction is emerging between PCBs and SMEs. This is informed by theoretical literature on the overall interaction between the PCBs and SMEs (e.g. Torre, Pería, Politi, Schmukler, & Vanasco, 2008) (See Sec 1.3). The macro-economic interaction present in the contextual literature informs the initiative of BB. In this level, the BB focuses on the interaction between loan officers and the SMEs. The literature indicates that the initiatives in both micro and macro level is failure. This perceived failure is addressed in this study.

Chapter Three: Theoretical-Conceptual framework of the study

3.1. Introduction

This chapter discusses previous studies that focus on SME financing issues and bank lending. The aim of this chapter is to find out the theoretical gap and a conceptual framework by which the gap might be closed.

The chapter emerged from the contextual setting of the Bangladeshi SME financial issue. From the contextual literature, it was found that the BB has a force to PCBs to come out of the traditional collateral based financial system for the first accessing SMEs. In that setting, the BB regulated some holistic approaches that mainly intend to enhance the involvement of PCBs with the SMEs. The intention of the BB was to develop a new situation where the prospect would be used as an alternative of the collateral. For measuring the prospect, the soft information is the key determinant. For measuring/assessing soft information, what factors are collected is not clearly defined in the literature. For the both, the BB fully empowered the PCBs to make assessment and take final decision of an application. More particularly, the branch level loan officers were empowered to make the decision. However, why the branch level loan officers have been empowered was not informed in the contextual literature. Furthermore, what the loan officers measure the prospect or find the risk was also ambiguous in the contextual literature. However, it is assumable that loan officers assess the soft information of the applicant owner-managers because theoretically soft information has been abundantly informed in previous studies (Berger and Udell, 2006, Beck and Kunt, 2008; Torre, Peria & Schmckler, 2010).

The issue of soft information did not come alone. It came together with relationship lending, information asymmetry, interaction between loan officers and owner-managers' risk and prospect. The soft information has come in the literature for a group of SMEs who do not have sufficient collateral assets, hard information regarding previous liability payment history and long-time relation with a bank's branch level loan officer. This group of firm is provided bank finance in relationship lending system (Berger and Udell, 2006; Chen, Huang, Tsai, & Tzeng (2015)). In that system, the loan officers of a branch have a long time relation with owner-managers and they collect soft information used in making financial decisions. The group of SMEs who do not have a long time relation with

bank do not have option to get the advantage of relationship lending. For the relationship, lending the first access to the bank and a previous relation with the branch is the precondition. This group of firms has been defined as information opaque firms (Beck, 2008)

In this case the literature informs that the PCBs have soft attitude to provide them finance. The PCBs have been trying to enhance their interaction with the firms for providing first finance prior to creating relationship lending (García-Appendini, 2007; Torre, Pería, Politi, Schmukler, & Vanasco, 2008); Torre, Perya and Schumbler, 2010; and Chen et al., 2015). In the contextual literature, it was found that the PCBs have more flexible financial policy for the group of firms by being regulated by BB. The key theme of the BB's regulation is that the PCBs should be flexible in financial accessibility to prospective firms. In this case, the loan officers are given full empowerment for making financial decision for the group of firms. An interaction happens in the duration between the application submission for the loan and final decision. In that case the BB regulated that the PCBs can provide hypothecation based loan through personal guarantee, social and group collateral. Hypothecation includes tangible assets of the firms and the owner-managers. The question was that what happens in the duration between owner-managers and loan officers? Do the loan officers find prospect in the applicant owner-managers/firms or find risk (see chapter 2)? What factors determines the prospect to the loan officers and what factors determines the risks are not clearly defined in the literature. Hence, it could be argued that there is still the issue of collateral in the interactions. However, what the loan officers expect to learn, how they learn, how they find difficulties etc. has not been specified in the contextual literature.

Therefore, this phase of the literature attempts to search previous studies to develop a conceptual framework based on the question regarding interactions. In this chapter, in the first phase the collateral assets (hypothecation) were discussed. In the second phase, the prospect determinants have been conceptualised.

3.2. Method of choosing literature

The method of choosing literature is important. The literature was considered on the definition provided by d'Amboise & Muldowney (1988p-226), which is "A small business is one which is independently owned and operated, and which is not dominant in

its operation.” Hence, I considered articles containing the words "SME" and "small business" to be relevant to this research and used these words for the initial literature search.

The definition of small business is fundamental issue that eventually only distinguishes small business from large. The other parameter of definition such as ‘turnover’, ‘amount of assets’ etc. indeed, considered to different interest group e.g. PCBs regarding financing accessibility. Hence, to search literature, I used the above definition, and to review literature I used the ‘financial accessibility’ issue. So, standing on that ground, in this study, I developed the literature review section based on research issue. It is simply expected by readers that the primary key word is ‘PCBs’ responsibility’. However, I have not adopted the key word as the ground of my literature search. The reason is that ‘PCBs’ initiatives’ is a proposed newly emerged concept. Hence, the literature on this keyword is invisible in common literature sources such as the ‘Google scholar’; ‘ethos’; academic sources (manual and E-book, journal, previous thesis) and other sources like friends and family. Most of theories were developed in 90s through different studies (Walter& Heinrichs, 2015). The studies conducted later supported them in different angles.

Consequently, the significant question emerges that at what point banks should undertake initiatives for increasing eligibility for SMEs’ financing accessibility. Priority has been given to the behavioural factors of both SMEs and PCBs in exploring the literature. The nature (behaviours) of PCBs and SMEs has been theorized and regarded as fundamental/conventional over time. For the same reason, I consider the point(s) to be initiated also should be fundamental. This means, I propose PCBs to modify their behavioural attitudinal perspective/position and change the SMEs to reduce risk. Thus, I emphasise literature with basic theories rather than numerical studies where the recommendations (of current numerical studies) have been used. For example, the recent numerical study conducted by ADB (2013) on Asian financing monitor countries recommended PCBs to take holistic approach to increase SME financing accessibility. Literature was chosen on PCBs’ determinants for SME financing decision-making and their attitudes to SMEs customers that influence their decision-making for SME financing.

The concept is abundantly visible in literature that the business failure and monitoring is the key point that influences PCBs to take positive financing decision. Hence, it can be proposed that the issues related to business success/failure is underlined in the business operating culture i.e. how Owner-managers operate their business and what are their lacking. So, the literature was focused around this approach.

There was a considerable amount of literature on some related key words such as “SMEs finance” “financing constraints”, “financing accessibility”, “characteristics of SMEs” and “SMEs financing determinants”. Some key studies have been selected that ground the research as “Critical theories”. These important studies are identified in the table 1.

Table 1: Key studies used in the thesis

No	Authors	Reason of choice
01.	ADB (2013)	Holistic Approach: This research demonstrates concerns about increasing SME financing to private banks. The key recommendation is to undertake holistic approach for increasing SME financing. I used this research as the rational of this study.
02.	Bink, & Ennew (2001)	Principal-Agent theory: This theory fundamentally proved that SMEs are fundamentally related with PCBs’ business. This theory specifies the context of this study that the key ground of this research is the relation/interactions and associated issues between PCBs and SMEs.
03.	Lean, & Tucker, (2001)	Information Asymmetry: This theory represents the key fundamental problem in making risk assessment. This research found that information asymmetric problem plays most important role in the context between principal and agent in terms of financial decision-making. Information asymmetry requires the high collateral assets.
04.	Moro, Fing, & Maresch (2015)	Information openness/reducing information asymmetric affect: This research found that openness of Owner-managers could enhance financing accessibility to reducing the affect of information asymmetric problem.
05.	Storey (1994)	SMEs’ Characteristics: This theory found SMEs characteristics as key financing characteristics. Owner-managers’ characteristics: This study also demonstrates that Owner-managers’ characteristics influences lenders; financing decision-making
06.	Nooteboom (1994); Bundura (1977)	Personality traits: Personality trait of Owner-managers’ is associated with firms’ performance and lenders’ financing decision-making. Personality traits are created from childhood that determines learning attitudes, self-efficacy approach and managerial manner.
07.	Sinozaki (2014); Udell (2006)	Classification of SMEs in terms of financing

The detailed theories/literature synthesis that has been used is attached in the appendix area (Appendix 4).

3.3. Significance of SMEs customers for PCBs

The importance of SMEs for PCBs has been found (Udell, 2006) that there is a changing attitude in PCBs to be involved with SMEs. This section presents more critical discussion on how SMEs are important for both PCBs and the entire economy. Studies viewed that SMEs are not only important for macro-economic development, they are important for banks' business profitability as well. In previous studies, it is perceived that the banks' policy does not equally emphasis SME financing. Large and foreign banks are less likely interested in making relationship with SMEs in terms of financing due to risk, higher monitoring cost and the affect of information asymmetry. However, this is the traditional attitude of PCBs (Bannock, 1991; Berger & Udell, 2002; Zhu, Kreamer, & Dedrick, 2004; Manson & Harrison, 2011). The literature emphasis SME customers' importance however, this attitude is changing and PCBs are reshaping their policies giving more importance to SME customers.

In a large study conducted on 104 countries in the world viewed that importance of SMEs is increasing in the financial market; however, this is very simply presented and the changing trend of SME financing less likely influences the financial market in every corner of the world (Torre, Peria & Schmkler, 2010). For example, the ratio of SME loan in Argentina reached 37% of total private sector loan. Another tradition was that the larger and foreign banks are reluctant to emphasis SME customers in terms of financing; rather, they are more concentrated to larger business. The study of Torre, Peria & Schmkler (2010) found that foreign banks have very aggressive policy to expand their activities in SME sector. Therefore, the PCBs' attitude in SME financing has been changing. In the case of ADB (2013) in Asian countries, they, the attitude of SME financing is still cyclical in traditional structure; however, the study realised the importance of SME customers for PCBs.

The changing attitude to SME financing has an impact on financial market competition. Banks have a prone to keep and strengthen the relation with their existing SME customers. The most outstanding point is that they expand their attitude to engagement with new small businesses in term of profitable growth prospects. To survive

in the financial market, the SMEs are considered as their own potential sector (Torre, Peria, & Schmkler, 2010). The study found that, the market is not yet structured for SME financing, the attitude is being changed on the basis of their business needs and changing strategic viewpoints. Thus, suggested holistic approach emerged from the competition of financial market and degree of challenge of banks for survival. The competition puts PCBs in pressures on downward interest rate based on under-pricing the risk.

3.4. Collateral-based financial technology

Financial determinants for the first accessing SMEs is an ambiguous idea. The literature on information asymmetry entirely reflects the business prospect; on the other hand, the collateral-based financing structure informs that the primary source of repayment is collateral and collateral assets. For adverse selection, the owner-managers disclose less information to lenders about the firms' internal condition. This statement implies confusion to the risk assessment team whether the business will be successful. This means, if the business is potential the returns will be ensured and vice versa. For moral hazard, the same prospect is reflected in another way. The key statement of moral hazard is that the firm might use the loan money for other project based on the confidence that the owner-managers have other strong source of income and the returns will not be a problem. When the risk assessment team cannot guess the actual risk of the business and intention of the owner-managers, then they come to two decisions. First, the application is rejected. Second, the loan is approved with high collateral requirement.

The question is, if the business prospect is high and the actual intention is positive, do the risk assessment teams approve loan? The clear –cut answer is ‘NO’. The reason is that the risk assessment teams are never satisfied with the information they derive from the SMEs. In addition, they find risks in business performance. This is the nature of human being that principal is always doubtful of the agents' capability and intention. None cannot remove the confusion that inspires the lenders to require collateral. Therefore, in traditional financing system, collateral has established as a common requirement whether there is prospect or not.

However, as collateral is a common barrier for SMEs, the banks attempt to use different kind of lending technology. The lending technology of different countries is different; however, there are common factors that can be seen in all financial lending

(Udell 2006). The five structures are- Credit scoring technology, Assets-based lending technology, factoring lending, trade credit and relationship lending. All the kinds of lending technology are based on collateral and business prospect. Within the technologies, the risk assessment teams assess the strength of collateral, personal assets that the owner-managers own and the soft and hard information. Sometimes, PCBs find collateral in assets, in third party guaranty and sometimes the business prospects but no research shows that any of the three respectively cannot provide satisfactory collateral. On the other hand, no study shows that risk assessment team of PCBs find collateral in the integrated value of all three factor or they find different degree of collateral in different factors. Therefore, the literature specifically does not provide any clear-cut objects in a bowl that could respond to the question- what do risk assessment team assess? Therefore, the entire financing determinant is ambiguous in literature.

In all kinds of lending system, the basic attribute of PCBs is the collateral. Collateral refers to a kind of guaranty by which the lender can recover their returns in case of unsuitable business downfall or no return for various reasons. Lenders find collateral in the assets of owner-managers and third hand guarantors. The assets of owner-managers are known as collateral assets. The guarantor refers to a third hand guarantor who uses their financial solvency for helping others. If we critically evaluate the kinds of financing structure provided by Udell (2006) then it is perceived that more or less all kind of financing structure want to ensure the returns either from the collateral or from business prospect. Therefore, I have been inspired to classify the entire financing structure in two kinds, which are collateral-based financing and prospect-based financing.

This technology is based on the financial statement of the owner-managers' financial condition. In this case, the proof of the financial statement of the borrowers should be informative such as audited statement produced by reputable accounting firm. And the financial condition that emerges from financial ration-calculated from the statement. Financial statement is grounded by different contracting element such as collateral and personal guarantees. Lenders assess the source of return from future cash flow. The statement-based lending technology clearly reflects the collateral assets, personal guarantee and business prospect.

The underlying assets of the firm are the ground of asset-based collateral system. In this case, the underlying assets are used as the primary source of repayment (Udell,

2006). For working capital financing, banks use short-term assets such as account receivable and inventory. For long-term financing, banks use equipment (Berger and Udell, 1995). The asset-based lending technology reflects the firms' assets as collateral. In this system, firms' risk does not matter.

In this system, borrowers sell the account receivable for getting instant fiancé. Udell (2006) found that factoring is like asset-based system but in this case, account receivable is the only assets. It requires hard information and the hard information is about the account receivable. This lending system requires collateral provided by the borrower. Factoring less likely fits with developing country and this is a financing system of greater developed economy where stability and growth is on a certain pace together with enriched credit information bureau. This is effective in the country. Factoring is true for highly qualified buyers (Klapper, 2006).

This is another lending technology; however, trade credit happens between suppliers, firm and customers. Firms buy products or services with the condition of late payment. In the concerned time, firms sell the product and service to customers in the same system but with the condition of short duration than the payment duration with supplier. Trade creditors use underlying process with critical analysis of quantitative information and soft information of the lenders (Udell, 2006). This financing method requires existing financial condition of the firm and the soft information of owner-managers.

This is a transaction-based lending technology based on hard information. The hard information is about the firms and the owner-managers. In this case, primarily the risk assessment teams assess the personal consumer data such as personal income, debt, financial assets and home ownership (Udell, 2006). Data for small business credit scoring system is collected from financial institutions and some commercial credit bureaus (Feldman, 1997; Mester, 1997). This financing technology also requires assets and existing financial condition of the owner-managers. In this case, personal previous liability payment history of owner-managers is important than the firms.

The credit scoring system requires a complete information environment where both the banks and other financial institutions and credit scoring bureaus randomly use (Udell, 2006). In Bangladesh, the BB has a credit-scoring bureau titled as CIB. However, this institution keeps the record only the lending amount over BDT1 million (BB, 2017).

From the kinds of financial structure, it is found that the collateral assets and business prospects are the main two financing determinant. The collateral is provided in the trade credit, factoring and asset-based lending. However, Udell (2006) explain that assets in asset-based lending are account receivable and firms' assets. Beck (2008) viewed that banks use assets of firms that can provide liquid money. Bosri (2016) argued that the SME financing structure is assets-based, but this asset is only firms' and owner-managers personal assets.

The firms and the owner-managers personal assets include fixed assets and tangible assets. Fixed assets include the assets that are used as the firms' property for long time such as land & buildings, manufacturing equipment, office equipment, furniture, fixture and vehicles. In the case of the Bangladeshi financial context, the PCBs and other financial institution requires assets that can provide liquid money immediately after the event of no return or business fall. The collateral asset is well known in the literature. However, there is very little literature that informs the relation between fixed assets and SME financing. Alam and Ullah (2006), Bosri (2016) and BB (2017) used the term fixed asset as a method of defining SMEs where the other indicators are the number of employee and the turnover. Fixed assets are used as the collateral. In the context of Ghana, the PCBs provide 25% of the total fixed assets of the firm (Chen et al., 2015). Chowdhury, Azam and Islam (2015) found that the PCBs have preference in fixed asset such as land and building. For the SME financial issue, fixed assets and tangible assets have been repeatedly mentioned; however, in the Bangladeshi context which kind of the tangible assets are preferred by the PCBs in making the financial decision has not been clearly identified. What assets are to be considered in the Bangladeshi context should be articulated in the research.

Collateral is a widely recognized traditional issue that acts as a security factor to the financial institutions. However, collateral sometimes plays a significant role in impeding financial accessibility of SMEs to banks and other financial institutions. This happens because of performing discriminative behaviour of banks in loan allocation and imposing diverse interest rate (Gupta, 2003 cited in Dabo, 2006). For instance, banks allocate loan interest rate based on risk assessment i.e. low-risky SMEs have to pay low-interest rate and high-risk SMEs have to pay high interest rate. However, firms in service industry are considered as high risky in the event of non-recovery of debts as they are characterised by

comparatively lower number of assets than manufacturing and trading industry (Riding, Madill, & Haines, 2007; Riding & Swift, 1990). To consider tangible assets, land, building and machineries are widely recognized as effective collateral (Black, De Meza, & Jeffreys, 1996).

However, the firms with sufficient amount of tangible assets equal to the loan size in trade and manufacturing industry are not entirely welcomed by banks as low-risk customers, rather in some cases they are imposed with high rate of interest. This is caused in the assessment of foreclosing the firms where the foreclosing cost exceeds the value of collateral (Maurer & Haber, 2007). In Mexico and Thailand, for instance, banks require collateral value of assets three to nine times of the fund size applied for (Dabo' 2006). In the case of United Kingdom, Black, De Meza, & Jeffreys (1996) also found that banks require collateral valued by several times more than the loan small business. However, this is not for the foreclosing cost but signal information. Despite not having information asymmetry and agreement in all factors related to loan, there may be a difference in opinion of both parties where banks predict negatively about the projects' potential and those results in more valued collateral than the loan size (Atta-Mensah, 2003).

Therefore, Black, De Meza, & Jeffreys, (1996) find that collateral size impedes the financial accessibility, growth and creation of small firms. The discussion on this point also reflects that banks consider their collateral in various innovative ways however small businesses are constrained by those of banks' sophisticated and innovative assessment methods in various angles where it is reflected that banks want to be on safe side for their return with profitability keeping small firm uncertain and unsecured in getting fund in innovative business actions. However, how the collateral is used in Bangladeshi SMEs financing settings in banks have not yet been empirically explored. Consequently this issue will be significantly included in interviewing with participants.

The discussion reflects that the amount of assets determines the loan approval and size of the loan. The value of assets also determines the rate of interest. Hence, collateral assets is importantly considered by risk assessment team. In the contextual setting, "Hypothecation" has been informed by the BB; however, there is no literature conducted on the Hypothecation. Therefore, what factors are mainly considered by loan officers for measuring hypothecation should be investigated (Section 2.5; 5.6.1). Now if we go to the

financing structure of Udell (2006) then we can find the impact of collateral assets on the structure.

3.5. Prospect/soft Information-based financing

The above all kind of financing structure is based on the collateral; the collateral is provided either by institution or by assets. Primary source of returns come from either collateral grounded by concerned parties or assets. The relationship lending entirely depends on the soft information of owner-managers and the business and the primary source of return is business performance. Therefore, the loan is provided on the estimated business prospect. In this system, relationship lending is informed in the literature.

The ability of the managers, their honesty, the way they react under pressure is another determinant of soft information (Liberti and Petersen, 2017). Liberti and Petersen (2017) defined that the information remains soft until it is quantified and the lenders or borrowers can use that as reference for other purpose. Iyer, Khwaja, Luttmer, & Shue, (2015) viewed that the soft information is a kind of understanding about the norms of lenders in terms of liability payment. Therefore, trust on management capability is vulnerable and ambiguous. From the definition, it is understandable that soft information reflects to the loan officers as a kind of virtual security by which the return will come back by good management and financial behaviour of the firms. However, ambiguity is still there because the definitions of the soft information was not produced on the particular group of information opaque SMEs.

As the management capability and prospect of firms depend on the human behaviour and social factors and it varies person to person, then the usability of the soft information depends on the assessing and measurement of its value. Ramsden, & Bennett, (2005) viewed that the usability and assessment/measurement varies from different loan officers' attitude. The entire usability of the soft information becomes vulnerable and ambiguous. Berger and Udell (2006) informed that the loan officers could collect the information that is public to the local business environment. They collect the soft information from people in the environment. It could be effective for reducing information asymmetry about the assets and dealing norms of a person but they are unable to use that information for making final decision. So, we cannot state that the finance is soft information-based. Because what information is collected, the neighbouring people of the firm could

influence that by different type of relations and social complexity. To use the soft information, a clear set of assessment process should be outlined by which the loan officer can measure the value of the soft information in a quantifiable mode.

3.5.1. Soft Information and Relationship lending

This is a kind of lending technology that banks use to provide finance on the basis of long-term relationship with the owner-managers. The relationship is created on the soft information. The banks use proprietary information about the borrower and the business over time. Udell (2006) defined that as soft information. The soft information refers to the financial information and the available information about the owner-managers and the firms is public to the local community and business environment, and the interactions of owner-managers and the firms with the business environment. Udell (2006) stated, “not easily quantified and consists of information gathered over time through contact with the firm, the firm’s management/entrepreneur, the firm’s suppliers and customers, and other local sources” Beck, Demirguc-Kunt and Maksimovic (2008b). The relationship lending has been found important for small business who are weak in showing sufficient collateral assets. Therefore, relationship lending could be defined as prospect based lending system for first accessing SMEs in developing country like Bangladesh.

Relationship lending refers to a kind of financing based on trust. The trust develops by long time relation with owner-managers while selling other banking services. The managers collect some soft information and then decide to make a financing decision (Hernández-Cánovas, & Martínez-Solano, (2010). This is another characteristic of banks in small business financing culture in which a bank provides finance to an individual based on the value of previous transactions i.e. previous loan relationship or long-term storage. In this case, banks acquire the highest amount of confidential information to be used separately. To some extent, relationship lending happens in a situation where transactions have been happening for long time between a bank and a particular borrower and there has been established a setting of information-intensive collateral relationship between them (Elsas & Krahen, 2002; Lehmann & Neuberger, 2001). The main benefit of this method is that banks can avoid the ex-ante ability assessment cost which is subject to be considered later stage to pay off in terms of higher yield and the information of investment that the bank is able to evaluate the cost monitoring and screening i.e. the credit worthiness (Denis & Mihov, 2003; Welch, 1997) surely develop a high record.

Generally, internal assets emerged from inside the firm (Equipment, machineries, building) and external assets from outside the firm (e.g. personal guaranty by a third party or a portfolio of securities). On the point of outside assets, collateral causes payments increase to the bank in the event of borrowers' default which is potential for resolving adverse selection and affects concerned incentives for strategic default by borrower and also can surrogate for information prior to project quality (Jiménez & Saurina, 2004; Manove, Padilla, & Pagano, 2001; Voordeckers & Steijvers, 2006). In the case of inside assets, this acts in different style in which it result in priority over future cash flows of firms among lenders and provides incentives and important information for monitoring. Jiménez & Saurina, (2004) argued that the issue of collateral keeps remaining the borrowers in threat and risk and finally weaken the firms innovation and survival.

However, the study of Torre, Peria, & Schmkler (2010) found that the PCBs have been increasing activities with SME customers accepting the underpricing of risks and associated issues through emphasising relationship. Though, relationship lending interferes the firms' internal factors, which, is apperantly percieved as unethical, the case of first attempting SMEs is different. Because, this group of firms are at the crucial circumstance of external finance, which is beyond the question of interfering. However, relationship reflects a positive attitude, which, could be defined as mutual understanding that satisfy both the party with disclosing information and accessibility to finance. In the question of holistic approach, relationship lending could be an important issue for primary investigation. This mutual understanding could be researched by mostly focusing on first accessing SMEs and local banks, as global banks are seen as reluctant to develop a relationship with SMEs (Manson, & Harrison, 2011).

Relationship lending requires soft information that is collected from a long time relationship. The key question emerged in the chapter 1 that how the relationship lending should be applied for the first accessing SMEs. The main point is that to start up a relationship lending the particular group of SMEs should develop relations with the PCBs' branch level loan officers. The soft information creates a realisation in the concerned loan officers that the returns will come back. The contextual seetings of bangladesh reflects that the returns should come back from the prospective performance of the business. Therefore, soft information should be determined some specific factors. In the literature the factors that determines the value of the quality of the soft information

are not well defined. However, some factors are reflected in the literature that create the realisation in the loan officers. The realisations is about the owner-managers of the firms. The realisation has been defined as CCA (Chapter 5)

3.5.2 Owner-managers' attributes

Lean & Tucker, (2001) recognized that the entrepreneur is the central personality of a firm and in the issue of small business the entrepreneur sometimes acts as manager. In the leadership issue, a clear distinction was perceived sometimes made between entrepreneurs and managers in the study conducted by Hartmann (1959). Consequently, the characteristics of owner-manager are considered as a significant issues of firms' success and in turn, the accessibility to external debt finances (Zabri, 2013). Both Friedlander and Pickle (1968), Theriou and Chatzoudes, (2015) and Walter and Heinrichs, (2015) found the significance of Owner-managers in formal financing accessibility and that the characteristics of firms' leaders profoundly impact on the size of the firms' business success. Holliday (1995) argued that the firms' structure i.e. the culture of the firms is governed by the characteristics of owner-managers, which affect the operations and thus access to external sources of funds. The importance of owner-managers' characteristics has been more significantly outlined by a recent study (Irwin & Scott, 2010). Hence, it could be argued that the importance of owner-managers' characteristics is a fundamental issue that was found from old to new studies.

The attitudes which are underlined the owner-managers is important to take the advantages of availability of external sources of funds such as unwillingness of owner-managers to provide personal assets as required collateral, communication capability record keeping and repayment record (Irwin & Scott, 2010). Kakuru, (2008) found that borrowers' knowledge on overall bank financing knowledge get extra facilities in getting loan. These attitudes sometimes act as significant obstacles upon the range of available external financing sources in the market (Lean & Tucker, 2001). Beyond the above arguments, Storey (1994) straightaway disclosed after an empirical study that personal characteristics of owner-manager have a noteworthy influence on business success of small firms where business success is the primary issue of achieving finance from external sources such as bank (Fatoki and Asah, 2001).

3.5.2.1 Working and management experience

Lean & Tucker (2001) argued that the range of previous business experience of owner-managers determines the range of business risk. The study found that due to lack of previous business experience, these SMEs are more likely to face risks than larger firms are. The perceptions of having higher business risk severely affect their credibility to access to external financing sources. The study of Cross (1981) showed that most of the Scottish entrepreneurs had previous job experience before setting up their business and later Barkham (1987) showed that 58% of a southeast Scottish sample of SMEs owner-managers had prior business experience in the stage of managerial, professional and technical or scientific occupations.

The significance of experience for obtaining external finance and business success, the recent studies (Zabri, 2013; Borgia and Newman, 2012; Roper and Scott, 2009; Wu et al., 2008; Zhang, 2008; Debu, 2006; Al-Mahrouq, 2003) also argue in favour of that. Zabri (2013) statically proved that managers' experience is an important determinant for financing preferences. Zhang (2008) found that the owner-managers who have been running business for long time have more preference in obtaining and using external finances from different sources in the market. Wu et al., (2008) found that managers having better working experience take more advantage of available sources of external finance in the financing market.

In contrast, Buferna, (2005) found that working experience is not that much important for effectively seeking and using for external finance, however, the researcher found evidence that there is a correlation between increasing debt ratio and increasing managers' experience. The importance of managers' experience was not so significant in another study that identified the individual's willingness to seek external finance as the key factor (Sena et al., 2012).

Borgia and Newman (2012) found in Chinese firms, owner-managers experience is positively related to the firm leverage level. Likewise, Cassar, (2004) found that the key point of significance of working experience of SMEs' owner-managers is that this experience, implies better human capital which increases any firms access to debt finance. Working experience and quality of human resource are closely and positively related to each other and this experience is built over time. However, this is not only a determinant of a good human capital building; effective training and education along with experience

generate the human resource. This is related with the business management; however, how the loan officers consider this for financial decision-making is not informed in the literature (See Section 5.6.2.1).

3.5.2.2. Education Level

The level of education is significantly related to the formal financing. Managers with a better level of formal education tend to use formal financing (Zhang, 2008). Wu et al., (2008) also found the higher-level educated owner-managers were more likely to take advantage of formal financing. Conversely, Vos et al., (2007) found that less educated owner-managers are more likely active in using and achieving external finance than high-educated owner-managers. The findings of Vos et al., (2007) also had been countered by both Casser (2004) and Coleman and Cohn (2000). They later found that the level of owner-managers' education is positively related to any external loan. Casser (2004) stretches this positive relation between education level and external loans to the quality of human resource. He found that level of education leading to improved human resource in firms, the more likely they have intentions to use debt capital. Watson, (2006) used the education as an indicator for assessing the level of owners' human capital. Watson found from the study that education level of owner-managers is important for explaining debt to asset ratio of firms.

Storey (1994) confirmed after analysing data that the banks have preference to formally educated owner-managers in choosing SME customers to lend finance. A recent study conducted by Osei-Assibey, Bokpin & Twerefou, (2010) found that the educational attainment is closely related to financial preferences. Since, the loan repayment ability is the prime concern of lenders, the realization of the scholars gained after conducting the study is that the high level of formal education of owner-managers was believed as collateral, particularly at start up stage of business. Gebru (2009) found that level of education of owner-managers was considered as an important attribute in financing decision-making. The scholar also disclosed that less educated owner-managers are less likely interested in external financing; rather they prefer to rely on internal sources.

Storey (1994) argued in favour of the importance of education considering this as the foundation of intellectual improvement, which is a key thing of business success. The scholar also argued that the better educational level provides the entrepreneurs better confidence in dealing with banks and customers. Donckels, Dupon & Michel (1987)

found that education is more likely associated with manufacturing, distributions and miscellaneous than construction and transport. Alfaadhel (2010) found that the education is mostly important in the service-oriented business particularly in customer services. Hence, to strengthen the argument of Storey (1994) it could be argued that education plays a key role in the interactions between banks/lenders and SMEs customer because this interaction is indeed, service mediated. Therefore, education can be a significant attribute in achieving finance from banks and other financial institutions.

The significance of education for business development and enhancing financing accessibility is not entirely a concept of modern business success, rather this could be considered as fundamental for small businesses. More clearly to portray the distinctions between the high and low level of education, Smith (1967) put forward the categorisation of businesses as opportunist or craftsman which was supported by various subsequent studies (Smith & Miner, 1983; Cooper & Dunkelbeg, 1986; Boswell, 1973).

Opportunist entrepreneurs are characterized by:

- A degree level education.
- A longhead ambition to start-up a firm.
- An ambition to make the firm grow large.
- Learning attitude.
- Diverse business experience and
- Better level of managerial capability.

On the other hand, craftsman entrepreneurs are characterized by:

- Low level of formal education.
- Lack of managerial orientation.
- Limited business goal.
- Lack of ambition.
- Reluctance to plan ahead.
- Domesticated attitudes to diverse experiences and
- High technical ability.

The lack of education hinders the growth of business through training programmes. For instance, primary requirement of growth of business is finance and access to external finance is closely contingent upon the skill of entrepreneurs. Skill development through training programme is challenged by the lack of education level (Debu, 2006). Townroe

and Mallalieu (1993) found that in UK only one-quarter of owner-managers attended a training programme connected with the start-up their business. This poor rate of attendance was due to lack of standard level of formal education like the craftsman above. Homan, Hicks-Clarke & Wilson (2000) found that either impeding growth or business failure is caused by the lack of skill development due to lower level of education, which was later supported by Macpherson, Jayawarna, Wilson & Elsammani (2003). However, Macpherson, Jayawarna, Wilson & Elsammani, (2003) suggested that the development of skills through appropriate training programme should be considered as paramount significance. Since, the low level of education of craftsman entrepreneurs is a reason to be reluctant to attend in training programme, Alfaadhell (2010) suggested to undertake “SMEs Support Program” prior to the gap in skills. It may be that the ‘craftsman’ type of small business owner sees himself/herself as highly skilled. The characteristic reflects their poor managerial manner, which differs from technical skills. A recent study (Irwin & Scott, 2010) found that level of education is related with SME financing. This study informed that the graduate and above owner-managers face least difficulties in achieving external finance than A’ level and below. The above discussion confirms that level of education is linked with the business performance; however, they do not inform that the level of education is related with financing. Contextual literature informs very little about the relation of level of education in financing. Islam, Khan, Obaidulla and Alam (2011) found that level of education is important for business as they have more intention to adopt training end education and have perseverance in coping with business challenge. Hence, level of education could be presented to participants for further understanding.

If we consider the kinds of firms defined by Shinozaki (2014), then it could be argued that the owners of growth firms are mainly opportunist and the craftsman own the stability firms. However, the literature does not provide clear information that why level of education is considered important for financing accessibility and if there is any alternative/complement of level of education (Section 5.6.2.1).

3.5.2.3. Learning Attitude

The issue of small business management and personal attributes of owner-managers are influenced by personality trait. The personality trait is a kind of soft information that determines the potential business success, which is the primary source of returns for first accessing SMEs. The difference between personality trait and attributes is that the

attributes are created by and for the management (Carson et al., 1995; Copley, 2008) and the trait is the behavioural manner of an individual that become created from childhood in an environment where he/she grows up Nootboom (1994). In small business operation culture, the personality trait plays a vital role in business performance. Personality trait is associated with managerial manner, self-efficacy and learning attitude (Bandura, 1977; Nootboom, 1994).

Some scholars found that the personality trait of entrepreneur have been raising interest to researchers. They argue that business performance relies on entrepreneurs' personality traits through setting up and maintaining a good management system in small business firm (Glancey, Greig, & Pettigrew, 1998; Stewart, Watson, Carland, & Carland, 1999). "Entrepreneurial dynamic" the entrepreneurial model of Glancey et al., (1998) implies that personal attributes of entrepreneurs indeed, determines the objectives and motivations, which act as the pillars of business performance.

On the other hand, some researchers (e.g. Chell, 1985 and Hofer & Sandberg, 1987) found there was a relation between the personal character of entrepreneurs and the business performance. Likewise, another scholar (Birley, 1994) empirically found there was no sole impact on business performance of entrepreneurs' personal traits.

However, Nootboom (1994) outlined as that entrepreneurs' characteristics do not directly determine the outcomes rather they play in interactions in business with some contingency factors by which entrepreneurs operate in their own strategy. In addition, the author argued that a firm is characterised by its diversity and the contingent factors that produce diversity in business operation standing on the variance of motives, goals and backgrounds of entrepreneurs. Nootboom (1994) found that traits are created from childhood in given dimension of culture and social settings, but they can be modified due to effective initiatives.

All the arguments of above previous studies have been summarised in the study of Andersson & Tell, (2009) who conducted their study based on studies conducted in previous 25 years. This study found that the success of small firms is related with the characteristics, personality trait, intentions and behaviour/role of owner-managers. Another scholar viewed (Yusuf, 1995) traits of entrepreneurs like perseverance and self-confidence have significant impact on business performance. The success determines the

business prospect that is considered in increasing SME financing accessibility (Torre, Peria & Schmckler, 2010).

Duchesneau and Granter (1990) found in their study on small business success that lead entrepreneurs in established business had dedication to work long hours had personal contribution in investment and had good communication skills. The scholars also found that in the comparison with unsuccessful firms, most of successful firms had start-up story with parents' assistance of both fund and consultancy support with long time familial business experience and more prior start-up experience and broader vision. If the relation between personality traits and personal attributes of entrepreneurs is considered, then it could be argued that the business-friendly personal trait and/or attributes of entrepreneurs were established by family business activities.

Entrepreneurs' self-efficacy concept emerged from the social learning theory introduced by Bandura (1977) that has impact on business internal capacity building. A person's belief in his/her own capability to successfully conduct a given task is referred to as self-efficacy (Bandura, 1977), which is renamed as entrepreneurial readiness (Khan, Nazmul, Hossain, and Rahmatullah, 2012). The self-efficacious entrepreneur builds up his/her intention by underlined attitudes formed in early childhood like other traits; however, they are not constant (Ryan, 1970). Rather, the learning attitude is the key factors by which people learn and apply the knowledge in the most pragmatic way. For Cromie (2000) self-efficacy impacts on belief of a person regarding whether (or not) his/her targeted goals may be achieved. Another scholar showed that foundation for human motivation and personal accomplishment are created by learning attitude unless he/she believe that their initiatives are able to yield targeted outcomes despite having little incentive to act or persevere even in uncertain adversities (Pajares, 2002).

Whatever, there might have some critical differences in different meaning and perspectives, the personality trait, managerial manner, small business management, business performance and self-efficacy are the constructs that have a relationship between them but learning attitude determines the degree of performance. A most recent study conducted on Greek small business perspective where the degree of easiness of accessibility to external finance moderates the relation between the degree of learning attitude, self-efficiency and business performance. Hence, it could be argued that the learning attitude is the main factors that unites other associated factors for business

success (Entrepreneurial Management-EM) (Muchiri, & McMurray, 2015; (Soininen, Puumalainen, Sjögrén, Syrjä, & Durst, 2013).

Perception of self-efficacy is such an element, which has great impact on how individual will learn and do and how will utilize the available knowledge and skills in diverse contexts. Thus, it is perceived that the craftsman and opportunities idea of Smith (1967) is similar with the scholars regarding personal trait issue where highly educated entrepreneurs are characterized by self-efficient, belief and determination. Therefore, regarding internal quality change, the owner-managers' quality should be improved because it has been argued that the personal trait is indeed for business success.

The scholars worked on small business development frequently advised that to increase business success and financial accessibility, internal quality have to be improved through effective training programme (Martin, 1999; Simpson, Tuck, & Bellamy, 2004; Cunningham, 2007; Hartley-Alcocer, Muir, & Young, 2007. Khan, Nazmul, Hossain, & Rahmatullah, 2012a). Furthermore, Carland, Carland, & Hoy, (2002) found that for a potential enterprise, a potential entrepreneur is the precondition. Therefore, the training should focus on Owner-managers rather than other staffs.

The very small amount of contextual literature mostly produces recommendations prior to institutional efficiencies where facilitation and development, taxation system and other macro-economic initiatives including some inefficient training and development programme for SMEs (Khan, Nazmul, & Rahmatullah, 2012a). However, having some public and private initiatives does not mean that the SMEs (Owner-managers) take the advantage of the facilities available. In these regards, Islam, Khan, Obaidullah, & Alam, 2011) recommended for focusing on learning attitude in Owner-managers in Bangladeshi perspective; however, these recommendations are to institutional efficiencies to undertake initiatives for developing SMEs. My approach differs from that study that is I propose PCBs to take initiatives. My position is based on fundamental principal-agent concept where PCBs are principal and SMEs are agent; hence, my perspective consistently focuses on the degree of SMEs' internal qualities/ weaknesses on which the PCBs' initiatives rely upon.

To some extent, there are potential constraints on PCBs such as attitudinal and behavioural manners that impedes SMEs internal quality improvement. Thus, all the

interruption for SMEs financing accessibility is concentrated to interactions between PCBs and SMEs. Because the risks abide by the poor internal quality of SMEs and those of risks identification quality are poor in PCBs assessment system where information asymmetric problems play. My argument is that if the quality is possible to be improved by changing learning attitude, the PCBs need not increase their assessment quality as ADB recommends. To reduce risk, the quality improvement is the only condition. If the question rises- which quality should be developed? The literature answers to the question that the “business prospect and success” through developing managerial manner, a self-efficacious manner and a learning attitude that emerges from personality traits (Nooteboom, 1994). However, there is no study found that the learning attitude and associated factors are considered in terms of financial accessibility, particularly, for the first accessing SMEs, who have lack of hard information. Therefore, the learning attitude could be an important issue in the research in assessing prospect.

3.5.2.4. Social capital using Capability

There are available literatures that emphasize the importance of social capital in entrepreneurial prosperity; however, very few of them informed the relationship between social capital and SMEs’ financing accessibility to PCBs. Du, Guariglia, & Newman, (2015) found on the Chinese context that proper and effective use of social capital could contribute in enhancing SME financing accessibility. However, that study did not found a direct relation between banks and SMEs in the perception of financing determination and risk assessment. It was more likely about the ties between groups of SMEs to build up pressure on institutions for getting highest institutional facilities. Furthermore, the kind of networking was perceived for enhancing SMEs’ entrepreneurial behaviour for overcoming institutional barriers (Ismail, Ford, Wu, & Peng, 2013). The basis of the networking between SME groups is gift giving and social greetings. Du, Guariglia, & Newman, (2015) found that this kind of social networking and ties between SME groups increase short term bank financing with the credit rationing related problems but this is not effective for business friendly long term financing. Since, there is clue of the effectiveness of social capital in SME financing; this point could be presented to the participants for further clues about the long term financing issue.

The issue of social networking has been mentioned by Beck and Degruic-Kunt (2008a). Risk assessment team of PCBs collect soft-information about the owner-

managers through a social investigation that how they use the social networking for business performance. It could be argued that social capital does not directly act as financing determinant; however, the degree of dealing capability of owner-managers with social networking in the business environment and the society/community act as a determinant of relationship lending. In the mode of holistic approach, this study intends to get in to the deep of social capital.

Actually, social capital is the best use of networking in the society between different groups that finally does something positive for human being. The capital is used by analogy with different shape of economic capital. Bollier (2001) viewed that this is naturally important for human being in economic perspective; however, it was depleted due to no use or people lose it. In the present economic age, this is well-established economic concept. Social capitalism is the example. As a theory, social capitalism challenges the concept that socialism and capitalism are respectively inclusive. A strong social network for the poor people eventually enhances the capitalism (Bollier, 2001). Hence, poor decrease in the society and capital market enlarges when poor derive social support. So, social capital is a fundamental character of economic changes. However, the literature poorly demonstrates the social capital is not massively related with SME formal financing accessibility, the use of social capital could enhance the financing accessibility to support the poor business owner-managers.

Mainly the key element of social capital is information, trust and norms (Gedajlovic, Hong, Moore, Payne and Wright, 2013). Social capital has been defined in different perspectives. The literature mostly accepted the two perspectives, which are bonding and bridging (Adler and Kwon, 2002; Davidsson and Hong, 2003). The bonding perspective mainly introduced by Coleman (1988). The value of social capital to business enterprise originated from strong social connections that result in norms of mutual exchange by yielding trust. It could be considered that social capital is a kind of collective good that produces sharing and solidarity among different actors in collective network. This sharing and solidarity is unattainable in the social actors without the use of the good (Coleman, 1990).

Hence, the elements of social capital, indeed, act as an intermediary between the webs and recognition of opportunities, which ultimately leads to increasing capital or decreasing poor. Focusing more on SMEs, the elements of social capital (information,

trust and norms) act as an intermediary between webs of relationships and recognition of opportunities, financing of venture, innovative discoveries or new market prospects that ultimately lead to more concrete performance, such as financial profitability. Since, the primary source of returns in prospective financing determinants (relationship lending and small business credit scoring) is potential business performance, and then it could be argued that the effective use of social capital could support the prospect-based financing accessibility.

On the other hand, the bridging perspective has been introduced in contrast to the bonding. Burt (1982, 2007) built up this bridging perspective of using social capital. In this bridging perspective, Burt demonstrated that the external connections of focal factors bring out social capital that leads to positive outcomes. Burt (1982) refers to an actor who bridges structural hole- a person who generates profit from being between others. The further work on the same concept clarified that the others are, indeed, managers, bankers and analysts (Burt, 2007). Hence, the bridging perspective implies that the social capital is not restricted between the actors in a civil society within a particular area, rather it create financial benefit between individual in a professional surrounding out of a specific social surrounding.

Other perspective of social capital looks distinctive from Burt and Coleman; however, more likely straight forward. In this perspective, there are some studies; however, Putnam (2000) focuses on trust and affiliation between either individuals, groups or individuals to groups. Bourdieu (2005) views social capital in terms of financial and informational resources. In the perspective, the social capital provides competitive advantage through a relational network. This competitive advantage refers to financial advantage.

For enterprise and family business, the multidimensional view of social capital is commonly utilised (Nahapiet and Ghoshal, 1998). The dimensions of social capital are relational (such as trust, norms and obligations), structural (ties and relationship configurations) and cognitive (shared values, common language).Gedajlovic et al., (2013) advocates that the structural dimension may provide better sources of social capital. In addition, the relational and cognitive dimension provides social capital resources. The each dimension is, in multidimensional use of social capital, antecedent to each other. Tsai and Ghoshal (1998) and Pearson, Carr and Shaw (2008) viewed that the structural dimension is, indeed, treated as an antecedent to both the relational and cognitive

dimension. Again, the cognitive dimension acts as antecedent to the relational dimension. In this view, the dimensions represents the nature of network and relationship of structural dimension and the resources derived from cognitive and relational dimension. In addition to that, some social resources may precede other social resources. For example, cognitive social capital (shared vision or language) may lead to the development of trust i.e. relational social capital.

Though insufficient; however, there is some research that addressed antecedents to social capital. De Carolis and Saporito (2006) recommend that social attributes and cognitive traits lead the capability to identify opportunity. In small business research, family-based social attributes promote accessibility to information and associability that improve business performance outcomes (Gedajlovic and Carney, 2010; Pearson et al., 2008). Some other study has specified that owner-managers' individual characteristics act as antecedent for building up social relationship. Baron and Markman (2003) and Zhang, Souitaris, Soh, and Wong (2008) identified those personal characteristics of owner-managers/entrepreneurs act as antecedent to build up social competence. Oh and Kilduff (2008) identified self-monitoring and Mosey and Wright (2007) identified human capital.

Research on social capital in the perspective of SME financing including other facilitation is inadequate in current literature; however, previous studies emphasise to consider it as an important agenda for further research. Gedajlovic, Hong, Moore, Payne and Wright (2013) emphasise the collective and cross level relationship and networking between team, organization and communities. Acquisition and effective management of social capital plays profound role in SME business success in various perspectives for both the start-up and established business (Baron & Tang, 2009; Ireland, Hit, & Sirmon, 2003). Gadajlovic et al., (2013) supported this views that social capital, particularly, collective and individual networking could be effective for SME interested issues where financing accessibility is the most significant one of them.

Effective use of the resources of social capital more or less relies upon the relational and cognitive dimension of entrepreneurs, which is supported by Pearson, Carr and Shaw (2008). However, use of social capital is sensitive as it could be used negatively that potentially could divert the actual aim of business (Molina-Morales, & Martínez-Fernández, 2009).

The antecedents and resources of social capital is an on-going complexity as it is difficult to measure in a quantitative manner (Adler and Kwon, 2002). The reason is social capital may provide an opportunity that is conditionally exploited. In addition, there is no determinant to measure if there is available knowledge on particular factors to a relationship network. This is also difficult to distinguish/define precisely social capital from human capital. This is because there are many studies on social capital on its multi-dimensional use; however, researcher on social capital, particularly for enterprise, ignores to develop social capital (Gedajlovic et al., 2013). More likely it complex to finds its relation with external finance. Understanding on the development of relationship and networking is important for enterprises to enhance their prospect. The risk assessment team of PCBs could use the social capital as a determinant for prospect-based financing like other soft and hard information.

Reflection on the Research Question 1

To thus far, it has been perceived that the financing structure is, indeed, collateral-based. However, there is a changing attitude in financial market that the PCBs has been attempting to enhance SME financing. Consequently, an attitude has been emerging to provide loan that goes beyond the collateral assets. As the part of this changing attitude, PCBs are attempting to consider other factors in the place of collateral factors. So, the collateral and others factors have been classified here as collateral-based and prospect-based loan. The prospect-based loan is, indeed, entitled here as soft-information-based loan.

To find a holistic approach with enhancing the soft-information-based loan the informed factors of prospect-based financing are insufficiently distinguished and defined. For example, the relationship lending requires long time relation between owner-managers and loan officers; however, literature does not inform about the information opaque firms/first accessing firms who do not have relation with a particular bank for long time. Likewise, the characteristics, personality trait, social capital etc. are more or less attached with SMEs but that factors could be more effectively used is not clear in the existing literature. Even those factors are not well informed in the literature by focusing on the interaction between risk assessment team and the owner-managers. Consequently, these factors should be further researched prior to develop a holistic approach/model.

In this phase of the chapter 3, the main point has been reflectively outlined that the factors the loan officer could consider for first access to build up a relation with the owner-manager of the first accessing firms. However, the factors are reflected in the literature that has been tailored in such a perception that could be further researched through a complete and effective process of research. In the prospect-based loan, the relationship between owner-managers and the banks' loan officers, the characteristics of firms and owner-managers, owner-managers personality trait and social capital has been informed by the literature. However, the prospect factors have not well researched. The participants did not exactly inform those factors. In this study a bunch of factors have been outlined named as CCA factors, which differs from the previous studies (Section 5.6.3).

3.6. Soft Information Assessment and Interaction

In the perspective of soft information-based financial attitude, there are some factors are important. Relationship lending is individually a kind of financing structure. It requires both the hard and soft information. Hard information is the record of transaction with banks that provides a soft message to the risk assessment team that the condition of business is satisfactory for financing. However, for the first accessing SMEs, The decision depends on the personal intention and the capability of the owner-managers as assumed in the literature. . This intention and capability is not quantifiable, this is more likely soft. The bank manager or the concerned officer of the branch can better understand the intention and the capability of an owner-manager. The soft information is not well defined in the literature; however, Liberti and Petersen (2017) informs the clue that the management capability of owner-manager and perseverance (Khan and Islam (2011) are assessed during a long time relation. This is perceived that the bank manager/concerned dealing officer is the main assessor of the soft information. The primary source of return is potential business performance.

The attributes of the owner-managers of firm (Section 3.5) cannot be defined as a complete financing structure; however, the characteristics determine the business prospect (Bink and Ennew, 1997; Lean & Tucker, 2001). (Lean & Tucker, 2001; Udell, 2006; Beck, 2008; Liberti and Petersen, 2017) viewed that the characteristics are considered for an information opaque firm. The characteristics of owner-managers are justifiable by institution (e.g. level of education) and physical existence (e.g. location of firm).

Therefore, the information is collected institutionally for collateral-based financing and soft information for relationship lending. The soft information collection and assessment process focuses on the firms those who have relation with bank; however, what kind of soft information and how that is collected from the firms who do not have relation with bank, is not specified in literature. From that point of view, how the information is collected, assessed and evaluated should be explored. For a new model for enhancing financing, a further critical investigation could provide clues that might direct this study to introduce a new approach for first accessing SMEs. In other word, the prospect-based financing accessibility could be enhanced by the potential clues on how the soft information is collected.

The assessment process of the soft information is not well defined. The literature provides clues that the entire assessment process is in the middle of development (OECD, 2015; ADB, 2013). This is for financial accessibility of SMEs where the first accessing SMEs and the established SMEs are not particularly distinguished and claimed. It could be understood that the assessment process for the collateral-based and relationship-based is in the process of the development. If we particularly name the defined first accessing SMEs, then the assessment process is in an infant level. The literature only provides the information that the PCBs have just started enhancing interaction to understand the prospect and intention of the owner-managers. How the interaction happens is not available in the literature. Therefore, this study intends to understand about the PCBs' attitude to enhance interaction process, the consequences of the interacting attitude and the points to be developed in the expected model.

3.7. Problems in using and assessing Soft-information and Interactions

Literature does not particularly inform about the impediments in soft information assessment process. Only one possibility is visible, which is the empowerment of the branch level loan officers. However, the literature provides some fundamental barriers in financing where the risk is assessed. The key risk is whether the return will come back according to the loan contracts. The risk is fundamental in the financing relation between lender and borrowers. Based on different studies, the entire risk is theorized in different concepts. They are principal-agent concept, information asymmetry, adverse selection and moral hazard. The risks act through the concepts in financing more likely small business than large. The gap was firstly outlined in the publication of Macmillan report as

early as 1931 (Lean & Tucker, 2001) in UK, which is still a concern in this modern business age despite happening much improvement and changes in technology and business environment (Beck & Kunt, 2008; ADB, 2013).

3.7.1. Information Asymmetry problem

Information asymmetry is an information gap-oriented problem between lenders and SMEs where the owner-managers of firms have more information and realization than lenders about the prospects and/or potential risk of business (Binks & Ennew, 1996; Lean & Tucker, 2001 and Lambert, Leuz, & Verrecchia, 2012). Furthermore, this is such a problem where shareholders of a firm have less information than owner-managers and even in this lack of information gap; shareholders put a considerable size of fund in the firm (Jordan, Lowe, & Taylor, 1998). In general, in a perfect market setting, there is full availability of information for both the firms and financial institutions and there should be no uncertainty regarding present and future market condition. However, information in very reality of financial-trading condition is neither perfect nor entirely costless and perhaps for the reason both the small firms and finance market is characterised by risk and uncertainty regarding future conditions (lean & Tucker, 2001, p-45). Hence, a critical and important gap has been playing a great role in interrupting SMEs financing accessibility to banks.

This interruption causes in some ways. Firstly, it create poor attitude to SMEs. Due to having risk and uncertainty, the banks need monitoring each funded business firm or project by investing additional time and resources, which is uneconomic for banks. If banks want to monitor SMEs, then their cost will be high and they have to impose additional service charge, which eventually increase the interest rate. Secondly, in that case, banks also have to require additional and strict collateral to cover additional risk raised by asymmetric information. It is widely recognised that collateral is a great concern for SMEs because by nature they have lacking of sufficient collateral. Finally, due to avoid risk and uncertainty, banks reject the loan application if banks lack adequate information to critically and accurately gauge the degree of risk associated with lending to SMEs. However, this rejection happens not on the specifically identified issues that surely harm the business. Entirely, the result goes against the small business financing accessibility (Altman, 1968). This issue has been clearer in adverse selection and moral hazard concept. Ennew & Binks, (1996) argued that there is no difference between more

successes or less success small business in the issue of bank finance, which means banks entirely have poor attitude to SMEs finance. This attitude could be significantly reflected in primary research if it is same for first accessing SMEs.

3.7.2. Adverse Selection concept

Adverse selection refers to a situation where the SME owner-managers with more risky business more actively prefer to equity financing rather than debt (Jordan et al., 1998; Stiglitz & Weiss, 1981). Stiglitz & Weiss (1981) have an explanation that in the case of adverse selection, banks have incomplete information about the underlying problem of the project and management quality i.e. firms' internal quality concerned with the project implementation. Another scholar argued that due to information asymmetry between lenders and borrowers, adverse selection influences borrowing decision (Brealey, Leland, & Pyle, 1977). On the side of borrowers' perspective, it could be argued that the adverse selection reflects a positive management capability of the project. This is because the borrowing firm has confidence to make a project successful and less likely prefer to pay dividend rather than additional interest to banks. In the borrowers' adverse selection model this is argued that SMEs classify themselves by pledging different size of collateral to equity lenders (Besanko & Kanatas, 1993; Stiglitz & Weiss, 1981).

In this circumstance created by information asymmetry system, thus, banks have endeavoured to reduce the negative impact of information asymmetric condition; banks approve the loan application of small firms by imposing higher rate of interest than ideal risk-adjustment rate of interest (Lean & Tucker, 2001). The eventual result is that averagely the SMEs with poor or normal project management capacity experience a higher rate of interest, which could be argued as an obstacle to SMEs financing accessibility to formal financing market. In addition, as the information asymmetry causes are prior to the information provided by SMEs regarding their internal quality, it is argued that poor quality is itself responsible for this sort of financial constraint. Lean & and Tucker (2001) and Dabo (2006) agree with Stiglitz and Weiss (1981) that incomplete information about the underlying management capability of small firms rise problem of adverse selection. Furthermore, it is too costly for banks for monitoring and screening to small firms that raise the problem of moral hazard (Bester & Hellwig, 1989). One of the

different approaches is that the banks judge the credibility of the loan application based on the firm's financial information.

In the research, the information was all about bank statement; however, this study found that the kind of information is low. The degree of quality of information is positively related to the degree of firm assets. Hence, the quality of information is important in influencing PCBs' financing decision. No research proposed any theory to reduce information asymmetric affect. Moro, Fink, & Maresch (2015) found that reducing information could be an important approach that if performed by enhancing the openness of information of Owner-managers to PCBs. How does the openness work if the quality of information itself is low?—the question is still unsolved.

3.7.3. Moral hazard concept

Moral Hazard concept is emerged from information hazard. Some owner-managers of small business have other sources of income having low potential risks due to the firm being well liquidated which encourages them to take higher risk for a project than they otherwise would (Carpenter, & Petersen, 2002). In the concept, owner-managers of firms provide banks some misleading information; the liabilities and assets have attitudes to take higher risk than usual (Debo, 2006). This situation put banks into information asymmetry problems and they have to be more suspicious in approving loan to SMEs. This is referred to as moral hazard problem.

Stiglitz & Weiss (1981) argued that this situation happens in the case of entrepreneurs those who are innovative to multiple investment opportunities where the increasing amount of interest differentially affects the rents from safe versus risky ventures. The preference of taking risk of borrowers increases with the interest rate. Hence, the increasing interest rate pushes the borrowers' project choice in greater risk.

The theoretical concepts discussed in above are closely related to the attributes of financial institutions. It is perceived that the problem associated with information asymmetry is conducted by SMEs' weakness about their capability to make a project/business success. These concepts will be further discussed later in the consideration of financial institutions characteristics. Since, to thus far, it has been outlined that the small business finance is apparently distinguished from larger business financing, and the banking sector is the most significant source of debt finance.

The information asymmetric problem matters in the financial accessibility on the basis of collateral and other hard information. However, it is not defined in the literature either the information asymmetry plays in soft-information-based financing or the way it plays in assessing the soft information. This study intends to investigate the issue.

3.8. Research gaps

The discussion on the Chapter 1, 2 and 3 reflects that the soft information could be used an alternative form of the traditional collateral assets. Why the soft information? Is it to build up trust if the owner-managers will pay returns despite good performance? The aim of the soft information has not been clearly defined in the literature. The theoretical literature and the BB's aims to enhance SME financial accessibility reflects that the soft-information is used for determining and developing prospect of the first accessing SMEs but not specific. The two points are not clearly specified in the literature. These points have been investigated in this study. The study finds that the soft information determines business prospect (See chapter 5, Theme 2B)

The ambiguity about the factors that determine soft information is not clear in the current literature. Is this the factors about the owner-managers, the firms or other factors? Which is not well defined in the literature. The answer to these questions will dramatically change the macroeconomic condition where GDP growth and employability rate are the main indicators. This study defines the soft information, which is CCA (Cognitive Collateral assets) about the owner-managers (see Chapter 5, Theme 2A).

Does the information asymmetry play in the emerging soft-information-based financial settings? Now the question is what information is the focal in terms of prospect/soft-information based financial attitude of PCBs for the first accessing SMEs. Is this about management, the owner-manager or the collateral assets? Dabo (2006), Lean and Tucker, (2001) and Stiglitz and Weiss (1981) reflected that the information is about management capability. However, management capability, in the perspective of assessment for financing, refers to the business setting of the firm consists of human resource, skills and other external support. If it so, then the management of a firm is open and clear to PCBs. On the other hand, Ennew and Binks (1996) argued that the business performance does not matter to bank in the assessment process. So, where the information asymmetry happen?

Other studies found that small business is more likely social. The owner-manager is free to make decision and enjoy all the power. *“There are a number of problems that come as no surprise; small team management, total management with multi- functional roles (many hats), no specialist personnel in support functions – in short an informal cabal that is limited in many ways where an ‘entirety of issues have to be dealt with personally”* (Stokes, 2002p-254). If the small business is personal and social, then it seems natural to assume that a small business does not have a complete set of management systems through which PCBs can find information about management. So, partial idea on management could be considered as information asymmetric problem that leads to either high collateral assets or decline. No study found that the social factor is related either with information asymmetry or assessment process. This point should be clarified.

Hypothecation refers to personal assets that an owner-manager can pledge as collateral assets for bank finance. The definition of personal assets includes the land and building and tangible assets on business premise. BD instructs PCBs to set up risk assessment policy to provide loan on hypothecation; however, no literature does not clarify that PCBs have any effective policy to assess the value of hypothecation. So, does information asymmetry play in assessing hypothecation?

If the financing structure is based on relationship lending, the bank managers make decision on the business and bank transaction and soft information. The bank transaction and other business related documents are evident and there is no option for information asymmetry to play role. Soft information refers to some personal information of owner-managers. However, personal information has not been defined in literature. What is the personal information, and how that influence loan officers/PCBs should be clarified.

Another point is that the bank manager measures the trust on owner-managers. The question is- what trust? Is it whether the owner-manager would provide the returns anyway even the business falls or trust on the owner-manager that they would be able to make good performance? In the relationship lending, a third hand guarantor is required. Then why is relationship lending separately defined? This should be defined in the collateral-based lending. The answer to the questions is not clearly addressed in the existing literature. Therefore, there is a gap in literature that what information the bank

managers collect, how they collect, how openly they take decision and what trust they measure.

If the financing is considered in the attributes of the owner-managers, then where does the information asymmetry happen? If the characteristic is good, do PCBs provide finance without collateral? On the point of the characteristics of owner-managers, it can be assumed that PCBs want to measure the future of the business but little literature is available on this topic. How and why the characteristics are important is not clear in the current literature review. Particularly, for finding a holistic approach for enhancing PCBs' SME financing, why the characteristics are measured, how they are assessed and actually, why PCBs consider them should be clear.

The social capital has been much researched for SME performance but not on SMEs' financing accessibility to PCBs. However, there is a clue in literature that social networking could be helpful for SME financing. BB also instructs PCBs to develop a framework to provide finance to SMEs by using social relation. However, how social relations should be effectively assessed, who assess, who and how the information is collected about the social capital of an owner-managers are not perceived in the literature.

The issue of the soft-information, interactions and the assessment are in important issue in the literature in both the macro-economic and the micro-economic perspectives. The process of the soft information assessment is not clear in the literature. Some studies sporadically mentioned that the soft information is collected through people around the firms (Berger and Udell, 2006); long time relationship with the loan officers and the PCBs intends to be involved with the SMEs (Torre, Perya and Schumbler, 2010; and Torre, Pería, Politi, Schumkler, & Vanasco, 2008). However, the activities and the process are not clear. The regularity activities of BB reflects that the PCBs are to provide training and development and workshop type activities; however, that is not clear in the literature that how the activities should be happened by PCBs. The regulation of BB is the part of the macro-economic policy. On the other hand, the PCBs and the SMEs are the micro-economic level of actors. Both the PCBs and the SMEs are business organisation and they are fond of their own profitability. In the case, only the regulation for the PCBs is not practical. The PCBs should be motivated to provide training and development type activities for the SMEs leading the enterprise creation. Pragmatically, both the macro-economic and the micro-economic side should be balanced in win-win perspectives.

Likewise, the PCBs and the SMEs sides should be balanced in win-win framework. Particularly, for the BB, the macro-economic policy regarding the issue should provide a one-size-fits all solution where the employment, GDP growth, motivation to PCBs and motivation to the SMEs should be included. The existing policy does not reflect that motivation. It is assumable that the faultiness of the BB's regulation is that gap. A clear set of strategy/concepts should be developed by the macro-economic development parties. Likewise, the PCBs should have incentives to provide the activities.

3.9. Correlates of the research gap and conceptual framework

For collateral-based financing structure, the information asymmetry plays role in the intention of the owner-manages. This is because; the entire collateral or collateral assets are physically and officially/legally justifiable. It is arguable that the owner-managers may present their consistency of their collateral assets exaggeratedly to risk assessment team by which moral hazard may play role but that is justifiable. Therefore, intention of owner-manager is the key issue, which is not completely justifiable but assumable. Probably the information plays role in this assumption. Hence, moral hazard more likely plays role with the owner-managers' intention.

This is assumable that for prospect-based financing, there is the frequent use of soft information, which lives in the intention of owner-managers. The concerned loan officer justifies this intention. Therefore, the attitude, the justifying and assessing capability of risk assessment team for business prospect for ensuring return is complex and that entirely depends on the concerned loan officers who collect and consider soft information. This prospect-based financing structure is seriously affected by adverse selection. Probably, this is the unuttered reason for which ADB (2013) recommend to enhance the efficiency of risk assessment team.

For the both kind of financing structure, the "intention" is the key factor. The intention of owner-managers produces morale hazard for collateral-based financing. Inversely, the intention of loan officer produces adverse selection. The soft information, the characteristics, the social capital and after all the relationship lending is commonly recommended for increasing prospect-based financing but that method of finding out the intention is entirely unstructured and vogue. For the capability/intention of loan officer/risk assessment team, training could enhance assessment team and development

programme but how the intention/quality of soft information of owner-managers could be enhanced- is not recommended in the literature. One-sided development cannot be effective solution of enhancing SME financing. As ADB (2013) recommended for holistic approach, then it could be argued that the intention and soft information of owner-managers should be included in the training and development programme. It is important to close this gap because the intention of both parties- loan officers and owner-managers is cognitive and not numerically justifiable. Only this unjustifiable factor pushes the lenders/PCBs to require collateral assets. A concept that could justify this intention will make a dramatic change in PCBs and SMEs in terms of financing accessibility.

Furthermore, the literature provides the information about the traditional SME financing and associated issues; however, that does not particularly focuses on first accessing SMEs. As early discussed, this group of SMEs are defined as “small enterprise” out of “Small and Medium-size enterprise”. Their main characteristics are that they have poor collateral assets (e.g. Lean & Tucker, 2001) and they are informationally opaque (Udell, 2006; Beck, 2008; OECD, 2015). Therefore, it could be assumable that they are isolated from the collateral-based financing. Likewise, it also could be assumable that they get less opportunity of prospect-based financing because this group is large in number but receive very small portion of PCBs’ finance (only 6.06% including micro enterprise according to Akter and Abdullah, 2016) though this group is the potential customers of PCBs/financial market. How the prospect-based financing could be enhanced- is not informed in the current literature. The potential concept/model that could justify/change the intention of owner-managers will dramatically enhance the prospect-based finance without strict collateral requirement.

Since, the perception of this study is to develop a model/concept for enhancing first accessing SMEs’ financing accessibility with the potential scope of PCBs’ contribution in developing the prospect of SME side; then a big question arises. The PCBs are traditionally reluctant to finance this group of SMEs due to information asymmetric problem and monitoring cost. In this attitude, proposition to PCBs to contribute to enhance prospect of SME side requires additional fund as extra burden. Hence, the contribution should be win-win basis.

Therefore, further research is needed in a holistic manner to address the question. In the traditional literature, simply the existing setting i.e. what is seen- is described well enough of SME financing issues, which rounds in a cycle of information asymmetric affect, collateral requirement and poor financing accessibility (Fig 1). However, holistic manner refers to the fact that we need further deepest thinking on why the cycle has been created and how to break the cycle. This two question- why and how requires such a method that exactly collects naturally occurring data from the key interested group of people about SME financing.

The summary of the entire findings from literature reviewing is precisely presented below-

1. The soft information is not enough strongly defined as an alternative of the traditional collateral asset-based financing.
2. There is no effective process of assessing the soft information for the first accessing SMEs.
3. The problem in enhancing/developing the soft information based financial accessibility should be outlined. If it is the information asymmetry, then how it plays in the issue of the soft information?
4. There is no effective way of starting relationship lending for the first accessing SMEs.
5. There is no any effective model for improving the quality of soft information
6. There is no “one-size-fits-all” solution for enhancing the SME financing

It should be noted that the above discussion finds the answer on the first three questions. The rest two questions are not responded to in the previous studies other than a little flexible attitude of PCBs to the SMEs. The further findings on the first three questions and the existing findings on literature will be blended to respond to the remaining question (Question 4).

3.10. Informed methodological position

The above issues are related with the nature of human behaviour i.e. personality trait, which might vary culture to culture (Irwin & Scott, 2010). I cited different theories in this chapter where most of them were emerged from the studies in first world economies, very few of them in developing countries and none of them in Bangladeshi context.

The perspective of the research proposes PCB sector to undertake initiatives for finding out the scope of their possible contribution. This proposition has a prone to sit on another side from conventional nature of SME financing market. The loan officers and other concerned people of financial market are used to practicing the traditional system where PCBs lend money for profitability as a kind of business organisation. In this traditional system, PCBs do not have any responsibility to borrowers. Therefore, it is very difficult to motivate the PCBs to invest their time, knowledge and money for increasing borrowers' financial accessibility. Therefore, win-win framework is required for their contribution. This is the main challenge of this proposition. To overcome this challenge, PCBs and concerned people will logically raise the specific problems in the field including cost-benefit analysis.

To extract the actual truth- I need to step into the field to answer the question of "What is" the actual truth in the frame of reality (Crotty, 1998p-10) of interaction between PCBs and SMEs. The concerned later question is "What does it create meaning" (Crotty, 1998p-10) i.e. what consistent initiatives are to be undertaken for increasing financing eligibility and why and how. How the "SME financing tradition" could be broken and should be reinvestigated in a new perspective beyond the traditional. The Trap informed by previous studies fits in the Bangladesh context; "what is" the actual truth underlying poor financing accessibility in the context and how could this achieved knowledge be utilised in developing the situation- are the ground of my philosophical perspective.

According to Crotty (1998), the first question specifies my ontological and the second one does my Epistemological involvement. Both the position also involves me in a framework of investigation plan, which fall in the framework of Crotty (1998) made in order of Epistemology, theoretical perspective, methodology and methods. The framework helps me to stand on the ground of constructionism and subjectivism epistemological position, as I have to learn from the field and use that knowledge to develop a new way of seeing the world beyond the traditional financing system for breaking the cycle.

Discourse analysis commonly refers to be the examination of language through pattern of pronunciation, choice of words or sentence structure. It constitutes coherence and sequence of repeatable relations to object, subject and related stated things that

influence our views and therefore create new meaning (Foucault, 1970). Over the last half century, the discourse analysis has been used in different aspects of social science; however, the use of discourse is recent in management research probably for fierce competitive business environment. In this environment, the innovation and challenge inspires relative researchers to view things more critically in new stance (Elliot, 1996). Elliot (1996) importantly mentions that discourse analysis is potential in the social factors rather than only linguistic factors. The discourse is effective for social welfare (Lessa, 2005) and disciplinary power of management coaching and the difference between employee and executive coaching (Nielsen & Norreklit, 2009). Mavin (2001) and Potter & Wetherall (1987) argued that the beliefs, actions and events grounds the underlying process of social system that more critically comes out through discourse analysis. Banister (1994) straightway advised that discourse analysis is effective for interpreting social data, which not only produce new meaning but also extract the actual truth/problem. Elliot also mentions that discourse analysis is useful in psychology and consumer research, which is associated with cognitive factors. It could be effective for this research as the risks of information asymmetry lives in the borrowers' intention. More likely, for prospect-based financing where the primary source of repayment is business prospect, the risk assessment is critical for risk assessment team.

Discourse analysis is a form of data analysis for qualitative research. It not only extract new concepts to construct something, rather it extract the actual truth interpreted by different participants' ideology (Banister, 1994). The basic characteristics of qualitative research are that it explores the truth in social research. This means, only quantifying data in different context of a theory only produce the existing condition based on the truth that the previous studies claimed. The qualitative researchers intend to get into a further step to extract new truth if there is any. However, simple qualitative data analysis also was conducted in a frame of existing theory and restricted to play in a boundary. The discourse analysis allows researcher to get into a further steps where the ideology of participants is more important than a questionnaire either structured or semi-structured. The ideology is created in participants in a long time observation and experience. This ideology less likely comes out from a questionnaire. Dijk (1995; 1997) viewed that discourse is more effective in exploring the truth from different ideology of different participants.

The different ideology explores the truth about problems and issues in social science. Another ideology is that the discourse analysis is effective when the discourse emerges from opposition party either it is political opposition or interest-based opposition. Actually, it is less likely limited within some specific subject and issues. The it has been used in social relationship and inequality dominated by power and control in terms of class, gender, ethnicity, race, sexual orientation, language, religion, age, nationality or word region (Dijk, 1995). The above discussion about first accessing SME financing clearly reflected that the group of SME employ more people, it has much contribution in GDP but thy have been established as a stigmatized group of SMEs in getting financing accessibility to external source such as PCBs. The stigmatization happens based on an unscientific blame that small business financing is costly for banks. This is the widely accepted truth in traditional financing market and literature. For example, Udell (2006) found that there is almost no difference in pricing between large business financing and small business financing. To extract scientifically the original truth in this inequality of financing behaviour, a discursive approach could be effective from both the powerful financing sources such as PCBs and stigmatized group of first accessing SMEs. The discursive approach is effective for extracting “what is” more deeply with the participants’ ideology that is created by their observation and experience. Furthermore, the aim of main stance of this study is to find more than the “what is” on the same ground i.e. their ideology. Therefore, the discursive approach will be effective for articulating the “what is” beyond the existing scholars’ findings. The ideology on how to change the tradition will be effective by interpreting the ideology of the experienced participants.

3.11. Chapter summary

In this chapter, I have searched the contents to answer to the research questions on a theoretical-conceptual that focus on the risk financing determinants, risk assessment process and associated barriers in making financing decision. In this framework, the changing attitude of the PCBs is to enhancing interactions with the particular group of SMEs (Section 1.3). The aim of the interaction is to collect the soft information of the first accessing SMEs to reduce information asymmetric affect. In the situational setting of Bangladesh, the macro-economic initiatives undertaken by BB introduced holistic regulations to enhance the financial accessibility of the particular group of SMEs. The focal point here is that the BB instructed PCBs to enhance interaction with the SMEs to find prospect through considering soft information; however, the entire initiatives have

failed. The financial accessibility setting is still surrounded in the traditional collateral-based financial system and the group of SMEs are isolated from the mainstream financial sources, the PCBs. Therefore, the soft information factors could be further research. The soft information factors are not well informed for the first accessing SMEs. This studies conceptualises some factors in literature (section 3.5). These factors are not researched in the contextual setting of Bangladesh. This study finds the factors from the Bangladeshi context titled as CCA factors where the soft information is defined as CCA (Cognitive Collateral Assets) (Section CCA is defined as the on which the conceptual framework has been developed (Section 5.6.3).

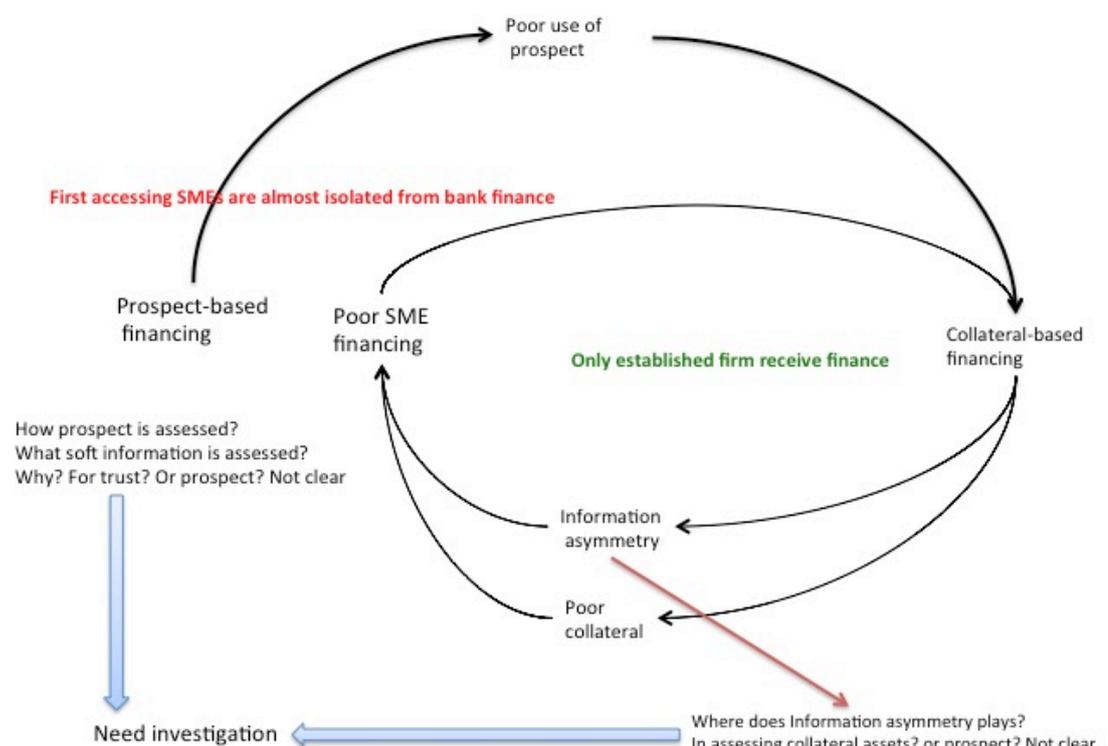


Figure 1. Traditional SME financing trap Source: Created by the Author

In this figure 1, it is perceived that the prospect-based financing is almost isolated (Akter and Abdullah, 2016) from the mainstream financial system. The main reason is that the soft information is not well defined, the interaction process is not well structured and the information asymmetry is still untreated. Therefore, the issues related to the interaction, soft information and the information asymmetry needs to be further researched in a holistic manner. To thus far, it is found that a fundamental problem is addressed in the traditional SME financing. I entitle that as SME financing trap.

Chapter Four: Research Methodology

4.1. Introduction

The aim of the research is to explore the role of Private Commercial Banks (PCBs) in increasing the availability of finance for SMEs. Following on from the literature review in the preceding chapter, a theoretical perspective on the primary data collection is developed in this chapter. In order to do this, the epistemological and ontological basis of the research is discussed in this chapter. The generation and analysing of arenas constructed by socio-economic culture of business in everyday life is central to the study (Elliott, 1996) in the particular context of Bangladesh. Hence, the study has discussed ontology and epistemology that was adopted in this study (Crotty, 1998). Furthermore, I have adopted an interpretivist research paradigm since this study intends to discover something scientifically unaddressed in the reality rather than any specific objectives (Crotty, 1998). The shape of discourse analysis adopted in this study uses interpretive repertoires (Potter & Wetherell, 1987). Interpretive repertoires are associated with the themes emerged from the research text. Finally, this chapter deals with data collection and analysis process and associated methods with the explanation of how such methods fit with ethical concerns, limitations and core practicalities.

4.4. Discourse analysis and qualitative research

We should be economical in stretching words about discourse as it is discussed above in different aspects. Discourse analysis is used in broader socio-cultural issue where a significant group of people is misjudged (Richardson, 2007) such as SME sector in Bangladesh. There is nothing that is left out of discourse in social interactions (Foucault, 1970). I made a Critical Discourse Analysis (CDA). CDA is a structure of discourse analysis that critically studies the relationship between the discourses and a set of beliefs, behaviour and attitudes i.e. ideology that act as a constitutive of perspective on the world (Fairclough, 2013). CDA has special focus on context rather than ordinary discourse analysis. CDA are classified as three kinds based on three discourse contexts which are Macro, Meso and Micro level. At Macro level CDA, the context analysis examines the relationship between the text and broader social systems and ideology.

The context of this study is consistent with a macro level discourse analysis because the SME financing accessibility problem on developing countries mostly on Bangladeshi

socio-economic culture was being studied. Furthermore, the Linguistic approach (Fairclough, 2013) was not adopted because principally I do not introduce myself as a linguist and the research question of this study does not focus on that approach. Adopting the statement of Elliot (1996p-65) that meaning is liquid- not static. Language is more than word (text) representation (but functional as it delivers meaning based on contradiction, paradox and contested power). I just wanted to produce meaning in the research context rather than critical linguistic analysis. Though political researcher adopts CDA, I avoided that perspective because my position was to articulate the reasons behind the formal financial accessibility of SMEs and produce a way to resolve that by blending the problems in CDA machine for broader small business domains of the Bangladeshi society.

Ontology and qualitative approach is mostly related to the interpretivistic approach. Ontology is directly related with qualitative (cognitive view) understanding about the world rather than numerical. Interpreters disclose this cognitive view when the issue is of social science. Hence, the interpretivist position is automatic in between the relation between ontology and qualitative view about the world.

4.5. Prior studies that use CDA to analyse business phenomena

From previous studies, it was found that CDA was adopted in business management such as marketing and human resource development. In human resource management, there was a naïve model that was used for managerial motivation and control in the issue of human behaviour in business organizational context moving away from pragmatic structure of realities. Many works have been conducted focusing on the area of managerial experience prior to socially constructed situation with social-cultural forces. The key issue was to understand how managers can make socially constructed sense of organizational innovation process (Coopey, Keegan, & Emler, 1997).

In the case of marketing in business management arena, some examples exist. For instance, Copley (2008) conducted research in University of Northumbria based on discourse analysis to create new meaning based on the SME marketing process in socio-cultural context of northeast UK where the outcome was produced that marketing is more than 4Ps and marketing method is more than relational and orthodox marketing system. Another study (Elliott, Jones, Benfield, & Barlow, 1995) on advertising titled as “*Overt*

sexuality in Advertising: A Discourse analysis for Gender Responses". In this study the development of advertising using overt sexuality was researched where female sexuality was explicitly and positively used in sexual equality based culture. The key focus was that advertising could add symbolic value to consumption by investing the products with a romantic appeal of sexuality to younger customers that becomes a potent cultural format drawing its energy from the desires of the body. This shared dominant theme was supported by gendered interpretive repertoires (Elliot et al., 1995: abstract). Some other studies are mentionable conducted on health reform advertising (Morgan et al., 1994), gender identities in the issue of customer satisfaction (Wright, Larsen, & Higgs, 1995), and other works on marketing strategy, international marketing, political marketing, internal marketing, green/social marketing, product development, utilization of marketing research, sales force and advertising agency relationship (Copley, 2008 p-143).

4.6. Discourse Analysis Framework

It is true that analysing discourse and writing up meaning (interpretation) is difficult to distinguished (Potter & Wetherall, 1994); however' this difficulty is invisible when discourses are taken in process to produce meaning by interpretation. The process of discourse analysis was traditionally roughhousing the text; however, in modern language it is being used together with text in different aspects (Whelan, 2012). Usual taping and transcription of interviews, taking of notes including non-verbal cue recording and any other commentary can be written in final transcript (Copley, 2008).

Coyle (2000) notes that one is limited to go so far in discourse analysis where every "um" and "uh" is important to produce cue towards conversation analysis. Elliot (1996p-66) suggests that 'fine details' that are 'not crucial....can interfere the readability of the transcript'. Coyle (2000) views that researchers have to use key skill in developing meaning in dealing with the use of language that is able to detect interactional and inferential portion of talk, however still this is less-likely clear that how this skill could be developed. This confirms that the difficulties in the process of discourse analysis, to interpret meaning, is a crucial issue. Burman and Parker (1993) noted that discourse analysis is difficult with thirty two problems where the researchers mentioned that qualitative research with discourse analysis is time consuming and more difficult than positivists (numerical data analysis).

However, Burman and Parker (1993) disclosed a twenty-step process of discourse analysis regarding achieving meaning from raw discourse. Potter & Wetherall (1987) developed a ten-step method regarding the same issue. Considering the research issue of this study, I have developed a nine-step method through blending thirty steps with higher rationalizing with the context of this study. I have principally considered the ten steps as the ground of analysing discourses, which are –

- Expertise and skills are considered based on credibility.
- As a discourse analyst, the researcher is to be mindful of the impression attempted.
- Superfluous meaning delivered by discourse deliverers is considered as omission.
- Accounting variability is to be familiar with the research context where the background of participants is with expertise. Construction and deconstruction of participants' discussion is considered.
- Objective and personal observations are considerable.
- Discursive patterns while coding of issues facilitate understanding meaning.
- Discursive function is helped by gathered understanding from the context (and broader context).
- Consideration of looking out for extremes that builds up a more influential position.
- Looking at whole thing in the round to create the final meaning in broader contextual view is ideally considered. (Parker & Burman, 1993; Potter & Wetherall, 1987)

The discourse analysis framework therefore implies that the data experts are aligned in a (ten-step) process where their respective biography based on experience and observation is to be blended for interpreting meaning. However, the biographical making is shaped by some factors such as the physical presence of researcher with tape recorder, research diary with pen and pencil, and a pre-organized note of research issues to be discussed. Analysing this ensuing text with emerging interpretations would be related with the findings from literature reviewing in a simple usual process of thesis activities.

The data analysis in this study looked for the emergence of a tapestry of themes in SME financing problem related with PCBs financing determinants and small business culture related clues that could be potentially used for developing a model for solving those of problems. These themes with discourses scanned from an array of respective narratives in the research text from this meticulous social arena.

The utilizing of DA aims at encouraging diverse response as opposed to the customary way where consistency is required in interviewing (Elliott, 1996) with

purposeful goal of variability that this study holds. Regarding this variability, I deployed a mechanism based on the recommendation by Elliott, (1996).

4.7. Translation-related issues

Translating one language to another is a concern to achieve real meaning. In the case of data collection conducting in one language and presenting findings (interpretation) in another, researcher sought to take translation-related decisions which have an impact on research validity; however, the number of translation-oriented researches is perceived common phenomena in the social research arena (Birbili, 2000).

Despite these concerns related to validity, there are other factors that influence the quality of translators such as- knowledge of the characteristics of local-ethnographic distinct dimensional culture, the competence of the translator, the people's ethnography those are involved in translation processes, the situations in which the translation is conducted and the fluency of translator's language of writing-up (Vulliamy, Lewin, & Stephens, 1990). It is an epistemological problem as it affects the construct is "found" (Temple, 1997). Phillips (1959) warns this problem unsolvable when the researcher and the translator are not same. The use of translator is the main concern because he/she (translator) might create three types of problem which are-

- Informants may be affected by interpreter,
- The communicative process might be effected by interpreter and
- Translator might affect translation (Phillips, 1959p-290); (Birbili, 2000; Phillips, 1959; Temple, 1997)

My circumstance is embedded in this issue of translation as is by birth as a Bangladeshi, which is the research context. Therefore, the participants and researcher is similar in the issue language and intonations. Thus, the need of translator was not necessary used. I was dominantly experienced in practicing English as a long-time resident in England. Therefore, interpreting people's attitude and presenting report for English readers was less likely counted as problem. However, in spite of repeatedly reviewing the audio-records and transcript achieved during interviewing, for translating Bengali language and intonations to achieve meaning for English readers, the cooperation of some British people familiar with this research area was sought for assistance, academic supervisors, for example. In this case, the supervisors act as translator. Temple,

(1997:616) argues that even in the case of employing third hand translator the research can be completely valid but conditionally. The condition is whether the researcher conducts constantly discussion, debate, and conceptual issues with translators paying attention to achieve conceptual equivalence.

4.8. Participant selection method

The literature review section reflects that both the PCB and SME sector are beneficial for each other being successful in profit making where the argument is still to be solved that – who is responsible for any SME formal financial accessibility problem and who is the potential initiator to resolve the problem? Is it PCB sector or SMEs themselves or any other relevant party? From this issue it is to be argued that the choice of participant selection dominantly depends on the research issue. In particular, the question, which is, associated with other emerged questions such as- what is the problem and what could be a possible way to solve this problem. Hence, the participant selection utterly depends on these questions. However, there is very restricted way to go beyond the people directly activated with the issue of formal financing accessibility of SMEs.

Though the participant selection for qualitative data collection is a straightway fixation, considering those questions this is more likely multifaceted in the research context. There are more than six million SMEs operating in Bangladesh in a latest but ideally older study conducted in 2003 (Ahmmed & Chowdhury, 2009). This significant volume of small businesses seek for finance from the larger financial market (Bangladesh Bank, 2016). The financial market confirms that it is a gathering centre built upon the significant size of this SME customer group. In such a context, meaningful and constructive interpretation from discourses delivered by carefully and intellectually chosen participants is important in the question of validity. The table 3 demonstrates the list of participants. The code number is used due to the ethical issue. In chapter four, the participants' names used are fake whereas the original details are safely retained by using password.

Table 2: List of participants

No.	Code of participants	PCB/Institution/Firms	Position/Responsibility
01.	LOMr-Rk1	MTB	Branch manager, SME in charge
02.	LOK2	Pubali Bank Ltd	Branch manager

03.	LOM3	Mercantile Bank Ltd	Branch manager
04.	LOMr4	Standard Bank Ltd	Branch manager
05.	LOS5	South-East Bank Ltd	Branch manager
06.	LOSk-M6	One Bank Ltd	SME in charge, 2 nd officer
07.	LOTk7	Commercial Bank Ltd	SME in charge
08.	LOKi8	Uttara Bank Ltd	Branch manager
09.	LOlh-K9	EXIM Bank Ltd	SME in charge
10.	LOMa10	Islami Bank BD Ltd	SME in charge
11.	LO Na11	Brac Bank Ltd	SME in charge
12.	LOQ12	FSIB Ltd	SME in charge
13.	LONi13	MTB Ltd	Branch manager
14.	LOAk14	BRAC Bank Ltd	Area manager, SME
15.	OM SHi15	Shimul Engineering	Owner
16.	OMAk16	Mama-Bhagne Tire house	Owner/partner
17.	OMDk17	Tonmoy Enterprise	Owner
18.	OMR18	Poultry Food	Owner
19.	OMA19	Mollah Furniture	Owner
20.	OMH20	Mofiz Sanitary	Owner/partner
21.	HOI21	BRAC Bank Ltd	Head office
22.	HOAr22	Mercantile Bank Ltd	Head office
23.	HOS23	SMEF	Head office
24.	HOAi24	Bangladesh Bank	Head office
25.	HOAhk25	Bangladesh Bank	Head office
26.	HOKs26	Bangladesh Bank	Head office
27.	HOAh27	BSCIC	Khulna divisional head office
28.	HOM28	MIDAS	Head office

4.8.1 Types of Participants

I was highly cautious about selecting the participants. I chose them in several groups where all the groups of participant were directly related to SME financing issues (the method of selection is discussed in the next section). In doing that the practical experience, the observation and knowledge about the socio-cultural, political, and other factors that directly influence the business success and financial approval was considered. For example, I was not interested in inviting the staffs of banks (loan officers) those who studied on overseas countries before joining the job. The reason is that this kind of people has a gap about the changing business environment caused during their migration period in overseas country and consequently less likely able to use their observation in discourse and eventually affect the research validity. Considering this issue, I selected three groups of people- the bank manager/loan officer, the SME owner-managers and the higher officials of Bangladesh central bank (BB), PCBs and SME Foundation (SMEF). The Table 3 provides the idea about participants.

Bank branch manager/loan officer

In the research context, the general culture of considering the loan application is that the staffs of branch of banks assess the documents enclosed with the application and make a further field work to finalize the merit of the application. The loan officer then submits report to branch manager and finally the branch manager decides whether the application is to send to the head office. Thus, the loan officer and branch managers are well experienced about the characteristics of SMEs, owner-managers, and concerned issues that influence the financing determinants. In addition, there was an account that the weaknesses of SMEs owner-managers are less likely possible to be delivered from them.

Bank higher officials

I interviewed with two higher officials directly related with strategic body. One is the vice president of Mercantile Bank and other one is the assistant manager of head office of BRAC bank. The two data expert interpreted their observation about the SME financing obstacles and the idea about the possible banks' contribution for enhancing their SME customers emerged from and supported by them.

SME Owner-managers

Likewise, the actual bank behaviour is less likely to be delivered from the loan officer that reduces the hope of owner-managers. Hence, to achieve knowledge about the actual determinants and characteristics of banks the SMEs owner-managers were chosen as participant. Furthermore, the actual circumstance of owner-managers in which they apply for formal finance, the issues that influence their business performance and concerned issues can be obtained from SME owner-managers.

SME Foundation

SMEF (SME Foundation) is a public institution powered by some other global organizations such as Asian development Bank (ADB), Islamic development Bank (IDB) and Bangladesh central Bank. SMEF facilitates the SME financing including some other initiatives such as training and development and awareness programmes prior to small business issues. This organisation has started its journey in 2007 and has been serving with very small size of human resource, facilitating tools and finance in the comparison of that larger size of SMEs in Bangladesh. The strategic level staffs were assumed as important to achieve interpretation of the context. Hence, I interviewed the secretary

general of the organization where the issues achieved from the interviewing with banks' branch manager/loan officers and literatures searched were the primary components of discourse with him.

BSCIC

Bangladesh Small and Cottage Industries Corporation (BSCIC) is a public institution that facilitates micro-entrepreneurs. This organization provides training and development programmes to micro-entrepreneurs. The higher official of this organization was interviewed in order to articulate the nature of training provision.

MIDAS

Micro-Industries Development and Service (MIDAS) is a private organization. This organization provide training and development as a NGEs funded by global and other intra-governmental organization. The organization was chosen for understanding the training related issues in the context.

Bangladesh Bank

Bangladesh central bank (BB) runs an individual department concentrating on SMEs financing and concerned initiatives for SME financial accessibility. This organisation acts as key source of fund for small business operation via the private commercial banks. I interviewed with two DGM (deputy Secretary General) of SME department. I also took interview with an Assistant Director (AD) of Corporate Social responsibility (CSR) and Green Business (GB) department. This department is involved with the ethical business of financial institutions and other business organisation in Bangladesh. The idea of taking interview with these departmental staffs emerged from the interviewing branch manager of PCB where they delivered the concept that the PCB can use a part of their CSR budget for SME training programme.

4.8.2. Choosing Participants

The PCBs were chosen from the list of PCBs of BB on the basis of the degree of PCBs' involvement in SME banking. I have chosen some two lowest involved PCBs (Uttara Bank Limited and South-East Bank Limited) to learn their views of SME financing. I selected PCB branches by using convenient method. The PCB branches I interviewed locate in both big and small cities. Then I got information of SMEs from

LOs. The SMEs I interviewed includes the successful SMEs who have been paying return as deeds, classified SMEs who obtained loan but are irregular in paying return and the unsuccessful SMEs who had been declined.

The necessity of interviewing higher officials of BB, PCBs and SMEF was informed from the interviewing with LOs. LOs viewed that the new perception of seeing SME financing through PCBs' contribution is the matter of strategic decision. After getting interviewing with PCBs' higher officials, I realized the necessity of interviewing with BB because the strategic factors of PCBs is related and governed by BBs' SME financial policy. Considering the field analysis of data, I individually communicated with SME section of BB. One officer then helped me to communicate with others including SMEF.

In the case of approach enhancing efficiency of owner-managers, such as financial eligibility, potential performance and overall the prospect-based financing issue approach of Owner-managers, the question raised whether there is available non-financial facilities in this context such as training and development provision. Any prospects could be measured on the degree of available facilities and the degree of SMEs' intention to acquire them. This led the study to consider the needs of SME Foundation (SMEF) regarding nonfinancial facilities available for entrepreneurs. SMEF is the public facilitator of SME in Bangladesh.

The idea of taking interviewing with the higher officials of Bangladesh Small and Cottage Industries Corporation (BSCIC) emerged in the table during initial data analysis. BSCIC is the public organization of micro-enterprise, which is not directly related with FASMEs; however, I interviewed them to learn about the training and development tradition in Bangladesh.

The Micro Industries Development Assistance and Services (MIDAS) is one of the private organizations that facilitate SMEs. To gain knowledge about the facilitation of private/non-government organization, I felt the needs of taking their interview.

The training needs analysis, training publicity method, trainers' quality; trainee selection method and impact analysis method were the key points during the interviewing with SMEF, BSCIC, and MIDAS.

4.8.2. Justification of validity of participant selection method

The method I used to choose the informants could be defined as snowball method (Atkinson & Flint, 2001). Qualitative researchers conventionally use this method in the context of deprived, socially stigmatized and elite people. From contextual literature search, it was perceived that there was a series of initiatives on the side of different public and private sector to increase the availability of fund for SME financing; however, there was a clear dearth of initiatives to improve the capability of SME to be eligible for receiving formal finance. The situation was that despite having availability of funds in financial market, the SMEs are impeded to grow/survive because the PCBs are mostly interested to finance the established and large business organisation. As a social researcher, one could consider this group of SMEs as deprived of mainstream business trend. In addition, in the view of the PCB sector they could be considered as stigmatized.

In addition, the stigmatised group of people is important in current research issues, the snowball method provides actual information about social constructs in the setting (Atkinson & Flint, 2001). Hence, this method could be considered as this is now included in the qualitative research tradition. For example, in this research context, the people are closely related with the staffs of loan providers (PCBs) and successful and/or unsuccessful SME owner-managers. In this case, the purposive method is likely to be effective. This research intends to find a concept/model to enhance first accessing SME financing and this leads one to adopt a purposive method as loan officers know better about the financing related issues. However, the concept/model is related with other group of people such as strategic body and regulatory body, other public and private organisations, intragovernmental organisations etc. Which group of people could play what kind of role etc. may require the views/data of the groups of people in a range of importance. Therefore, snowball method is likely to be more effective to choose the right people from the key group (loan officers) (See example in section 8.8.2). For the same reason, I did not choose a quota sampling method as it more likely similar to probability sampling method, which expect quantifying data and a predetermined set of structured questionnaire. It does not go with the questions of the study that focus on exploring more that “what is”.

Self-selection simply fits with the situation where the researcher intends to find desire of individual for participating in research (Sounder et al, 2009). It looks like a preparation

of mainstream research, which is far way of the intention of the study. Likewise, the convenient method is unrealistic in the question validity and biasness (Sounders et al., 2009). Therefore, I had to adopt Snowball method for participant selection.

Finally, the selected loan officer determined the Owner-managers to be interviewed. The first informer, BB is considered as valid. However, the other two steps, the branch managers and loan officers may not always determine the next-step informants. Possibly being motivated to be biased by some issues that are related with their job career such as weakness of his/her job performance. Regarding this concern and the core research issue, I set down some diverse criteria that emerged by nature of this research issue to purposefully motivate the participants to choose the right informants. The criteria are-

- The owner-managers recently have been declined for loan.
- The owner-managers have been using loan but irregular in paying returns and
- The successful owner-managers have been using loan and paying return accordingly.

Choosing SMEs flexibly considers the criteria such as the industry/sector, age, size and location of firm. The criteria also considered the characteristics of owner-managers next to the firms' characteristics. The branch manager suggested choosing the higher official of BRAC bank and Mercantile bank because branch managers are unauthorized in making strategic level decision. I invited the PCBs' higher officials, the SMEF and the BB at the end of the fieldwork due the idea emerged from the experience. The developing, modifying and changing decision in qualitative research is traditionally allowed because this is indeed, a reflexive process (Maxwell, 1998). "The researcher may need to reconsider or modify any design decision during the study in response to new developments or to changes in some other aspect of the design" (Maxwell, 1998p-215).

4.9. Semi-structured Interviewing (with guide) used in this study

Semi-Structured Interview (SSI) was employed in this research because it is the most effective way of exploring the ins and outs of the research text where DA is then functional (Wengraf, 2001). As this is flexible structured, anything that sought changes during interviewing I explicitly noted and used where necessary for probing the constructive discourses. However, the semi-structured interviewing has a prone to motivate the participants in making, thinking and delivering the view. As the mode of the research is in holistic manner to find a new concept, and the participants are habituated in

the traditional financing system and activities, their views should be produced more thoughtfully without any control by the researcher/interviewer. Therefore, their speaking and response should be delivered in a spontaneous way. To start the interviewing/conversation and remain the same mode to the end, semi-structured interviewing with guide is more effective (Copely, 2009). This guide is simply a sober way of starting conversation and getting deep into the topics. The respective individual informants were guided by their own respective expertise and experience. Hence, the narratives and the research text was developed by their respective ideologies build up on background, experience and observations that sometimes extracted the actual factors that they naturally considered in assessment, the way they understand the prospect and the pitfalls that hinder in making final decision. The guided conversation, then, produces clues to develop a new way of seeing the entire financial settings and one-size fit-all solutions (See Appendix 1).

However, to control the approach of the conversation from outgrowing towards the research area, the researcher was keeping some predetermined sets of questionnaires in hand but did not directly show or ask the same questions to the participant. The questions were set up by some factors informed by literature, which are-

The evidence that the risk assessment team/loan officers require	See Section 2.3
The factors that the loan officers want to know	See Section 3.7
The way that the loan officers interact with the applicant owner-managers	See Section 3.3
The frustrations that the loan officers and the owner-managers feels	See Section 3.6
The suggestion to PCBs in favour of their more involvement with first accessing SMEs' financial accessibility	See Section 3.8

Table 3 Link of Themes with the Literature

To keep focus on the points, the researcher followed some SME financing related key factors such as, the collateral/collateral assets, the collateral-based financing factors (Udell, 2006), the prospect-based financing factors/concepts (social capital,

characteristics, personality traits and relationship lending, information asymmetric problem and first accessing SMEs.

The direction was indeed, an organic framework produced by participant but steering was held by me to the research questions/issues only where the holding my steering was spontaneously allowed by interviewees because I am ethical and had not any attitude to abuse my power steering. The guide was only prepared by some issues such as the constraints of business success on the side of SME owner-managers and related constructs in the business context and possible way of improvement on the side of stakeholders of SME sector. The organic guide was varying with the level of participants that is retained with using code number (table 3). It should be noted that the guide was developed based on first two exceptional interviews, which exceptionally took two to three hours. The first two interviews were considered as source of significant data but I used them as pilot from which the guide was developed for later interviews by which I was able to avoid rambling (Ardley, 2005).

4.9.1 Mechanics of interview

In entire process, I viewed myself in an open role – not in a covert, so minimized any biased and ethical impact. This was not as usually a participant observation, rather I conducted the interviews openly as standard as a doctoral level researcher (Copley, 2008). Actually, experience of people of social reality in a social world is less likely possible to be understood in terms of causal relationships (Ardley, 2005). The purpose of taking this approach is to achieve various perceptions of SME financial accessibility issues and funding source for their financing eligibility improvement initiatives rather than to scrutinize SME financing source itself. My subjective stance is independent and no attempt to support my account and analysis with any outward appearance of verification that was conducted – at a distance of some other involvement (Pels, 2000). My framework of evaluation importantly considers this autonomous subjective approach, which associated with reflexivity (discussed later in an individual chapter). The interview schedule held principal questions because I had an intention to disallow much more rambling than ideal on the part of participants being open-minded to allow them to deliver interpretation with an acceptable amount of discursive talking.

I started the interviews with verbal preambles so that participants can derive a primary idea about the purpose of the interview and allow opportunity for informed consent to be placed (Copley, 2008). I initially contacted with the participant by phone and physical meeting where the aim of the interview was informed and an appointment was sought for the interview fully in the convenience on the side of participant to secure the interview. Before starting interview I obtained the consent (appendix 2) of participant in a participant consent letter (see appendix 1) while verbally explaining my identity and aim. While taking consent in preamble, I was allowed to audio-record the entire conversation. In the study table during the analysis, I sometimes called back to the participants when necessary to be assured and resolve confusion in their interpretations (Pels, 2000).

At initial contact the same kind of explanation was given. Excluding the first two interviews as pilot, the range of interview time was 36 minutes to 140 minutes. The interviews were very precisely organized to create a trusting and relaxed interviewing environment with social interaction or a 'brief meditative activities' produced by Ardley (2005, p116). In that environment, the participants were motivated to feel easy and enabled to be honest and confidential.

This was conducted mostly at the office of the participant and in the firms' premises. Only two interviews were conducted outside office of individual as their convenience. I had an endeavour to take interview at the respective office of participant because the environment was perceived important to understand the things that might have influenced financing decision-making of PCBs. Mostly the environment of premises of firms reflected the issues such as the business operating culture of owner-manager that raise some questions in interviewing. One of the examples is that "*the customer service system is seen as not customer-friendly*". Then I tried to find out reasons of behind this unfriendly setting of customer service system. The interaction of staffs and customers, dealings with suppliers and lenders, the attitudes of owner-managers, the trend of business and the degree of satisfaction/dissatisfaction of owner-managers were reflected in the working environment of the SMEs.

The interviewing with banks staff in the office reflected the attitudes of banks to the SMEs financing through the interactions among loan officers and managers. During the interview, the manager of SME financing section and/or branch manager requested loan officers to join our interview, which sometimes turned into group discussion. For

example, while interviewing with SME financing manager, another loan officer stated sitting in his desk that “*SME owner-managers anyway want to get loan but they are not clear about how to use the money*”. Then the manager asked him to join our interview. In the case of higher officials of two private banks, the SMEF and Bangladesh banks, I met them in their office as their convenience.

My subjectivity based on interpretivist approach adopted the interview technique that used opening questions organized to start dialog in an open-ended nature focusing on multi-issues including the work experience of participants (Thompson & Haytko, 1997). I did not focus only on the experience of participant during interview because the interpretation of participants is changeable together with the changing experience. Theory emerged from the interpretation of participant focusing on experience is less-likely effective to influence an existing theory/model (Whetten, 1989). Hence, I emphasized the issues of banks’ traditional and changing attitudes to SMEs, the business cultural changes in small business settings, the attitudes of SME owner-managers to PCBs, and the changing social capital and associated issues alongside the experience. Participants were encouraged to explore the network of meaning based on these fundamental and changing phenomena that constitute individual realization of SME business performance and financial accessibility discourses and influences. The constructs allowed sharing the participants’ worldview. These sharing views with several kinds of participants were full of diversity and I thought the quality and amount of participants were sufficient to produce depth required.

4.10. Data processing analysis methods used in this research

The ethical concern (discussed at the end of this chapter) is a significant issue in creating and obtaining transcript of interviews. By the nature of a social researcher, I had to remember that the participants are human beings with diverse norms and values and their experience, observations and opinion should be delivered in practicalities of the context and- not be de-humanized or de-contextualized. I did not attempt to suppress the objective to be opened-up that results in disregarding participants for responsibility. On the ground of much more practical level, particularly the social researchers have to remember that DA requires labour intensity in the issue of creating transcripts and associated time-expensive activities. This researcher-involvement process is much more than single button press that involves recording and transcriptions supplemented by

instant participant feedback and later by e-mailing and post. This process includes open questions around the relevant issues and arenas emerged instantly during the interview where participants are inspired to produce complete views with small injection (Burman, & Parker, 1993).

4.10.1 Transcript Analysis

I provided participant-wise transcript to each participant including CD of audio-record and text regarding further adjustment. Moderately taking back biographical narrative ownership creates it at least partially autobiographical (Acker, Barry & Esseveld, 1991). This also contains materials that could be considered beyond the reply of original questions because the informants attach to ideas instantly emerged by the question or a supplemental prompt that acts as an adjunct to the question (Garbarino & Johnson, 1999). In practice, I added very little things to the transcript, however the possibilities were provided to do this.

4.10.2 Data Analysis

Process of qualitative data analysis is not an idea that emerges in the reading table of a researcher after completion of data collection, rather data analysis plan is established in researchers' sense during getting preparation for data collection in field work activities (Kvale, 2009p-190). To some extent, the data analysis process is a part of a researcher's motivation for starting a big research expedition that contains a research context, the people, the research issue, the issues associated with the extracting deeper meaning and the concerns of research validity. As a social researcher, I was keeping in mind the image of study table and way of thinking about data organizing and deploying in the research contents that controlled the process of data collection. This mode of data analysis process is true for the qualitative data analysis issue- not quantitative. Simply slotting responses putting in boxes potentially might be the issue with positivists' search; frequent prototype and text contents were required. These are recurrent interpretive repertoires which imply differences and/or similarities regarding the goal of examining variation- not strict consistency being used as a beacon liner to some kind of particular reality and hence, the significance of potential effects of dissimilar repertoires and the connection among them (Bryans, Mavin and Waring, 2002).

The autobiographical details together with the observations (overall interpretation of social reality) made by participants was added to this qualitative data analysis from notes attained from or post-interview remarks by them, which eventually shapes a sort of biography. This biographical consideration labelled research texts. In the case of analysis, themes were consistent to be emerged from the research text from discourses. An interpretive tapestry of social world views were constructed from narratives delivered by participant which is called a new collage, labelled in this research text, built up and contextualized by the researcher (Czarniawska-Joerges, 1994). The researcher then derived the root for exploration to yield the discourses from the narratives. This is because the textual analysis contains a comprehensible analytical approach and deeper analysis rather than the simple coding responses (Silverman, 2010). For achieving this, the strictly material using was limited to convince selected set of data based on limited number of texts.

Themes emerged from outlines derived from the tapestries that were profoundly considered as the element of bibliographies of participants' lives within plenty of experience and observation of changing and fundamental characteristics of PCB and SME owner-managers prior to SME formal financial accessibility. Similarities and differences of participants' interpretations of living with small businesses and related factor (problems and prospective) either explicitly or implicitly or both became the ground of these themes. The narratives were selected within the themes, hence, considered the paramount expression in a biography-plus style of related issues that link to the focal points in literature (Copley, 2008). Actually, the discussion around the narratives of both agreement and disagreements thus turn into a synthesis of the two (agreement and disagreement). The synthesis, indeed, led to discourses that approach to the milestone of extracting real obstacles of business success and financial accessibility issue and potential win-win situation building in a trust-worthy business environment where the frequency of financial exchange between SMEs and PCBs become gradually increasing.

4.11. Research texts, themes and discourse analysed in this study

I allowed themes to emerge from research texts because there is “dialectical tracking” i.e. movement between emic and etic (Thompson & Haytko, 1997p-20). This concept taken from ethnography allows the researcher to consider participant views in contrast to the wider concepts from the literature. After setting up the themes, I carried my work on

the way through reviewing each research text for discovering discourses from the narratives. It might be beyond the amount of discourse and even participants where it might be one, two or some times more. Hence, the themes were generated from the basic analysis in association with literature (discussed in discussion chapter) seeking similarities and dissimilarities (Thompson & Haytko, 1997). Consequently, the interview questions were developed from an appreciation of the literature and my own understanding regarding creating text that can adopt DA based on DA framework for this study discussed above. Participants can better understand and articulate their position within the culture (Thomas & Pullen, 2000) of small business and formal financial accessibility.

Before conducting the interviewing, the literature itself is socially constructed reality since the literature is also interpreted in the research (Grant et al., 1998). The issue of discursive practices as discussed early in this chapter is that the discursive practices have influences in creating meaning in socio-political cultures (Potter & Wetherell, 1987) in which small business culture is existed. The contested area between the research text (actually literature) and the context is the focus of DA. The reason is that these discourses have made a frame of the identities of informants in the coherent reality of the context (Mumby and Chair, 1997: p181). Hence, the embryonic discourses articulate the participants' experiences and construction of their self-identity in everyday life (Thomas & Pullen, 2000). In the case of SMEFA (SME Financing Accessibility), this is the business operating culture and other factors that impede business operation. This can lead to either formal finance or PCBs' behaviour leading to poor financing accessibility of SMEs.

4.12. Limitations of the methodology

I had an endeavour to better use of my sense in minimizing limitation of this chapter; however, still some limitations are there. Firstly, I think the sample size is small but it is inherent and coherent part of the approach undertaken. Furthermore, the volumes of research text from more interviews would not have added that much value to the research outcomes because the PCBs, the higher officials are experience in professional life and consistent in delivering their narratives of interpretations. Secondly, the translation form Bengali language to English is a problem. In some cases, the complete reflection of the narratives sometimes do not come out that neither help researcher to expand his/her

concept nor stretches the concept deep into the real meaning. However, I have a long experience of interaction with British environment and Bengali by born. I have my dedication to articulate the actual reflection of meaning from the Bengali speaking style to English.

Thirdly, despite having all afford, the interpretation of data is difficult, but it is recoverable in the proper and effective deployment of DA. It is also consistent that building up the research beyond the recorded interview (such as audio record and note keeping during interview) rather enhances data available in the “rounded not flat” context that consistently adds value to research findings. Finally, there is profound limitation of principal method of data collection (the semi-structured interview) but this study less likely sick to justify respectively either the principal method or discourse analysis rather, careful in employing semi-structured interview and discourse analysis.

4.13. Ethical concerns

Since, the participants are related with the financial institutions and everyday life of Owner-managers, the post phase of data collections is risky for the participants’ career, the organizations they work for and the Owner-managers’ business career. Hence, the concerns are important to be dealt with the research. The participants were invited for interviewing with the written agreement where there was the assurance of confidentiality and anonymity and aliases have been used.

In all case of primary contact, I physically discussed with the branch manager in their office of PCBs’ branch and took permission to talk to their LOs (Loan officers) under the agreement. All of them took a copy of the consent letter with my signature.

I also assured the participants that the data would be used to develop an outcome about the context; hence, after being used the physical evidences in creating research text, they will not have any value to the study but to the participants. Therefore, I will demolish all the physical evidences after using them in the research. In the case of electronic device, I assured that all the data would be maintained by password security system and deleted after using that in the research. Despite having too much assurance of confidentiality, some tension might affect the participants. In this case, I assured that respecting participants’ and others confidentiality is a basic attribute of an ideal researcher.

4.14. Chapter summary

Following the explanatory conceptual framework achieved from literature reviewing, this chapter explains and justifies the methodological tools in favour of subjective study. I adopted constructivist approach supported by explanation of employing nature of interpretivists. The epistemological and ontological position is subjectively anchored (in subjective nature) which includes my reflexivity (explained at the end of chapter five). As the principal data collection method, I adopted semi-structured interview on face-to-face basis. I explained the ethical issues as the academic requirement of the research where the participants were assured about the confidentiality. The following chapter presents the themes and discourses emerged from research text made of record keeping during interview in field.

Chapter Five: Analysis and Discussion

5.1. Introduction

Following the setting up of arguments in previous chapter, I have organised themes that accompany discourses that emerged from the research text. The discourses are indeed, the part of interpretation of narratives delivered by participants grounded by their experiences and observation and realisation of the context; however, I did not attempt to quantify them. A social constructionist's perspective is that it 'does not objectify research subjects: it does not seek to quantify data and it does not apply pre-conceived categories within which to group the data' (Hackley, 1998p-129). I only focused on the constructs that shape the context of SME financing accessibility in the form of data reduction operation regarding presentation of more of the data (Alhojailan, 2012). Therefore, I selected examples from huge amount of narratives (retained as audio recordings and field note) that was achieved in controlled but frequently in-depth discussion with participants.

It is widely recognized that naturally occurring data shapes the characterization and the context within which the meaning of the research must be constructed (Silverman, 2010). Hence, articulation of the naturally occurring issues and tailoring the exact reality of the context is emphasized in the research. Rather than depend entirely on citations from just question and brief answer to derive the ideas and well-created view of the 'show', I include nuances and attitudes to a sense of flow and view the actual reality in the context of small business financing. An important part of the data collection and analysis was the participants' discussion of events and problems that they encountered (and/or they have been encouraged) about SME financing. The understanding of such events and problems, together with their solutions, enabled me to develop a deeper understanding of the issues involved. I recorded that was perceived from data in necessary subjective judgment framework (using the six-step theme development process suggested by Braun and Clarke, 2006) and within the framework of interpretation regarding development of a holistic thoughtfulness of the texts of the research and narratives within that. I undertook an investigation for prototype of similarities across both the participants associated and/or influenced with SME financial accessibility constraints and initiators for increasing the eligibility of SMEs to be financed.

Discourse analysis is useful for qualitative research in the dimension of socio-political reality; however, if the analysis ground is narrative then thematic analysis produce more meaningful things in social research. Critical discourse analysis emphasises on what was said by participant and thematic analysis adds value to the meaning creation as it emphasis how it is said (Bryman, 2015). The research context consists of the settings of socio-cultural value systems that perform, negotiate and transform rhythmically through interpretive repertoires. I have endeavoured to maintain a consistent approach in presenting the contents so that the audiences can understand, follow and be familiar with the contents effortlessly. This presentation uses segment headings (key themes) where there are distinct findings together with distinctive discourses including commentaries on them. In this study, a discourse consists of the matter that was discussed with the participant within the context of the Bangladeshi business environment and the struggles faced by the participants in this environment. In this chapter, I use supplementary examples and make comments on that while making transition between the text and themes. Consistency is focused in starting and proceeding and hence the presentation sequentially reflects the way of conducting interview. Therefore, each theme is equally important whether they are presented in number four or number one; however, each theme contains focal discourses respectively within it.

5.2. Development of thematic Discourse analysis

I have developed the theme from according to the six step guidelines advised by Braun, and Clarke (2006). The steps begin with being familiarising with data and end with a thematic discussion. *“Themes are abstract constructs the investigators identify before, during and after analysis”* (Ryan & Bernard, 2000p-780). Thematic analysis is flexible with involvement of moving back and forward between the data set, coded extract of data and analysis of data while producing data in on going analysis (Braun & Clarke (2006). In the manner of thematic data analysis, I followed the seven steps.

Phase 1: Familiarizing myself with data

In qualitative research the familiarising with data does not entirely depend on the data collection process like quantitative research and data collection process, rather, it start with the literature and creation of a conceptual framework. I started familiarising with data in an automatic process of thinking about research issue, literature search and setting

up research question. In that primary stage, I decided to organise the data in some themes as the nature of a constructionist researcher. Furthermore, I decided to present the issues to participants based on gap found in the literature for creating research text with discourses. Finally, I myself conducted the face-to-face conversation with participants. Therefore, familiarising with data did not require a separate arrangement of reading data; rather, the data became naturally familiar to me, a constructivist researcher.

Transcription of conversation/verbal data is important before start-up of writing analysis; however, for thematic analysis there is no One-Way method to produce transcript from discourses, narratives and conversation. Thematic analysis (even constructionist thematic analysis) does not require same level of details in producing transcript as conversation, discourse or even narrative analysis; however, at a minimum, the thematic analysis requires a thorough orthographic transcript that produces a verbal and nonverbal account such as intonation (Braun& Clarke, 2006). As the advice, I orthographically produced transcript of at least one participant of each group from audio record such as loan officer, owner-manager, higher officials of BB, SME foundation and PCBs. For all other participants, I used field note and audio record of the conversation as necessity.

Phase 2: Generating initial code

Codes identify a feature of data that is perceived interesting to the researcher. Coding refers to the primary elements of the raw data with the possibility of being assessed in a meaningful way regarding the research issues or gap (Boyatzis, 1998). In this stage, I coded most basic elements and created meaningful groups. Generally, themes are created based on research gap or proposition; however, coding depends on the mode of themes if they are more of ‘data-driven’ or ‘theory-driven’. As this study focuses on the proposition that how PCBs can contribute enhancing SME financing beyond the traditional collateral and information asymmetry-based financing, I more likely focused on ‘data-driven’ coding. The data was coded by focusing on the issues that fundamentally impede SME financing and the ground in data set/research text that could find a scope of PCBs to contribute in enhancing SME financing beyond the tradition. For example, in the research question one and two, I found problem focusing on classifying collateral assets into four kinds and for research question three, found which kind of collateral assets could be developed by PCBs in pragmatic way. As this is the research based on discourse analysis,

I entitled all coded data as discourse. Later the discourses were classified in several themes.

Phase 3: Searching for themes

In this stage, I thought the entire understanding and coded data/discourses in broader view i.e. in a thematic view. After initial coding from research text, I classified and collated all data in several groups titled as 'theme'. I used separate pages to create a visual image by using codes. Then, for initial justification I re-assessed the relation between entitled themes and related data. The key challenge here is that the same data provide dual meaning that relates more than one theme. To face the challenge, I focused on the key research question and proposition in light of the gap in literature. Furthermore, I classified data into "main data" and "supporting data" for multiple themes. For example, both the "loan officers" and higher officials of SME foundation and BB interpreted the financing market in fierce competition. I use "loan officers" data in theme 1 in terms of general understanding of SME financing in the view of financing decision-making. The same data I used as supporting/secondary data in another theme where market failure is discussed. While creating themes, when new data emerged that reflects anew view, then a new theme was created.

Phase 4: Reviewing themes

After setting up primary themes with the supporting discourses, I reviewed the themes with revisiting discourses/codes. I did this because in this phase, some candidate themes were really not perceived as themes and some of them was too diverse (Patton, 1990). In addition, sometimes some themes are linked together with sporadic placement of discourses. In that case, some themes should be broken down either to adjust with others or creating new one by judging categories of *internal homogeneity* and *external heterogeneity* (Patton, 1990). This pattern of reviewing themes and discourses put all themes in a more concise and coherent manner.

Phase 5: Defining and naming themes

This is the final stage of thematic analysis prior to producing final report of the research. The key merit of this theme is to writing data analysis, entitling themes and deciding reportable meaning based on discourses and the literature. In this phase, I made

detailed analysis that lead me to define and identify the boundaries of themes based on research questions. In this stage, I considered sub themes to give a clear structure of large and complex themes. I entitled those sub-themes as “*discourse*” (for example, “*Discourse 1A: SME definition does not matter to “loan officers”*”) because each sub-theme was mainly produced on specific discourse, which was supported by other discourses. At the end of each theme, I made a precise definition of the theme in couple of sentences focusing on concerned research question.

Phase 6: Producing the report

In this phase, I finally write up report. I started this report writing with a concise description of complexity of data. I made a thick description. Thick description includes some data used in themes that produces strong ground of reliability (Brown, 2009). I organised the discussion in this phase attempting to fill up the research gap/proposition to decide to respond to the research question.

Following the six-step process of theme development, I proposed a recommendation particularly focusing on theory development on the key research question. This recommendation was produced by the entire research experience, the research context and entirely the research text.

5.1.2. Structure of the Chapter Five

This chapter is divided into three parts. Part 1 includes Theme 2 (Section 5.6) and Theme 3 (Section 5.7) where Theme 2 is related to RQ 1 (Soft information factors that loan officers assess) and Theme 3 is related to RQ2 (the way the loan officers make interactions). Theme 3 is also related to RQ3 (the constraints that impede financing decision). The second part of this chapter includes Theme 4 (Section 5.8), Theme 5 (Section 5.9) and Theme 6 (Section 5.10). These themes are not directly related to any research question; however, part 2 provides the raw materials that support the generation of an idea for developing a model for using soft information to be collated through a revised interaction method with PCBs’ role. Theme 1 (Section 5. 4) does not directly relate to any question; however, it supports grounds of speculating on soft information as CCA (Section 5.6.3). Part 3 of this chapter (Section 5.11) is related to RQ4 (a revised model) on the basis of the thematic discussions.

5.1.3. Presentation of themes by discourse

Each theme starts with a brief introduction that shows the link of the particular theme to the research question and key research issue. The individual theme also explains its aim, the empirical findings and its link and importance for any either question or gap in the literature. The Appendix 4 to Appendix 7 shows the process in which the themes were developed. The Appendix shows a sample transcription of the entire research text. The following table shows a systematic process by which the theme and discourses were supported by the participants. I pointed out the individual theme and interpreted discourses. Each Theme and Discourse was introduced by at least one participant and was often supported/reflected by other participants. I refer the participants in the Table 3.

There are 28 participants where 14 loan officers, 5 owner-managers and the rest 7 higher officials. Two out of them is the higher officials of PCBs, one of them SME Foundation, three of them Bangladesh central bank (BB), one of them BSCIC and the last one is MIDAS (Appendix 4).

For discourse development, this study accumulated the discourses from different participants; however, particularly one participant informed the key message of a discourse. A discourses has developed in the ideal conversation with a participant and sometimes others supported it. This thesis does not present the method of development of all the discourses (Appendix 7).

5.3. Prospect-based financial settings of Bangladesh

Interaction-based financial accessibility was ambiguously informed in literature. It refers to a changing attitude of PCBs to enhance financial accessibility for first accessing SMEs going beyond the traditional collateral-based lending system for information opaque SMEs. In this newly emerging system, the PCBs intends to find security of return by being involved with the sort of SMEs. The security comes from the trust. However, this study intends to argue that the interaction does not happen for finding trust. Rather, this study argues that the interaction determines the business performing capability of the owner-managers. The benchmark between the interaction for finding trust and the interaction for finding business performing capability is that the loan officers find security in the prospect of business. The loan officers naturally trust the prospective owner-managers in the point that if the business is profitable then the return will come back.

Therefore, the entire interaction-based financial determinants, the assessment process of the determinants, the barrier in assessing the determinants and finding out a well-defined set of procedure (model) with the determinants are demanded. In this research, the interaction-based lending system has been produced based on the finding and discussion. This study well defines the interactions in field level between loan officers and the owner-managers, in micro-economic level between the entire PCBs and the SMEs and the macro-economic strategic level initiated by BB.

This study finds that the interactions happen between loan officers and the owner-managers and there are regulatory initiatives by BB. However, the interaction-based financial accessibility is, indeed, failure because there is no clear instruction and official template of PCBs. This study responded to that gap.

In the Figure 2, the findings have been presented. It is perceived that the entire figure is divided into five columns. Each column shows clues that respond to the respective research questions. The first Column shows that the loan officers consider three things, which are person (owner-managers), the business (business condition) and collateral assets (land and tangible assets) (See Section 5.6. and 5.6.1.2.). The key point of the RQ1 was the ambiguity about the definition soft information for the first accessing SMEs. In the Figure 2, the ambiguity has been removed and the soft information has been defined in this study as CCA (Cognitive Collateral Assets) (Section 5.6.2.2 and 5.6.2.4). Another ambiguity was about the aim of the soft information (Section 1.3 and 1.7). According to the contextual macro-economic settings of SME financial of Bangladesh reflected that the BB intends to develop a situation where the particular group of SMEs can get finance on the basis of the business prospect rather than collateral. However, that reflected interpretation of the literature and not specific. This study finds that the aim of the soft information is to measure/assess prospect of the owner-manager on which PCBs can provide finance. The prospect is an alternative form of collateral, which is determined by the CCA value by assessing the CCA factors (Section 5.6.3).

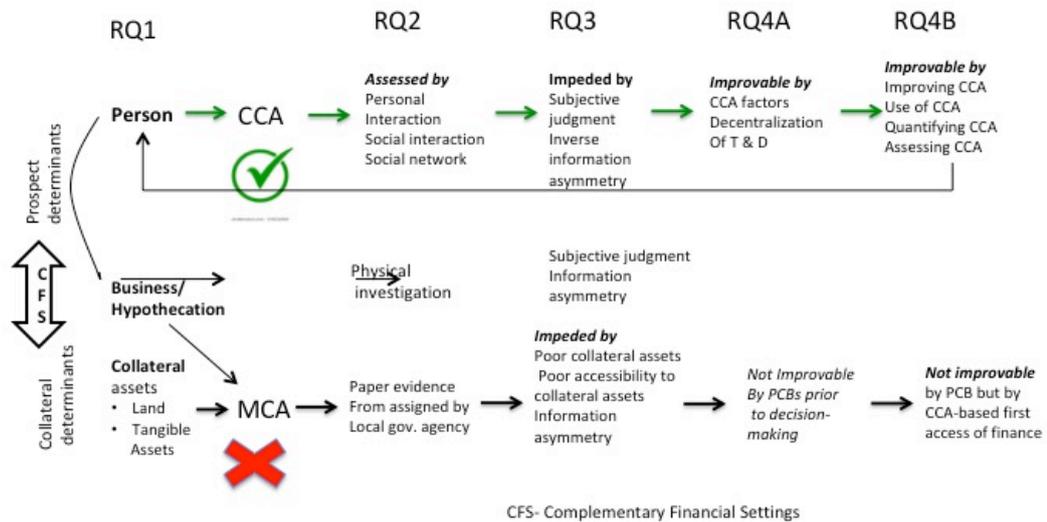


Figure 2. Prospect-based financial settings of Bangladesh

The BB regulated for PCBs to provide loan based on “Hypothecation” (Section 2.5.1). The tangible assets appeared on the firm premise is defined as the hypothecation that acts as collateral assets. The reason is the tangible assets provide immediate liquid money in case of no returns for business fall. This study finds that the loan officers consider the hypothecation as a determinant of the business condition and the prospect (Section 5.6.1.3). The Figure 2 shows that the CCA and the Tangible Assets/hypothecation, which is defined in this study as MCA/tangible assets (Materialistic Collateral Assets) determine the business prospect.

The research text shows if the loan officers are not satisfied for the prospect-based finance then they ask for collateral assets or guarantor. The loan officer mostly prefers land as collateral assets for both the applicant owner-managers and their claimed guarantors. Therefore, the prospect-based and collateral based financial determinants are complementary to each other (Section 5.3.1). The collateral-based finance is not the focus of this study; however, it emerged from the research text. Furthermore, the research text shows that the first accessing SMEs’ financial accessibility is poor because the prospect is poor. Consequently, the BB’s regulatory initiative is ineffective and the traditional financial trap (Figure 1; Section 3.11) still plays in the SME financial setting despite having many initiatives in macro and micro level (Section 2.5.1 and 5.2.1).

The second column shows the response to the RQ2. For assessing the prospect-based finance, how the soft information and the hypothecation are assessed is the focal point of the RQ2. In this system, for the CCA, the loan officers do not do everything sitting in the office, rather they intend to make interactions with the owner-managers in the field level, which is defined here as personal interactions. In addition, the loan officers make social interaction through social networks (Section 5.4.2). For the MCA/tangible assets (Hypothecation), the loan officers make physical investigation to see and measure the MCA/tangible assets (hypothecation) appeared on the firm premises.

Enhancing the prospect-based financing is mainly interrupted by subjective judgement of the individual loan officers because there is not official template/matrix to assess the prospect determinants, particularly for the CCA. The interruptions happen in two ways. First, the information asymmetry for MCA/tangible assets (Hypothecation) (Section 5.7.3). Second, inverse information asymmetry (Section 5.7.4).

The CCA is marked by green colour, which indicates that only the CCA could be improved. On the other hand, the MCA is marked by red colour, which indicates that the PCBs and any other party cannot improve the MCA for enhancing SME finance. To enhance the CCA, some factors are important, which are the way the CCA could be improved, assessed and improved through a revised model of enhancing interactions. The second phase provides some clues based on the research text. The clues about if the training and development provision fits with CCA improvement; if the informal social counselling provision could be used for developing the CCA and how the micro-level (PCBs role) and the Macro-level (BB's role) could be systemised to improve a prospect-based financial settings.

At the end of this chapter, a recommended model, titled as "Tour to Finance" has been proposed for using the CCA for the prospect-based financial settings. The Thematic discussion with discourse analyses have been presented in the following phases of this chapter.

5.4 Theme 1: SME financial market moves in a holistic manner

The aim of the theme is to provide basic characters of the changing contextual financing setting. Theme 1 does not directly respond to a research question; however, this theme has made a shape of meaning at the preamble discussion with participants. This

theme shows the guide by which the conversation with the participants started the perception of loan officers about the SME financing, the approach of SME owner-managers, and the changing attitude of PCBs to SME financing. This theme also responds to the key theme of the study, which is the PCBs' interactive attitude in SME financing in a holistic manner. For example, the changing attitude of PCBs' to first accessing SMEs without collateral assets reflects an attitude of PCBs to come out of the traditional financial approach that could be used to construct a new model/concept (Research question; Section 1.6).

Before getting into the mainstream conversation, I was interrupted by loan officers about the term "SME customers". I introduced myself as a researcher about SME financing. I asked LO1, "*I came from UK to understand about the private commercial banks and their financing behaviour with SME customers.*" LO1, a branch manager of mercantile bank inversely asked me "*what do you mean by SME customer?*" In this way of conversation, I got deep into the discussion. Once the discourses were produced and different bunches of discourses created a different meaning about the SME financing that the loan officers have different perceptions on SME.

After carefully evaluation of the discourses some findings have been outlined as follows-

- Size and definition
- PCBs' soft attitude to Interaction/prospect-based financing
- SMEs' Traditional Attitude to PCBs
- SMEs' Self-efficient Attitude
- BB's initiatives are not Effective

5.4.1. Discourse 1A: Size and definition

The definition of SMEs is defined differently in different countries based on the turnover, number of employee and the amount of assets. However, the loan officers who assess and deal with SMEs in field level have different perception. This theme informs that the "size does not matter" to the loan officers, rather the size of loan and the eligibility of the owner-managers to receive finance are important. One of the participant said-

“...yes there is definition of SMEs but in the system of financing that is not important to us. ...we consider the amount of money they apply for, and the amount of money we can decide to provide on the basis of...” (LO1, Rahman & Ritish)

The loan officers do not consider all SMEs as their customers unless they apply for loan. I presented the same issue of definition to other loan officers of different PCBs. All of them agree with the view of Rahman. Some other “loan officers” informed that the business is generally classified as large and small but the collateral assets and other factors are mainly considered.

The discourse reflects that the definition of SME does not matter to the loan officers in terms of making financial decision. The findings is similar to Ardic, Mylenko, & Saltane (2011). However, the definition of SMEs is important for macro-economic policy development. The loan officers find prospect in first accessing SMEs if the collateral asset is poor. Therefore, a difference is there but the prospect is preferable.

Key Findings:

Prospect and collateral are complementary to each other.

5.4.2. Discourse 1B: PCBs’ Soft attitude to Interaction/Prospect-based financing

The discourse reflects that the loan officers see potential eligibility for finance in SMEs; however, the owner-managers are reluctant to communicate with banks with expectation of decline because the owner-managers have a longstanding belief that land is the main requirement for loan. One of the loan officer express as-

“We are ready to finance but people do not come to us. We say...come...discuss your needs, let’s see what we can do...” (LO1, Rahman & Ritish)

In the conversation, I found a frustration in his voice. The voice reflected that there are many business customers who receive other banking services from the bank but they do not apply for loan despite being eligible. In his voice, I also found dissatisfaction in getting available reliable SME customers. Therefore, it could be argued that in financial market the majority of SMEs are not the existing customers of PCBs. The findings

support the discouraged firms defined by Cole & Sokolyk (2016) that the discouraged firms outnumber the applicants.

BB has instructed PCBs to provide up to BDT2.5million to SMEs and women enterprises (enterprises that is operated by more than 50% female) (BB, 2017). In the report it is stated “*Banks/financial institutions may provide collateral free credit facilities up to Tk. 2.5million against Personal Guarantee in SME sector especially for small and women entrepreneurs*” (BB, 2017p-10). It is stated “*may provide*” and “*women entrepreneurs*”, which does not mandatory for PCBs. The BB particularly mentioned the “*women-headed enterprise*”; however, PCBs provides this collateral-free loan to male-headed small firms as well. PCBs are attempting to provide collateral-free in the emerging belief that enhancing SME financing is one of the characters of fast growing bank. Considering the discourses, it is perceived that there is a changing attitude of PCBs to disburse collateral-free loan to SMEs.

This discourse implies that the loan officers intend to make interaction with owner-managers to find prospect but the owner-managers does not even communicate with them, as they do not have sufficient land.

Key Findings:

Loan officers want to interact with SMEs

5.4.3. Discourse 1C: SMEs’ Traditional Attitude to PCBs

SMEs have longstanding belief that without land the banks do not provide loan. One of the loan officers explained that-

“...but they think that they are not eligible for finance...they think, banks **are robber** and snatch their money...they just spread out rumour that bank will not give money if you have no land...”

The information provides clues that look similar to the classification of Cole and Sokolyk (2016). That study classified SMEs in four kinds, which are **No-need, discouraged, declined and approved** firm. The theme supports this classification, and where discouraged and No-need firms outnumber the rest (LO1, Rahman & Ritish). The loan officers expect more engagement of SMEs but SMEs owner-managers are not

encouraged to apply for loan (LO6, Mannat & Sutom). The theme reflects that the owner-managers are scared of the PCBs with the expectation of harassment and decline. The reason is that they have a longstanding belief that without strong collateral assets, banks do not provide loan.

Key Findings:

Loan officers' common expectation is to interact with SMEs

Owner-managers belief: Land is the main element for bank loan

5.4.4. Discourse 1D: Self-efficient Attitude

This study focuses on existing firms- not entrepreneurs. Firms have been classified in two kinds in the perspective of business development, which are stability and growth firm (Shinozaki, 2014). The research text does not specify whether the first accessing firms prioritise growth or stability however, the owner-managers of first accessing firms have an ambition to grow (Discourse 1B) Participants said-

“no, you are not right...I think the young people in our country are too much ambitious and dedicated...**there is no things that they don't do for business and finance**...even they take 'Dadon' with several times more interest rate than bank but they do not come to bank”

(LO1, Rahman & Ritish)

Therefore, the firms started for family needs, they now expect to grow and expect finance to grow. The research text implies that despite having much needs and preference of bank finance, they are discouraged to go to bank for loan as they think they do not have sufficient collateral assets. Consequently, the declined and discourage firms could be defined as growth firm in the context.

This discourse also reflects that the owner-managers are self-efficient and they want to grow but their longstanding belief is money is the main element for business. Previous studies showed that the self-efficiency approach is the mentality of the owner-managers to grow up and try to adopt available facilities around the environment (Townroe and Mallalieu, 1993). This discourse supports the self-efficiency but the owner-managers

think that the available facility is only financial sources. Therefore, lack of awareness is the main point in using the self-efficiency approach (See section 1.3).

Key Findings:

Owner-managers are ambitious and self-efficient

Money is the only element for business

Self-efficiency approach is high

5.4.5. Discourse 1E: BB's Initiatives are not effective

The collateral-free loan based on hypothecation and personal guarantee is, indeed, ineffective in practical field. The BB regulated innovative instructions for PCBs to provide loan to SMEs based on hypothecation, personal guarantee and social security (see Chapter 2); however, practically it does not work. However, there are statistical truth that the financial accessibility of small firms has been increasing (Akter and Alaudding, 2016); however, the practical implementation of the regulation is not fruitful. One of the participants expressed-

*“...but we try to consider flexible collateral assets...but it's still **very few**”* (LO6, Mannat & Sutom)

Then the question emerged, how the statistics approved that the small firms have been getting financial accessibility. This is the not by the BB's regulation. The loan officers also do not have that much additional care for the SMEs. At the end of the financial year, they just officially show that they increased finance to small firms. This is by collateral assets and not exactly by BB's initiatives (LO6, Mannat & Sutom; LO2, Khorshed).

Research text does not inform any specific rate of decline firm, however, Akter and Abdullah (2016) found that the share of bank loan for emergent small firms is significantly lower than established and medium firms. So far there is no study on the Bangladeshi context regarding how many and which size of SMEs receive the opportunities of regarding the amount of hypothecation-based loan; however, this study shows that the amount is very low (LO6, Mannat & Sutom). Therefore, PCBs have huge number of potential SME customer to provide finance in terms of their business development.

The research text found that the “hypothecation” is less/ineffective because of two reasons. Firstly, the value of the “hypothecation” is itself poor particularly for first accessing firms (discourse 3D). Secondly, the “hypothecation” becomes undervalued because this is seriously affected by adverse selection (Discourse 3B). The loan officers fall in a dilemma about the true ownership of the assets as they think that the assets are artificially accumulated to motivate the loan officers that could perform a moral hazard (Discourse 3D). Probably, the adverse selection more likely happens for the documents of business transaction such as poor record keeping and cash handling approach (Discourse 2Bc; Green, Kirkpatrick and Murinde, 2006; Jahur and Quadir, 2012). Therefore, the accessibility to MCA/tangible assets is poor for first accessing SMEs. In other word, this poor accessibility reflects poor business prospect. Consequently, the loan officers have to rely on the other form of MCA, which is land and fixed assets.

Key Findings:

Hypothecation-based collateral-free loan is not effective.

5.4.6. Summary of the Theme

From the theme, it is perceived that the entire financial market is attempting to turn onto a new era. In this changing circumstance, both the BB and the PCBs have their initiatives to enhance SME financing. BB has introduced the hypothecation-based finance, which is, indeed, a kind of collateral free loan. A hypothecation-based loan slightly differs from a collateral free loan, which is provided based on personal guarantee, which is advanced signed cheque. Hypothecation of machinery and goods is more likely with comparatively established firms who do not have alternative collateral (BB, 2017).

PCBs do not classify the collateral-free and hypothecation-based loan; however, it is perceived that the PCBs have an intention to provide loan going beyond the traditional collateral-based loan. The BB, the regulator of financial market, and the PCBs, the lenders, the both party have a changing attitude to provide finance to SMEs in a holistic manner.

This theme finds that the SMEs have self-efficient attitude to grow that contradicts with the claims of Shinozaki (2014)). Shinozaki (2014) claimed the SMEs are stable by nature and they only want to supply money for family needs. This study finds that the

first accessing SMEs are defined as growth firm as they want to grow. However, the main barrier is that the owner-managers have longstanding belief that the money is only element for business and the land is the main element for loan. For the reason, the owner-managers are discouraged to apply for loan despite having their needs. Therefore, the both party want to enhance financial accessibility but due to a clear set of prospect-based financial structure, the soft-information-based financial accessibility is poor and the initiatives of BB is effectively inactive.

5.5. Response to the Research Question 1

The factors that the loan officers assess in making financing decision in the form of soft-information were the key focus during the fieldwork. At this stage, I found that risk assessment team refers to the loan officers who work in branch level. The discourses on issues have created different four dimension of meaning. Each dimension, indeed, provides security of returns. Therefore, I redefined the collateral assets that the loan officers assess in the risk assessment process. In this definition, the collateral assets refer either to the issues that ensure the return of disbursed loan money from the firms' assets, the owner-managers personal assets, or from the potential business profitability.

The key ground of redefining the collateral asset is a statement of a loan officer who said-

*“...for SME loan we assess everything on three points- the person, the business **condition** and the **collateral**...” (LO2, Khoeshed). Then I asked, “*this is not clear to me...people say land is the main thing to get loan...actually what factor you mainly consider? Land...person or...?*” Khorshed replied, “*...actually collateral assets are important but that is not enough for small business loan... that is important for personal loan...actually any of the three respectively does not provide security of returns... our target is not to collect money by selling your assets...prospective business is the main point and...person*”.*

(LO2, Khorshed)

Then he viewed that person is most important; however, any of the three respectively does not determine the financial accessibility. I mentioned this to all other loan officers and all of them agreed with the view.

5.6. Theme 2: Complementary SME financial Structure of Bangladesh

This theme represents the factors that the PCBs consider in making financial decision. The aim of the Theme 2 is to inform research question 1. This Theme represents the two kinds of financial determinants for the first accessing SMEs, which are collateral-based and soft information-based. The Theme has been divided in two, Subtheme 2A and Subtheme 2B which are MCA and CCA (Section 5.6.3, Table 3). Each of them has created two different meaning that constructs a diverse and complex financing situation. Theme 2 is important because it demonstrates some factors that push the branch level loan officers to require collateral assets. In addition, the factors assist to develop a new concept by making an assessment on the entire factors where some of them are improvable and some are constant. Theme 2 implies that the financing structure of Bangladesh is integrated collateral-based and prospect-based. After critically considering the research text, it has been found that the financing structure of Bangladesh does not exactly look similar to either the collateral-based financing structures provided by Udell (2006) or “Hypothecation” based (BB, 2017; Section 2.5.1). The basic characteristics of the technology are diverse because the risk assessment team assesses the kinds of collateral assets where each of them respectively influences the loan officers’ cognitive understanding about security of returns. The discourses on the diverse financial technology have been presented in following two subthemes.

The ground of the theme 2 is a conversation stated below-

I asked Khorshed, “*actually what things you consider when owner-managers seek for loan?*” He replied, “*lot of things we consider until we come to a final ...*”. Then I replied, “*could you specify that? I mean if I request you to specify that in few words?*” He replied,

“...for SME loan we assess everything on three points- the **person**, the business **condition** and the **collateral**...” then I asked, “this is not clear to me...people say land is the main thing to get loan...? Khorshed replied, “...actually collateral assets are important but that is not enough for small business loan... that is important for personal loan...actually any of the three respectively does not provide security of returns... our target to collect money is not by selling your assets...prospective business is the main point and...”

(LO2, Khorshed)

The part of the research text clearly implies that the loan officers simultaneously consider the three things. The business condition and the persons determines prospect and the collateral determines security by liquid money.

5.6.1. Subtheme 2A: Using MCA is complex for Financial Accessibility

Theme 2A demonstrates that MCA includes personal assets that are considered as collateral assets. MCA could be classified as personal assets of firms and owner-managers, which is, indeed, land and assets. The entire personal assets are classified as land and tangible assets. The land is used as the eventual security when the hypothecation and prospect is poor. The tangible assets provide both the collateral if the assets can provide instant liquid money in the event of business fall or no returns. However, the tangible assets mainly determines business prospect for the first accessing SMEs. This subtheme is related with the BB's regularity policy where personal assets and Hypothecation is regulated for collateral-free loan. After analysing the discourses, the following findings have been outlined.

- Hypothecation determines prospect (LO2, Khorshed; LO 11, Nasir)
- Land is the best collateral (LO 8, Kabirul)
- Inheritance factors (LO11, Nasir; LO8, Kabirul)
- Equal rights for children (LO2, Khorshed; LO13, Nazmul)
- Vulnerable Career Plan (LO8; Kabirul; LO2, Khorshed)
- Family security (Discourse 2Ae)
- Ownership and use of land (LO2, Khorshed; LO1, Rahman and Ritish)
- Demonstrating commitment (Discourse 2Ad) Business Prospects (Discourse 2Ac)

5.6.1.1. Discourse 2Aa: Hypothecation determines Business prospect

The loan officers consider the assets appeared on the firm premises; however, they consider that as the determinant of the business condition rather than the collateral assets. The assets the loan officers consider does the owner-manager of the firm own the goods, raw materials, machineries, tools and the entire tangible assets (LO11, Nasir). One of the participants explained as-

““it's simple...if you see a business firm, the machineries, the goods and products then you can see a prospect in the business condition...”

(LO2, Khorshed; LO 11, Nasir)

BB instructed PCBs to provide collateral-free loan based on the hypothecation of the tangible assets. The research text found that the “hypothecation” is less/ineffective because of two reasons. Firstly, the value of the “hypothecation” is itself poor particularly for first accessing firms (LO6, Mannat & Sutom). Secondly, the “hypothecation” become undervalued because this is made by the subjective judgment of loan officers (LO 11, Nasir; OM 15, Shimul) as the authenticity of their assessment and judgment is either not officially monitored or not reconsidered by argumentative power of owner-managers in the event of misjudgement (OM 17, Dipok). The firms do not have any other option to reconsider the “hypothecation” like appeal for reviewing to higher officials of the bank branch. Therefore, the decision made by loan officers is final. Hence, the end result goes against the owner-managers’ appeal for loan. This is because of serious role of adverse selection problem of information asymmetry (3C). Therefore, accessibility to MCA is poor in terms of estimating the value of “hypothecation”.

The contextual literature informs that one of the BB’s policy is to make the PCBs practice the hypothecation based financing BB, 2017; see Chapter 2). The literature defines the fixed assets that the loan officers consider as the collateral assets (Debo, 2006; Mugler, 2000). However, what type of assets the loan officers consider for the first accessing SMEs has not been informed. This study finds that the loan officers mainly consider the assets appeared on the business premises to make an understanding about the business prospect. Therefore, hypothecation is more likely used to determine prospect and less likely used as collateral assets.

Key Findings:

Hypothecation of tangible assets more likely determines business prospect rather than collateral

5.6.1.2. Discourse 2B: Land is the best Collateral assets

The research text informs that the loan officers consider land personal assets. The collateral defined by Berger and Udell, 2006) does not fit with the personal assets of the owner-managers. In the case of the first accessing SMEs, the loan officer prefers land as collateral assets. When the owner-managers directly does not own land then the loan officers consider a guarantor. They mainly prefer three kinds of guarantors such as-

- First blood relatives and family members
- Friends and family, business clients and other well wishers

Kabirul, a loan officers explained as-

“actually, for the SMEs you mean...we consider land that the applicant owner owns”. Then I replied, “only land? If I do not have land then...?” He replied, “no problem. You don’t have but your parents, family members or any other people may have land...” I replied, “you mean the guarantor?” “...actually, who want to be your guarantor...as my experience, none come forward except parents, brother, sister....”

(LO 8, Kabirul)

The issue of land is widely known to people. Particularly for the first accessing SMEs, the loan officers mainly consider land as it can provide instant liquid money.

In the contextual literature (e.g. Akter and Alaudding, 2016; Bosri, 2016) found personal assets as collateral assets. This study found that land is the best collateral. The requirement of land is applicable for both the owner-managers and their guarantor. Therefore, the collateral requirement has a different shape of first accessing SME financing by PCBs.

The accessibility to the collateral assets is the main issue. This study finds the similarity with Lean and Tucker (2001) that the SMEs have poor collateral assets in both developed and developing countries. In this case, the third party guarantors are acceptable as the primary source of the repayment. However, this third party guarantor and the owner-managers own assets, particularly land and other personal assets by successor right.

This is widely recognised that the SMEs has poor collateral assets; however, what the land the applicant owner-managers or guarantors have is interrupted for some reasons. Accessibility to this kind of MCA is restricted by some significant factors, which are identified in this section. The Factors are-

- Inheritance factors (LO11, Nasir; LO8, Kabirul)
- Equal rights for children (LO2, Khorshed; LO13, Nazmul)
- Vulnerable Career Plan (LO8; Kabirul; LO2, Khorshed)
- Family security (Discourse 2Ae)

- Ownership and use of land (LO2, Khoeshed; LO1, Rahman and Ritish)
- Demonstrating commitment (Discourse 2Ad)Business Prospects (Discourse 2Ac)

Inheritance Factors

Inheritance is the main channel of being ownership of land for first accessing owner-managers. Successors consume the land of parents but they are unable to sell or use the land (successor right) as collateral assets during lifetime of parents (LO 11. Kabirul). However, PCBs consider third hand guarantor. This third hand guarantor should have the sufficient collateral assets like land and personal assets. Generally, parents and other family member becomes that guarantor. Accessibility to the guarantor is associated with some key factors.

Equal Rights for Children

Parents and family members are reluctant to be guarantor in the perspective of inequality (LO2, Khorshed). According to the new legislation, parents should legally distribute the land and assets in their successors (mainly sons and daughters); however, people less likely do this (LO 13, Nazmul). Even the successors also do not expect that due to the social value. The properties of parents are the future security in their old age (LO8, Kabirul). Second, the part of the land that the owner-managers owns after distributing the assets may not be sufficient against the loan they claim. In that case, if the parents want to be guarantor, then they have to show the entire assets, in which other successors have rights. In that case, parents are religiously scared of accountability to God for inequality practice in distributing assets among the successors (LO13, Nazmul). Third, there is a social and family pressure for this kind of inequality. People become socially disregarded who give unequal favour to a particular successor. This is also related with the future security of the parents. The culture of this country is that the children are responsible to provide all the security and needs of parents in their old age. Sometimes, children do not do that. In that case, the assets work as a determinant of their security.

Vulnerable Career Plan

In addition, parents become guarantor when they see the prospects in the successor (LO8, Kabirul). The factors they assess are, indeed, soft attributes of the owner-managers.

Moreover, the vulnerable career plan of the owner-managers discourages the guarantor (LO2, Khorshed). The vulnerable career plan refers to the owner-managers who have a prone to switch into other way of making money such as job and migration to other county as worker. In that case, the guarantors become discouraged to support them with the expectation of business failure or ambiguous future of the business.

Ownership and use of land

For both, the guarantor and the owner-managers, the use of their land is associated with judiciary and social complexity. If a piece of land is engaged in judicial process, the loan officer heavily considers the merits of the potential judiciary decision that eventually discourage them to consider the land as collateral (LO2, Khorshed; LO1, Rahman & Ritish). The civil suit happens firstly, by successors of extended family members and secondly, by social-political attitude. Since, owner-managers own the lands by successor rights from forefathers. In this process, pieces of land become divided into many parts for the successors; however, successors do not divide a piece into many, rather, they consume the land in a mutual understanding basis. For example, two successors have equal rights on two pieces of land. They do not consume dividing each piece of land; rather two successors consume two pieces of land due to some reasons such as distance from home, location, type and fertility and prospect of commercially usability i.e. based on convenience (LO2, Khorshed). However, the both piece of land is legally owned by both successors. This system is executed by social judgment grounded by successor law. After many years, due to extension of urbanization and successors' changing circumstances, the value and demand of the both pieces of land sometimes increase unequally. In this circumstance, some successors disputes and make civil suit Mainly being influenced local social/tribal complexity and national political influential (Discourse 2-Ag).

5.6.1.3. Summary of the Subtheme 2A

In literature, accessibility to collateral assets is not visible. The above factors are also not found to be in the literature. However, Islam, Moula, and Islam (2015) found that the land reformation law is back dated ant it should be developed, as this is complex and takes longer time that hinders its use. There are available literature demonstrates that land and equipment are considered as the collateral (e.g. Mensah, 2004). A World Bank survey 2007 (cited in LO1, LO1, & Ključnikov, 2016) shows that about 67.14% SME loan in Bangladesh is considered on land and buildings and about 29% on owner-managers

personal assets. On the other hand, the micro and small firms' together receive only 6.06% bank financing in Bangladesh (Akhter and Abdullah, 2016). This is because of the requirement of MCA/land, whereas, hypothecation of tangible assets is affected by information asymmetry particularly for informational opaque/first accessing SMEs. In addition, the first accessing SMEs have poor tangible assets. The hypothecation introduced by BB but there is no study conducted on the effect of hypothecation. However, I can argue that the hypothecation of tangible assets is not or poorly effective, for first accessing SMEs.

The factors of personal assets have been randomly mentioned in the literature. This study finds the land is the main collateral asset. However, no previous studies informs any clues about the difficulties of accessibility to collateral assets. This study found the factors that contextually act as the key determinant of collateral accessibility.

A business more or less own some level of tangible assets. BB regulated the loan officers to consider them as hypothecation. However, this them finds that the hypothecation is less likely used as collateral assets. Loan officer consider the tangible assets as a determinant of prospect. Assessing tangible and determining prospect is affected by information asymmetry (See Theme 3, the steps of assessment).

Key Findings of the Subtheme 2A

Hypothecation of tangible assets more likely acts as prospect determinant- not collateral assets.

Use of land as collateral assets is impeded by social and familial value system and traditional social complexities.

5.6.2. Subtheme 2B: Personal Attribute/factors determines Prospect

The aim of this theme is to demonstrate the CCA factors that influence the loan officers' assessment. In other words, the loan officers consider some factors to find the prospect of the owner-managers of the business. This theme responds to the Research Question 1. The subtheme 2A provides clues that the personal assets determines prospect of the business as well as security of returns. This subtheme two provides prospect of the owner-managers of a business. The loan officers consider some factors that eventually create a prospect to the loan officers about the firms. These factors include some personal

attributes, some social factors, level of education, training and awareness and experience. After critically analysing the research text, the following prospect determinants and associated factors are discussed within this subtheme. The prospect determinants are defined as CCA factors. The factors are-

5.6.2.1 Discourse 2Ba: Level of Education

Level of education was perceived important in gaining financial accessibility for the first accessing SMEs. Contextually, level of education profoundly acts in two perspectives. First, it creates values in persons. The loan officers as social people consider higher educated persons in social security in all aspects. Second, the loan officers consider the level of education in the case of determination of the security of returns. However, the level of education was not perceived important in bank financial policy. The loan officers feel a level of security of returns and good business prospect. One of the important discourse regarding the level of education is-

“...though there is no instruction in bank’s policy on this issue it influences the attitudes of our loan officers...in our culture the level of education determines the value of a person and values creates trust in term of return. If you think about business dealing, yes, an educated person’s attitude in facing problems or communicating with other people is better than an uneducated person.”

(LO1, Rahman & Ritish)

Nazmul viewed in different way that level of education is widely evaluated. He stated-

“If an uneducated rich man proposes my master degree holder sister to get married, I must deny because as we do not feel security of my sister to an uneducated man. In the case of financing, it is not that much true in official assessment system but at the end, it does matter with us...an educated man is obviously confident, innovative and have commitment...”

(LO13, Nazmul)

However, only level of education creates social value and more likely ensure the returns even the business falls. In the case of business prospect, level of education and experience together determines business prospect. A one of the loan officers explained as-

“In Dhaka city, the higher educated people are involved in business but most of their background is that while doing job in business organization once they start business on the basis of their experience, communication and networking capability in the job related industry and...of course in Dhaka city...”

(LO8, Kabirul)

This was found to be positively related with financing (Irwin & Scott, 2010). This is also related to the learning attitude and ambition to grow and survive, which was found longer time before (Smith, 1967) that determines the business prospect. Therefore, this is a fundamental determinant of business prospect. This study, in the perception of financial accessibility, found that level of education as most important Characteristics that the loan officer consider. Buferna (2005) viewed that the level of education determines the preference of a person to seek more finance that is external. This finding contradicts with that the level of education of an owner-managers influences the loan officers' cognition.

However, to intend to find a holistic approach, I needed to find the reason why the level of education is important. After carefully evaluation of the discourses, the following reasons have been found that guide the loan officers to consider the level of education.

- Values and Security of Returns (LO13, Nazmul)
- Communication Skills (LO8, Kabirul)
- Experience (LO2, Khorshed; LO8, Kabirul, LO13, Nazmul)
- Craftsman Approach (LO2, Khorshed, LO13, Nazmul)
- Learning Attitude and Education Level (LO2. Khorshed; LO14, Achintay)

Values and security of return

The higher level of formal educated owner-managers hold good values and become careful about their dignity. This additional carefulness of dignity indirectly assures the concerned loan officers a kind of unuttered promise that even in case of business downfall, the return comes back. Thus, the level of education is importantly considered because, it determines the degree of business prospect and trust of return (LO13, Nazmul). Literature does not inform about the level of education and security of return.

Communication

The higher level of education is considered as more prospective than lower level as it creates trust in loan officers in some ways. Due to the enhancement of communication and communication technology, the business environment in Bangladesh is affected by global business trend. The present business environment is related with virtual communication and networking where English is the globally recognized language and unofficially the official language (written) in Bangladesh. The lower level of educated owner-managers is less able to understand, read and write in English for international communication and easy accessing to information such as global changing business trend and its potential impact on local market (LO8, Kabirul). This is the reason of their low confidence, limited goal, poor/no ambition and poor willingness to adopt available facilities around them.

This is true that the higher officials and successful businessperson have to maintain well communication with people; however, level of education determines the degree of good communication is not informed in the literature. More likely, the in this global business environment, a business persons needs to maintain communication in English. In the non-English countries, the level of education is important. Other than the linguistic issue, the way of communication needs some basic manner of a person. A higher educated person can create that manner than an uneducated person.

Experience

However, level of education could create trust and values to loan officers but in the case of counting business prospect, the experience is important (LO8, Kabirul, LO13, Nazmul). The higher educated people start business in big cities based on their education and experience from job and once start business based on experience and communication. For the reason, the opportunist owner-managers are centralized to big cities (LO2, Khorshed). Therefore, level of education is more effective in counting business prospect and loan officers have preference on higher educated and experience owner-managers.

In previous studies, the experience was found important in terms of better human capital, firms' advantage and for good business (Borgia and Newman, 2012). This study added value to previous studies that the integrated value of experience together with level of education determines prospect of business in making financial decision-making then the loan officers are the empowered.

Craftsman Approach

In Bangladeshi context, the formal education level in SMEs is poor due to some social attitudinal issues and macro-economic policy. The social attitude itself is not entrepreneurial. The people's attitude is such a type that job is the key goal of education and business is the matter of lower educated people. Social attitude discourages a young higher educated entrepreneur with a miserable financing condition even in social relations. For example, a young girl mostly chooses a young educated jobholder to get married, which is a value determinant of her and her family (LO2, Khorshed). In this value, they find security of happiness. However, established businessperson is preferable. Hence, young people rush to Dhaka and other big cities just after completion of their studies. Therefore, the social attitude discourages young higher educated people to find job rather than business and for the reason the rest of the area of the country has dearth of educated owner-managers. Therefore, it could be argued that the SME sector is full of craftsman type owner-managers.

No study found any statistical data that shows the ratio of different level of educated people in SMEs. These studies found that the SME sector is full of low level of educated people due to socio-cultural factors (LO2, Khorshed). Level of education is not possible to change by PCBs; however, the research text found that proper and effective training and development system could be complementary of the level of education. The reason is only level of education does not ensure good prospect without training and awareness.

Learning attitude and education level

Level of education is not officially set up determinant for financing accessibility due to inequality in valuing customers (LO2, Khorshed; LO14, Achintay). Loan officers subjectively consider that the uneducated owner-managers could not grow up or may stop at a level when they get sufficient money from the firm for family needs; however, the educated owners may continue to grow up if they get sufficient finance and other support. In other words, educated owner-managers could be defined as growth firm and uneducated owner could be stopped at a certain level as stability firms. Growth firm intends to grow and stability firm stop growing when they can reach a stage that assures supply of sufficient money for family needs (Shinozaki, 2014). The basic characteristics of a growth firm are that the owner-managers have increasing learning attitude and staff development.

5.6.2.2. Discourse 2Bb: Personal Attributes Determines Soft Information/business prospect

The factors in Discourse 2Bb are more or less mentioned in the literature that are associated with SMEs' financial accessibility. However, research text informs some factors that influence the loan officers' subjective understanding about business prospect of the owner-managers. One of the loan officers mentioned

“other things”. Then I asked, “*do you mean entrepreneurial orientation?*” He replied with hesitation, “*yes...not actually...the thing is ...*”

(LO14, Achintay)

After considering the concerned discourses in research text, I found the other things. The things created a contextual ground where the loan officers and the owner-managers play. The factors could be classified as personal attributes and a kind of capability owner-manager. The capability is not quantifiable but it determines business prospect. Particularly, the loan officers consider the factors provide soft information of the first accessing SMEs' owner-managers. This soft information factors are not collected through long time relation. After critically analysing the discourses in the research text, following factors have been profoundly articulated, which are defined as CCA factors (Section 5.6.3).

- Poor learning Attitude (LO13, Nazmul; LO1, Rahman and Ritish; LO2, Khorshed; OM16, Ashak)
- Involvement in Politics ((LO2, Khorshed; LO3, Mizan; LO1, Rahman and Ritish; LO14, Achintay).
- Involvement in Unethical Business ((LO14, Nazmul; LO1, Mizan; LO2, Khorshed; LO14, Achintay)
- Personal/Family life complexity (LO14, Achintay; OM20, Hafiz)
- Involvement in Manpower Business (LO4, Motiur; LO7, Toufiq; (LO10, Mahub; LO9, Ibrahim and Akter)
- Personal matters for Small and large business (OM20; Hafiz; LO14, Achintay)

Poor learning attitude

Fourth, “I know everything” attitude seriously affects the loan officers' risk assessment. The owner-mangers intend to motivate the loan officers by speaking rather

than a good plan of business. They have confidence and self-efficiency approach but their plan and learning attitude is poor. Research text shows that that this kind of owner-managers has good intention and enthusiasm and spends much money but they rely on misconception and over self-confidence. Loan officers take negative decision on their beliefs that “*business should run in the system of business*” (LO13, Nazmul). The reason of poor learning attitude is their longstanding beliefs. Their beliefs are-

Belief 1: Money is the only element for business

Belief 2: Only land is the main condition for bank finance

(LO1, Rahman and Ritish; LO2, Khorshed; OM16, Ashak)

These conceptions push people to expect only money. The owner-managers expect immediate finance after training. The learning attitude is poor due to the needs of finance. In addition to that, the available training facilities are poor and inconvenience for owner-managers as most of the facilities are centralized to Dhaka city.

Reluctance to training and development programme of SMEs is a fundamental problem, which is true for SMEs in any country. Even in UK, only one-fourth of owner-managers attend in the training and development programme (Townroe and Mallalieu (1993). However, reluctance to adopting training and poor learning attitude is different. People learn in various methods if they have learning attitude. This study finds that the owner-managers even do not feel the needs of training for their business. In literature (Section 3.5.5), the learning attitude was informed in the perspective of the self-efficiency approach and the business performance; however, how the learning attitude is considered in gaining external finance was not informed. This study finds that the owner-managers are reluctant to learn and adopt training and development programme because of their longstanding beliefs. The beliefs reflect poor prospect in the applicant owner-managers. Hence, before offering training and development, the beliefs should be removed for increasing/changing learning attitude.

Involvement in politics

The Loan officers subjectively and cognitively degrades the Owner-managers those who are directly or indirectly politically involved. Direct involvement refers to the Owner-managers who participate in political activities. Indirect involvement refers to the Owner-managers who are family members and/or loan officers’ relatives of a political

influential person and maintain relation with political influential based on interpersonal relationship (LO2, Khorshed; LO3, Mizan; LO1, Rahman and Ritish).

This is because in the event of any unexpected event in return, the PCBs do not get courage to have legal actions against them. The Loan officers of the commercial bank feel risk of being physically assaulted and threats (LO14, Achintay). Furthermore, PCBs do not like to get risk for small size of SME loan. They write the assessment report in '*prevention is better than cure*' type attitude. Likewise, they treat the Owner-managers as less prospective related with present opposition party because of the power rolling political culture (LO2, Khorshed; LO3, Mizan; LO1, Rahman and Ritish).

In literature, there is no clue about the political cultural impact on financial accessibility.

Involvement in unethical business and addiction

In addition, some Owner-managers become involved in unethical business and addiction. Unethical business refers to the financial activities that are not socially approved. This includes involvement in smuggling and drug/intoxicants business. Some owner-managers are also take drugs and alcohol, which are legally and socially prohibited. The everyday accessories and various kinds of intoxicants are sold in smuggling business culture (LO14, Nazmul; LO1, Mizan). Likewise, owner-managers sometimes take drugs under the screen. Even if Owner-managers have any friendly relation with this kind of drug dealer, then loan officers fully avoid them (LO2, Khorshed)

This is a way of being financially solvent in overnight. Owner-managers sometimes intend to take the advantage of this situation but due to the consideration of social dignity, they become indirectly involved with this smuggling business. If they can make good money, then they demonstrate that the changing financial circumstance is happening by their main business firm. In district cities, Loan officers can identify the involvement (LO14, Achintay) by social relation and finally write negative assessment report to head office.

The prone of being involved in unethical business is more likely based on political power. Relationships with people of higher social class are a powerful form of social

capital (Maurer and Ebers, 2007); however, in the Bangladeshi context, political relations increase the risk associated with owner-managers. This is a reality of social relationship that is used in the SMEs, which may lead to the prevalence of monopolies and sometimes corruption that entirely lead to poor prospect of the business future (LO3, Mizan; LO4, Motiur; Nazmul; LO14, Achintay).

This imbalance relationship between influential political party-member and owner-managers could be included in ‘honest-graft’ defined by (Gedajlovic et al., 2013). Rather, in the context the truth is a step advance in the relationship between Loan officers and Owner-managers.

Personal/family life complexity

In the Bangladeshi context, personal life is importantly considered in finding prospect for taking financing decision. Personal life complexity includes multi-marriage, live together and unethical affairs with other male/female except husband-wife. Though Islamic rules allow a man to get more than one wife with too many conditions, the Bangladeshi culture and law does not regard multi-marriage system though husband can have second marriage with first wife’s legal concern. Despite having this strict law, some people get second marriage without legal agreement with first wife. It creates much complexity that sometimes reaches to civil court or the husband has to be on legal threat from first wife. Except second marriage, some husbands/wives become involved in affection of other outsiders and biological relationship, which is known as live together.

The owner-managers who are involved/suffered from this kind of personal life unrest are disregarded in social communication and networking. They are also at risk of ‘women and children oppression law’. The first step of this legal threat is legal harassment that leads to prison, social judgment and wastage of huge financial losses. The social attitude to those of people is negative that seriously affect the business-social communication and networking such as supplier, customers and other business clients (LO14, Achintay; OM20, Hafiz).

Involvement in manpower business

The owner-managers sometimes become involved in manpower business. The key characteristics of the manpower business are that some social people become unofficial agent of the main firm/agent who are normally based in Dhaka. The individual agent

collects people who want to migrate overseas country (LO4, Motiur; LO7, Toufiq). In most cases, the agents do not have any control over the agent in Dhaka. When the agents are unable to confirm the migration, then they do not pay the money back that they collect through the agents. In that case, the agents are responsible and finally the issue raised a social complexity. In the Bangladeshi context, this is called “Adam Bapari”. This group of people is socially disregarded. Research text shows that sometimes owner-managers become indirectly involved with this kind of business. Loan officers normally estimates that the future of the business is dark and they refuse the application by showing other reasons such as paper and head office (LO10, Mahbub; LO9, Ibrahim and Akter). Research text also shows that the loan officers do not positively consider this kind of application even a family member of the owner-managers is involved with the business.

Personal matters for small and larger businesses

It is perceived that the personal attributes are assessed and considered by the subjective and cognitive judgment of loan officers. Personal matters do not influence business for the established and large business as there are sufficient collateral assets and a complete business structure and owner-managers’ physical presence is not always necessary (OM20; Hafiz). However, for a small growing business, the owner-managers have to physically operate the business. Social relation and human behaviour drive small business (Carson, Gilmore and McLaren, 1998). In that view, the personal matters of owner-managers directly affect the business. Research text shows that there is a soft attitude to established businessmen in the issue of personal life matter; however, for small business owner, the attitude is hard because they do not have sufficient collateral assets. For the small firms business prospect is the ground of finance.

5.6.2.3. Discourse 2Bc: Misuse of Social Network determines prospect

Discourse 2Bc demonstrates evidence on the social capital factors and use of them. Within this theme, the issue of social capital and the consequence of its use have been outlined. The research text and over all fieldwork experiences created the truth that Bangladeshi small business culture is social capital intensive. In this culture, different group of people and individuals create relations between them in short-term interaction and rely on the relation in all dealings including business. This theme emerged from that concept. One of the owner-managers says-

“I was supplying seasonal fruit to Barisal. When they would order for fruits, I instantly sent full of trucks of fruit. Once they held my payment. That was a bigger amount. After that, I have been suffering for money to get back the business as I had before. For this purpose I went to bank for loan ...”

(OM17, Dipok)

I found discourses that imply the low prospect of an owner-manager. The marketing is social rather than relational. Family members, friends, customers, social influential and others act as marketing channel (OM15, Shimul). Hence, the “BikiBikroy” happens as a part of culture. In this small business firm, these channels are the general scenarios in small business sector in all level of developing and even developed countries; however, it is mostly practiced in the country. This is an important point of business operating culture because people sometimes do not pay in the concerned time. It impedes growing up a business and sometimes breakdowns the credit control

Customers sometimes do not pay in promised time. Even if there are legal documents, none goes to court. The tradition is that this kind of issues are solved socially. Evidence is less likely important here because court takes longer time to solve the issue. This is the issue of the quality of OM in using this social capital. Dipok, an owner-manager counted a bigger loss from an imbalanced use of trust like BakiBikroy.

In the definition of social capital, this relation is called networking between group and group, group and individuals, and group/individuals and institutions (Gedajlovic et al, 2013). The research text shows that this networking system is much used in an informal way that result into business failure.

5.6.2.4. Summary of Subtheme 2B

Social capital-intensive financial culture

Previous studies specified many perspective of the use of social capital however; most of the studies avoid the development of social capital (Bollier, 2001). This study found the same findings that the social capital has naturally occurred and this is used with no systematic way. Since, the SME financing structure is prospect-based, and social capital determines a level of business prospect, the unsystematic use of social capital inversely acts here as a barrier in terms of prospect-based financing by using soft information. The

research finds that the business settings i.e. the business culture of small business is social, the performance of business is interrupted by social factors and the risk assessment team find raw data for assessment through a social process (OM15, Shimul; OM17, Dipok). In this process, loan officers unconsciously assess the existing social capital and the owner-managers do not know that they do business using social capital. In this social capital-intensive financing culture, there is an established set of different group, which are loan officer, owner-managers, customers, suppliers and relatives.

In the case of the SME development perspective, it is perceived that the trust based network building occurs in Bangladesh. In this perspective, for both the SME financing and business development are influenced by social networking that happens naturally between loan officers and owner-manager, marketing officials of big established supplier and owner-managers and established business owner-managers and small business owner-managers (LO14, Achintay; OM20, Hafiz). Therefore, it could be stated that the entire financial culture is social capital-intensive.

Use of social capital has negative impact (Kern, 1998). Both the bridging and bonding perspective play role in business prospect. In the case of using social capital in Bangladesh, the owner-managers are restricted and dominated by other parties in the network. The networking system dominates the owner-managers when the other party, for example, customer, supplier, or loan officers have more power than the owner-managers do. In the case of bonding perspective, the owner-managers are dominated by social value and norms. The example is that the loan officers subjectively assess the SCCA with huge impact of information asymmetry.

Unwise use of social capital

The theme 2D founds some key factors that mainly reflects a scenario of small business culture of the Bangladeshi context. The factors are-

- Trust on customers (LO14, Achintay)
- Trust on suppliers (OM20, Hafiz)
- Trust on partners (OM20, Hafiz)
- Trust on employee (OM20, Hafiz)

This finding is new outcomes of this study in some perspective. Firstly, the key elements of social capital are information, trust and norms (as early discussed in section 3.5.8). This study found that only trust between different groups of people is the main

element of social capital. This is because the group of people do not intentionally use the trust in the perspective of the social capital. Secondly, the dimension of social capital is relational, structural and cognitive (Nahapiet and Ghoshal, 1998 as discussed in the same section). In this case, the mode of relationship between supplier and customers does not reflect any of the three structures. The mostly similar term with social attributes of the owner-managers is cognitive structure (shared values, common language); however, this social attributes differs from the cognitive structure. This is kind of relationship that happens between an individual owner-managers and other individual customers and suppliers that does not reflects any collective trust, norms or values. This is simply a networking system that is used in the Bangladeshi context in an unstructured system. This study uses the term cognitive social network understanding because the loan officers assess the capability of an owner-manager that how he/she can wisely use the networking system and how the capability is affected (LO14, Achintay; LO12, Qader; LO7, Toufiq). Loan officers gain a cognitive understanding on the capability by using their social network, as there is no set of official instruction for measuring the capability. Loan officers subjectively assess that to determine the business prospect. The research text demonstrates that the most of the business fall or no growth happens for the poor capability/unwise use of the trust and networking.

5.6.3. Soft information and Prospect-based financial settings

The theme 2 was tailored to respond the Research Question 1. The key of the research question was to find the factors that the loan officers/PCB consider beyond the traditional collateral-based financial settings for first accessing SMEs who have been declined and do not apply for loan with the expectation of decline. The BB regulates some innovative idea for PCBs to be flexible for the group of SMEs (Chapter 2). The BB instructed PCBs to empower their branch level loan officers to assess and make decision for financing. What factors the PCBs intend to find and what is their frustration in making financial decision- was the main point in fieldwork. The factors have been classified in the Theme 2, which is divided in Subtheme 2A and Subtheme 2B.

The factors the loan officers want to find are complex. They have a flexible attitude to provide finance. They want to find simultaneously both prospect and collateral. They find security of return in prospect. Simultaneously they find prospect in collateral assets. The key of their flexible financial intention is to ensure collateral i.e. security of returns. If the

collateral is weak, then they find prospect. Likewise, if the prospect is weak, they find collateral assets. For prospect, they find soft information. For collateral, they find collateral assets that can provide instant liquid money. The discussion on the Theme 2 clarified the factors that what the loan officers consider for collateral and prospect.

Definition of collateral assets

There is some ambiguity in the literature about the definition of the soft information (See section 1.7). The above discussion based on the research text, the ambiguity has been solved. To solve the ambiguity the definition of the collateral assets for the first accessing SMEs have been redefined. According to Oxford dictionary, collateral is something pledged as security repayment of a loan to be forfeited in the event of a default. It means, collateral is a kind of security of lenders' money that possibly act as an eventual consequence of no return. It might be any contact by third party guarantor such as supplier, clients and other concerned organization or individuals. All the third parties should have a satisfactory amount of materialistic collateral assets. The primary research found that for first accessing business firms, "loan officers" consider some other things that create the business prospects and cognitively create some level of security of finance. All these materialistic and cognitive factors are defined as collateral assets. Therefore, collateral assets refer to all physical/tangible and cognitive/intangible factors that imply the "owner-managers'" capability of repayment either from primary source of claimed collateral assets or potential good business performance.

1. Materialistic Collateral Assets (MCA)
2. Cognitive Collateral Assets (CCA)

The collateral assets have been classified in two kinds as follow-the table 3.

MCA	Land Tangible assets <ul style="list-style-type: none"> • Machineries and Tools • Raw materials and Goods <p style="text-align: center;">(Section 5.6.1)</p>	CCA	Level of education Poor learning attitude Involvement in politics Involvement in unethical business Personal/family life complexity Manpower business Social capital using capability (section 5.6.2)
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Table 3. Classification of collateral Assets. Created by the author

Materialistic Collateral Assets (MCA)

MCA refers to assets that have some level of liquidity and PCBs can recover their money by immediately selling them in the legal process. These assets are institutionally justifiable, measurable and have liquidity. MCA could be divided into kinds such as, land and tangible assets. I presented the two kinds of MCAs as MCA/land and MCA/tangible assets. MCA/land provide the security of liquid money. This is the most preferable collateral asset to the PCBs. The MCA/tangible assets is defined in the BB' policy as "Hypothecation" that provide a security of liquid money but this study finds that the loan officers less likely consider MCA/tangible assets as a primary source of liquid money. The loan officers consider that as the determinant of the business prospect.

Cognitive Collateral Assets (CCA)

CCA refers to a kind of dealing quality of owner-managers' with social and personal life factors that influence the loan officers' assessment and decision-making. There is no official ground of PCBs in their strategic SME financing to assess the CCA factors; however, loan officers consider that subjectively and cognitively (Section 5.7.2). Subjectively, because there is no official template or matrix to measure the CCA but concerned loan officers individually consider that for the firms who either do not have or have poor previously liability payment history and have poor quality of information that is defined as informational opaque firms (Udell, 2006; OECD, 2015). This is defined in this research as first accessing SMEs. Cognitively, because loan officers have to subjectively justify the cognitive factors of owner-managers in a social assessment process to make a cognitive measurement of business prospect/potential business performance.

CCA and soft information

Literature informs soft information as an alternative of collateral with much ambiguity (Section 1.7; 1.1). The soft information was defined as an ambiguous issue. It was found in the literature that the soft information is collected through long-term relation between loan officers and applicant owner-managers. However, there were no clues on the first accessing SMEs who do not have (long time) relation with a particular bank. This

study clarified the soft information, which is the CCA. The loan officers consider, indeed, CCA factors (Table 3) which was known as soft information in literature.

The aim of the loan officers to collect the soft information was not clear in the literature (Section 1.1; 1.7; 2.6 and 3.8). In the literature, the regulation of BB (Section 2.5.1) reflected that the soft information aims to find prospect of the business but that did not provide clarity. This study finds that the loan officers want to gain an understanding about the prospect of the business. They expect the returns should come back from business performance. This study finds that the prospect of the business is poor. The loan officers gain the understanding by assessing the soft information, which are the CCA factors. Therefore, the degree of the CCA determines the degree of the prospect-based financing. The value of CCA is poor. This is the reason of failure the BB's policy where the small business gain only 6.06% finance. In this circumstance, the first accessing SMEs are risky to provide finance.

The soft information is now well defined, which is the CCA. Therefore, to develop the prospect-based financing the CCA of the owner-managers should be improved. To improve the CCA, the assessment process of CCA should be investigated. How the loan officers assess the CCA has been discussed in the Theme 3.

The factors that the loan officers want to consider as soft information was not clear in the literature (Section 1.3 and 3.5.1). In the literature, some factors reflected that they potentially can provide a soft understanding about the business and the owner-managers but that was not clear. This Study finds the factors the loan officer pragmatically consider in the real actions (Table 3).

CCA could be perceived similar to some personality traits of entrepreneurs such as entrepreneurial orientation, learning attitude, managerial manner and self-efficacy approach (Nooteboom, 1994). For measuring entrepreneurial orientation there are specific model such as psychometric orientation of the entrepreneurial orientation (Kreiser, Marino and Weaver, 2002; Rauch, Wiklund, Lumpkin, & Frese, 2009). Likewise, much research has been conducted on the factors in the perspective of entrepreneurial performance. Researchers found the factors are effective for creating entrepreneurship in young people and recommend them for pedagogical activities (e.g. Muchiri, & McMurray, 2015; Khan, Nazmul, Hossain, and Rahmatullah, 2012; Islam & Khan, 2011;

Bandura, 2001; Glancey, Greig, Pettigrew, 1998; Nooteboom, 1994). None demonstrated any relation between risk assessment processes of financial institutions and entrepreneurial orientation. In this research, the target group of people is first accessing SMEs. Their basic characteristics are that they have developed their own business. Hence, they have self-efficacy approach. More or less, proper or improper, they have a business setting in the context, they want to grow and they feel that they need finance to grow. Hence, they have entrepreneurial orientation. Therefore, they have a distinguishing feature with the young graduates (Muchiri, & McMurray, 2015) who learn to develop entrepreneurial orientation and a self-efficacious approach.

Therefore, the collateral-based and the prospect-based financial determinants could be specifically defined as-

- MCA/land is the main determinant of collateral-based financing for the first accessing SMEs
- MCA/tangible assets and CCA factors are the main determinants for prospect-based finance

The Theme three provides the clues regarding the method and concerned issues that determines the interactions. This is arguable that only CCA could be developed and the MCA is not improvable by PCBs' in short term (Figure 2).

5.7. Theme 3: Prospect Assessment process is subjective and interaction-based

From the Theme 2, it was found that the loan officers want to assess the CCA for providing prospect-based financing. The aim of the Theme 3 is to provide the prospect assessment process. This theme responds to the gap in interaction-based financing which is reflected in the research question 2. To assess the prospect the PCBs more likely use the interaction-based assessment process. How the prospect is assessed is developed in the Theme 3. This theme also responds to the research question three that ask for the actual problem in financial accessibility for the first accessing SMEs. PCBs intend to enhance interaction. The raw materials presented within this theme portrayed a clear scenario of the risk assessment process in Bangladesh in PCBs' changing attitudinal mode. This process includes the actual investigation and assessment process, the

decision-making process and the sources of collecting soft information factors of CCA. This theme responds to the key issue of the research. Hence, the traditional assessment process and associated issues are helpful for developing a new concept to enhance first accessing SME financing with the PCBs' contribution.

5.7.1. Discourse 3A: Empowerment of Loan Officers

For established and medium size enterprise, loan officers write assessment report to head office based on the satisfactory collateral and previous liability history. However, for first accessing SMEs the loan officers have to assess CCA factors differently. They make social investigation to find business prospect. After considering necessary evidence of soft information, loan officers write final assessment report to the head office with documents of minimum requirements such as legal papers of the business, bank transaction/cash memo and advanced signed bank cheque of the applicant owner-managers (LO6, Mannat and Sutom)). Head office takes final decision based on the report and enclosed evidences. Head office approves about 100% application sent by loan officers with the possibility of little reshaping the size of loan amount (LO6, Mannat and Sutom). One of the participants says-

“...you can say hundred percent. If there is some problem and head office becomes confused then they require explanation or more document to us. If we can remove the confusion then they approve loan.”

I replied, “It means the entire proposal you send to head office become approved?” Rahman said, “You can say that ...but sometimes the amount of loan may be reduced by head office. “

(LO1, Rahman and Ritish)

The empowerment of the loan officer is a key point of the BB's regulation where the branch level loan officer are empowered. However, how many application and which application should go to head office entirely depend on the loan officer (LO6, Mannat and Shutom; LO9, Ibrahim and Akter). If it so, we can argue that the issue of financing accessibility is, indeed, finally determined by the loan officers. The actual risk assessment team in head office only justifies the documents and evidence sent by branch managers and available in the CIB of BB. In the case of previous liability history, other institutional documents and projects' prospect are institutionally justified by head office. In this case,

for previous liability history (either personal/retail or business) the CIB is only source of the database. In CIB, the loan history above BDT1 million is recorded. Since, the first accessing SMEs have no or poor previous loan history, they are out of the head offices' justification system. In this case, the loan officers' report is the only source to the head office. Therefore, loan officers are the keys to open the lock of SMEs' financing accessibility for first accessing SMEs.

5.7.2. Assessment process is social network-based

This is the subsequent question following the question “what do the risk assessment team assess?”. How do risk assessment team collect information about owner-managers and assess that. One of the loan officers explained as-

“In our culture people know each other. What people do, what is their social value, what is the behaviour with customer, how product is sold, how their business decision is made, who influence that...the local people in a district level is well-known to each other. If you like to know a person, you can do in an hour. So who is how everything is possible to know easily...now the age of mobile phone”

(LO6, Mannat and Sutom)

In technology-based assessment process, the financing decision is made by a database system based on previous liability payment history, which was found less effective for SME financing accessibility (Lean, & Tucker, 2001). In this system, all the power of financial decision-making is held by the head office and branch manager have almost no empowerment (Bink, & Ennew, 1996; Manson & Harrison, 2011). Therefore, Loan officers at branch level are unable to use their trust on borrowers in financing decision-making. However, in developed countries, in the context of SME financing, branch manager are allowed some power to change the rate of interest (Moro, Fink, & Maresch, 2015). In the Bangladeshi context, the scenario is different. In the case of SMEs who have used bank finance are treated in the same category- by head office; however, branch managers have much authority to finance them. The assessment process was not informed and well defined for the first accessing SMEs. Research found that the assessment process of the soft information is still in an on-going process where interaction is the main focus (OECD, 2015; ADB, 2013). This study found a set of steps that is used for assessing the soft-information for prospect determination.

Steps of Assessment/Interactions

According to research text, from the verbal appeal to end of the assessment process could be defined as below-

Step 1: Verbal appeal for finance to loan officers

In this stage, owner-managers verbally discuss with loan officers. Loan officers ask about the business, collateral assets, bank transaction etc.

Step 2: Documents requirements

Loan officers require the documents that the owner-managers have. In this stage, loan officers normally require documents that mainly ensure the value of collateral assets (MCA/land and fixed assets).

For land and fixed assets, loan officers require the evidence of the ownership of the land and assets. The documents are institutionally justifiable. The authenticity of the documents of land and assets is justifiable from the concerned local government authority. Despite being the ownership of the form of MCA is authentic, the serious information asymmetric problem plays role here. Created assets are one of the examples in this point. Created assets refer to the assets that the owner-managers buy from the seller with conditional later payment system. They do it on the confidence that they can pay instalment-based returns from the existing business. The kind of moral hazard happens due to collateral requirement by PCBs.

Step 3: Primary investigation

If there is not sufficient MCAs/land and fixed assets then loan officers intends to provide collateral-free loan based on the business prospect. In that case, loan officers make a social investigation and take decision if they advise the applicant to submit application. In this stage, normally loan officers advise the owner-managers to submit application to concerned branch.

Step 4: Official assessment

At this stage, loan officers officially make an investigation being the business premise. Actually, the loan officer justify the evidence they applicant has claimed in the application. They collect information from society, supplier/customers, neighbouring firms and neighbours.

For MCA/tangible assets, loan officer intends to find the actual size of business by measuring the raw materials, goods, machineries and other tangible assets on the firm premises. For justifying the authenticity of the tangible assets, loan officers physically investigate the firm premises and finally make a subjective and cognitive understanding. As the source of information, they justify the assets based on business flow by justifying bank transactions and other business transactions like cash memo and other documents.

Step 5: Application sent to head office

At this stage, the responsible loan officer and the branch managers together with SME in charge finally take the decision. If the decision is positive, then they justify the official requirement. If there is some paper shortage, then they help to collect that and finally send the application to head office.

Step 6: Informing result to the applicant

The loan officer informs the positive result to the applicant with congratulations. If the result is negative, then they are delay to inform that. When the applicant contacts them, then they inform the negative result by showing some fault on submitted papers or by excusing area managers or head office.

(LO6, Mannat and Sutom; LO2, Khorshed; LO12, Qader; LO1, Rahman and Ritish)

5.7.3. Information asymmetry for Hypothecation/MCA (tangible assets)

In this process, subjectively that case, loan officers accused the owner-managers that owner-managers artificially accumulate the assets (LO11, Nasir; OM15, Shimul). One of the participants said-

“Shimul artificially showed more machineries and goods on his workshop premise but the information was incorrect. I then made the investigation and found that he is illiterate but good prospect...then we decided to offer him the loan but Shimul denied that.”

(LO11, Nasir)

On the other hand, owner-managers' perception is that the measuring is improper. (Discourse 3D). One of the owner-managers said-

“If you make a rough estimation of the products and machineries of my firm, its price

will be many times of the amount I applied for. They agreed to provide me loan... again once they asked me the legal documents of my land. We have land in our joint family but difficult to show that for many reasons...”

(OM15, Shimul)

This is a problem of adverse selection. Therefore, the MCA/tangible assets are influenced by information asymmetric problem that seriously impedes the prospect-based financing decision.

The assessment process of the “hypothecation” is subjective by loan officers. Loan officers assess the value of the assets on the firm by physical investigation (LO11, Nasir; LO6, Mannat; OM19, Al-Amin). The authenticity of their assessment and judgment is either not officially monitored or not reconsidered by argumentative power of owner-managers in the event of misjudgement (LO6; Mannat). This hypothecation is assessed for two reasons. Firstly, for estimating value of the product is used as collateral assets and secondly, for estimating the degree of business prospect. For the later perspective, the loan officers consider bank transaction and other documents such as cash memo. They critically justify the amount assets with the bank transactions and evidence of the ownership of the assets. The research text found that the “hypothecation” is less/ineffective because of two reasons. Firstly, the value of the “hypothecation” is itself poor particularly for first accessing firms (LO7, Toufiq; LO9, Ibrahim and Akter; LO10, Mahbub). Secondly, the “hypothecation” becomes undervalued because this is seriously affected by adverse selection (Discourse 3B). The loan officers fall in a dilemma about the true ownership of the assets as they think that the assets are artificially accumulated to motivate the loan officers that could perform a moral hazard (LO11, Nasir).

Probably, the adverse selection more likely happens for the documents of business transaction such as poor record keeping and cash handling approach (Green, Kirkpatrick and Murinde, 2006; Jahur and Quadir, 2012). Therefore, the accessibility to MPCA/tangible assets is poor for first accessing SMEs. In other word, this poor accessibility reflects poor business prospect. Consequently, the loan officers have to rely on the other form of MPCA, which is land and fixed assets.

For CCA, loan officers depend on their social investigation and finally take the decision on cognitive understanding. They collect information from neighbouring firms;

other approved firms who are their customers, friends and family of the owner-managers, local people and use their observation.

(LO6, Mannat and Sutom; LO14, Achintay)

5.7.4. Courtesy Boundary and Inverse information asymmetry for CCA

The inverse information asymmetric problem refers to a kind of problem that is performed by the PCBs (loan officers). In this system, the owner-managers know the partial requirements of achieving finance. This problem happens at the last step of assessment. At this step, loan officers inform the final decision to owner-managers, which is either approval or decline. In the prospect-based financing, they consider the soft information, which is CCA. CCA is all about the personal attributes and quality of the owner-managers. When the loan officers find the poor CCA, they do not inform the declined owner-managers the actual reason, which is that poor CCAs. This happens because they feel uneasy to make comment about personal attributes of a person. Rather the loan officers accuse the poor collateral assets, other documents, the area managers or head office. One of the participants expressed as-

“if there is a problem in paper for big loan then we let them know by letter...but in the case of collateral free loan we just show excuse of head office or problem in papers...” I replied, “it should not do...you should be professional and let them know the actual reasons” Then he replied, “Brother, our main problem is that we do not like telling negative things to a person. No one likes to hear his poor attributes, business quality, his poor management capability and some other involvement in unethical things”

(LO12, Qader)

I asked the same question to Achintay. He replied,

“How can I tell the brother of Mayor Minto that your brother is a politician...you try to use power rather than business techniques in business dealings...that’s why we declined you (smile)”

(LO14, Achintay)

This study found that the main reason is courtesy boundary. To some extent, the loan officers do not expect raising dissatisfaction of the declined owner-managers as they

consider them as potential customer. After digesting the decision of the decline, the owner-managers get the realization that collateral is the main requirement for bank loan. Consequently, they use all of their efforts in collecting and showing collateral. They never know that they have a level of CCA, the loan officer consider that CCA as an alternative of collateral assets and they can improve their CCA. This is the barrier in executing the prospect-based financing system. In other words, the changing attitude of PCBs in enhancing collateral free/loan with flexible collateral assets is being failure. The relationship lending was prescribed but the first accessing SMEs have either poor or no relation with banks. Therefore, developing a relation with PCBs is the precondition.

5.7.5. Summary of the Theme 3 (Response to Research Question 2)

In literature, there is some changing approach, recommendation to enhance risk assessment process for relationship lending. However, literature does not provide a clear set of steps that the risk assessment team assess (See Section 1.3, 1.7 and 3.6). Literature shows that the actual risk assessment power is centralized to the head office and loan officer do not have any power to make financial decision other than execution the customer service (Manson & Harrison, 2011). This study finds that the loan officers are the actual people who assess the risk and take final decision.

For relationship lending the literature informs that the loan officers collect soft information by the long-term relationships with the owner-managers. This study finds that for first accessing SMEs; the loan officers collect the soft information from the society by using social-capital. The loan officers collect assess and decide on the basis of subjective and cognitive understanding without any template or matrix for the soft information processing (here the soft information is CCAs). The impact of the assessment process and the empowerment of the loan officers have been discussed in the later sections under the research question 3.

About the assessment process, BB does not provide any clear instructions. It instructs PCBs only to empower loan officers to assess.

In the literature, the interaction was perceived ambiguous in three levels. First, there is a macro-level interaction regulated by BB where it attempts to make the interactions between PCBs and SMEs (BB, 2017; Chapter 2). In the micro-level, there is an attitude of PCBs to be involved with SMEs (Torre, Peria, Politi, Schmukler, and Vanasco, 2008; See

section 1.3). This study finds that the actual interactions happen between the loan officers and applicant owner-managers. This Theme shows that the PCBs less likely practice the interaction process regulated by BB. In this theme it is perceived that the interactions between the PCBs and SMEs happens in some ways including social network. Literature provides an overall scenario that there is an interaction between the entire PCBs and the SMEs where the PCBs have been increasing separate wings for enhancing interactions with SMEs regarding financial accessibility (Section 1.3). However, how the PCBs are executing the interactions is not clearly informed in the literature. In the contextual literature, the BB innovated regulations by empowering loan officers to enhance interactions with SMEs. However, the contextual literature does not provide any clues on how the PCBs/loan officers make these interactions (e.g. Torre, Pería, Politi, Schmukler, & Vanasco, 2008). This research finds that the interactions happens between loan officers and owner-managers face to face basis, by social interactions and visiting firms. In the steps of assessment, it is perceived that the owner-managers verbally appeal to loan officers. The loan officers make social interactions by collecting information from the neighbouring business firms, social people, friends' family, existing loan users and other business related people such as supplier and customers.

5.7.6. Key Barrier in Soft-information (CCA) based financing (Response to research Question 3)

This theme also answers to the research question, the barrier in enhancing soft-information-based finance. The key of the main barriers for MCA/tangible assets is the information asymmetric problem that happens mainly for subjective judgement of the loan officers. The literature provides clues about the information asymmetry; however, it does not distinguish where it plays-is it in information-based finance or traditional collateral-based finance. It is assumable that the literature informs the information asymmetry plays in medium and established firms, in collateral-based financing (OECD, 2015; Elas and Krahen, 2002; Lehmann and Neuberger, 2001). This study finds a different kind of information asymmetry that plays for soft information-based financial accessibility. Contextually, it plays prospect-based financing.

Another kind of information asymmetry is the inverse information-asymmetry that affects in the assessment process. This information asymmetry is the most important barrier in enhancing prospect-based financing, BB's initiatives and PCB's afford for

enhancing financial accessibility is being impeded by the inverse information asymmetry. The definition of information asymmetry is that the loan officers know less information than the applicant owner-managers do about how the loan money could be actually used (Binks & Ennew, 1996; Lean & Tucker, 2001 and Lambert, Leuz, & Verrecchia, 2012). The inverse information asymmetry is such a kind of problem that the owner-managers know less information (financial determinants) than the loan officers do. It is true that the determinants are the strategic matter of the lenders and they are not ethically bound to disclose to the owner-managers. However, the owner-managers have the longstanding believes that collateral assets (MCAs) ae the main element of achieving loan. They do not know that beyond collateral assets, the PCBs/loan officers consider CCA. Therefore, they do not try to improve and show the CCA. The CCA is the main key for the first accessing SMEs' loan. Consequently, they are still isolated from the bank loan. This inverse information asymmetry is the key driver of impeding the financial accessibility for the first accessing SMEs. In the perspective of collating soft information, Moro, Fink, & Maresch (2015) recommended maximising openness of the owner-managers. However, this study recommends loan officers to maximise the openness of the loan officers about CCA. Then CCA would be used to implement the regularity of BB.

The main point of the inverse information asymmetry is the courtesy boundary. Therefore, a system/model should be developing, in which the loan officers could break the courtesy boundary; the CCA could be improved and used without inverse information asymmetric problem. Therefore, three key issue should be solve to enhance the first accessing SMEs' financial accessibility.

First, the CCA should be improved for BB's enhancing first accessing SMEs financial accessibility, which is collateral free loan. This CCA will be used to provide first access prior to making a relation for starting relationship lending.

Second, the CCA should be used without the effect of inverse information asymmetry.

Third, a complete system should be developed for assessing the CCA in a quantifying manner to reduce the reliability of the subjective judgement of loan officers.

To thus far, it has been perceived that the enhancement of CCA is the key precondition to enhance the prospect-based financing. Now the question is- how the CCA

could be enhanced. The easy and common answer is that there is no alternative of training and awareness programme. However, this is not a simple approach to enhance CCA by training and awareness. Before going to recommend a model/concept for CCA development, there are some questions must be solved. They are-

- What is the existing training and awareness provision in Bangladesh?
- What type of training and awareness method could be effective for CCA?
- Who should play the key role in developing CCA?

The first question is important because the training and awareness programme should be rhythmic with the contextual training and development provision. The second question reflects if the conventional training and development method normally fit with the CCA development. The last question explores who should play the main role in enhancing CCA giving priority to financing accessibility. The following themes (Theme 4, 5 and 6) support the three questions. I organized the themes with the discourses from the research text that do not directly respond to the questions; however, they provide some clues that help to gather concept to produce a model to improve the CCA for developing the prospect-based financing.

5.8. Theme 4: Conventional training and development provision is CCA-unfit

This theme directly does not respond to the research question 4; however, it partially supports to find a model to develop CCA-based training and awareness. More particularly this theme responds to the newly emerged first question out of three questions that should be resolved before attempting to respond to the research question 4. This theme provides a scenario about the training and development provision in the research context. This theme is also related with the key proposition of the study because the CCA-fit training provision is needed. This then shows that the Bangladeshi training and development is not CCA-mediated.

In Bangladesh, there are some public and private training providers, however, there no literature on contextual training and development provision of Bangladesh. Literature only provides the clue that the training context in Bangladesh is insufficient and poor quality (Ahmed, 2009; See section 2.5.1). The needs of CCA-mediated training and

awareness emerged in this study and it demands the contextual truth of the training provision. This theme emerged from the critical analysis of the concerned research text. The following truth of the contextual training and development has been outlined.

At this stage of discourse analysis, it is perceived that the training materials, the trainee selection and the consequence of training are not scientific. The entire structure of existing training infrastructure is vulnerable. After training session, the trainers and training become isolated. I also understood from the entire conversation that data collection and keeping communication with trained owner-managers is costly and a new setup of **database** and analysis require additional **cost** and **human resource**.

This theme portrays the setting of training and development provision of Bangladesh. Some points emerged from the research text that exhibit different perspectives about the training provision.

5.8.1. Discourse 4A: Insufficient training facilities

That the learning attitude of owner-managers is poor- can be initially accepted. Learning attitude emerges from self-efficacy approach. The main point of the self-efficacy approach is that entrepreneurs should intend to acquire available facilities in the business environment (Bandura, 2001). This research finds that the self-efficacy approach is high in the first accessing SMEs' (LO1, Rahman and Ritish, Theme 1) owner-managers; however learning attitude is poor (HO23, Sattar). I argue that this is poor because the available training facility is poor (OM16, Ashak)). One of the participants explained-

...but if you ask me about the overall training facilities as the amount of SME then I would **say this is not enough**".

Training and development is growing but is still insufficient to meet the needs of applicants. According to a survey conducted by MIDAS displayed that the amount of SMEs in Bangladesh was 6 million and the amount has been increasing (Ahmed, 2009).

Centralisation of training facilities is an important problem in the existing training provision. Dipok, an owner of a fruit suppliers firm, said

“for one day training I have to go to Khulna. It is not possible to be away from my shop for a couple of days...I become too tired and costly well. If this in Magura city, then no doubt...I must go.”

(OM17, Dipok)

Khulna is one of seven divisional city of Bangladesh and each division contains couple of district. Magura is one of the districts of the Khulna division. In Bangladesh, private transport facilities are very expensive for SME owner-managers. People have to depend on public transport (actually bus service owned by private organisations), which is expensive, inconvenient and less frequent. The key reason of this inconveniency is that the available training facilities are central to Dhaka and other big cities. This discourse reflects that the training providers should be decentralised.

The available training facilities are centralized to big city. This is inconvenient for owner-managers for some reasons. The training centres are away from the firms/home of the owner-managers. In addition, transport and communication system is slow that take longer time to go for the training centre from home that affects the business. Furthermore, living in hotel in the travel for the training and transportation cost is not supportive for the owner-managers (OM17, Dipok).

5.8.2. Discourse 4B: Outside classroom based learning

The reluctance to training is a common phenomenon. It is true that the interest in training depends on many things; however, the poor level is an issue. People do not like to listen what the trainer says. After a long break from study, people feel boring sitting in a classroom to listen the dictums of the trainers. One of the participants says-

“Actually by nature Bangladesh people like activities than teaching. If one thinks that you are teaching him, then he will not like it. They need to be involved in activities...also the training materials should be lucrative as their necessity”

The learning in classroom is a fundamental problem. Waite (2017) views that the classroom based learning system is boring to all type of learners. Now the schools are moving to outside classroom-based learning. The discourse also reflects the same style.

5.8.3. Discourse 4C: Training needs and training materials are not CCA-fit

Though Khan et al., (2012) viewed that the training materials in the existing training providers are standard, research text contradict with their view. MIDAS looks a step advance in selecting training materials; however, they hired the training materials from German organizations. One of the participants stated-

“We do not make training needs analysis....but we follow the training module of a German organization”

(HO28, Mukti)

In that case, the training materials look lucrative but that emerged from training needs analysis in German context. The people’s attitude, SME business culture, class of economy, socio-cultural and political factors, institutional infrastructure, education system and implementation of law and law enforcement agencies and common beliefs of German differ from Bangladesh and some other developing countries such as Asian SME Monitor countries (ADB, 2013). Hence, the training materials are less likely practical in Bangladeshi context. Since, training materials unlikely meet the demand and lacking of owner-managers, a further training needs analysis method should be developed in the Bangladeshi context.

5.8.4. Discourse 4D: No Impact analysis

Impact analysis is a barometer that demonstrates the effectiveness of training and articulates issue and materials to be added to the training materials. The impact analysis is not made in Bangladeshi training institutions. One of the informers said-

“Actually not... normally we provide training to some entrepreneurs and not a same person two times....but to do impact analysis...yes the business should be monitored very specifically...”

(HO23, Sattar)

SMEF has been providing training together with their facilitating activities since 2008; however, they do not have any database of trained owner-managers. Consequently, no database has been developed in this context about trainees, their post training development and their changing business condition. The same scenario is true for private

training providers (HO28, Mukti, HO27, Akter, HO23, Sattar). Therefore, a method of impact analysis should be developed, which is CCA factors for first accessing SMEs.

At this stage of discourse analysis, it is perceived that the training materials, the trainee selection and the consequence of training are not scientific. The entire structure of existing training infrastructure is vulnerable. After training session, the trainers and training become isolated. I also understood from the entire conversation that data collection and keeping communication with trained owner-managers is costly and a new setup of **database** and analysis require additional **cost** and **human resource**.

5.8.5. Discourse 4E: Trainee Selection Method

From research text, it was perceived that the issue of trainee selection is important. The issue was raised from a narrative of a branch manager of a PCB. He stated-

*“...actually I went to Bagura from Dhaka for enjoying the session...not for money. I have **some understanding about the weakness of entrepreneurs and intended to make them aware**. But I saw the young people just came for cap, dairy, pen, lunch and things...not for training. I noticed the issue to the authority. They did not show interest...and I found that my signature and the trainees’ signature on attendance sheet were important rather than the aim of the training because without the signature the organiser would not get money.”*

(LO13, Nazmul)

The approach of training providing organization does not meet the actual aim of training, rather, this was a money making approach. The training providing organisation randomly invited trainees who were not actually intending to receive training. The research text demonstrates that this kind of training providers funded by NGOs/intra-governmental organisation massively invite owner-managers on area basis. For example, they invite owner-mangers of all the business firms situated both side of a road of a city. Actual owner-managers do not come but they sometimes send their relatives, friends and family members and sometimes their staff. Most of the trainees only pollute the training premises as they attend at the session giving priority to lunch, show their influence and leadership, to get the intensive gift such as dairy, jersey, cap and other incentives. Hence, the few number of actual trainees becomes interrupted and eventually the actual aim of

the training goes in vein; however, the aim of the training provider is success. The main goal of the training providers is to prove the amount of attendants to approve fund from the intra-governmental organisation/NGOs (Discourse 4D).

5.8.6. Discourse 4F: Training Publicity Method

The trainee invitation method for public institution is manual. They circulate packages of training and provide advertisements in local newspaper, hang the notice by the gate of their office and sometimes other public office in city. One of the participants explained-

“Normally we put notice of our district office notice board and sometimes advertise in local newspapers...the interested people come and we select as our limited seats in each spell.”

(HO27, Akter)

Therefore, the entire invitation process is less likely effective because attending at training session for a rural person is difficult. I am not arguing that less intending young people should not be invited; they should be invited when they are mentally prepared to receive the training. They learn being influenced by the success of others.

5.8.7. Discourse 4G: Training and Immediate loan is associated

The owner-managers have much reluctance to training and development. They are motivated to attend training; however, they do not signify training, as they cannot use the knowledge achieved from the training due to the lack of money. One of the owner-managers said-

...what they say, I know that...they say too many things then take a **signature**...then go home...**I need money but they say other things**...never go to that side...just time waste”

(OM17, Ashok)

This discourse implies that the people expect money, not training. However, they are motivated when there is assurance of money followed by training. Another thing is reflected that the people are over confident and even they do not feel the needs of

training. They have an “I know everything” attitude and feel only needs of money. Therefore, awareness about training should be developed in the owner-managers.

5.8.8. Discourse 4H: PCBs’ Attitude and BB’s Regulations

Due to the fierce competition-in financial market, the tradition attitude of PCBs’ has turned into a retail super market type attitude where they emphasis today’s sell for instant profitability. However, the research text finds that though the PCBs are commercial organization, they should have long-term plan. The reason is their plan is directly related with their own survival and growth and the financial structure of Bangladesh i.e. the economic development in broader perspective. One of the participants explained as-

“Actually we are facing much challenge to increase SME financing but...to fight with the challenge, yes...Bangladesh bank and government is taking many initiatives but that is their initiatives...and that strategies takes longer time under their targeted economic growth...I think we should do something from **our side...for our own performance**, whatever you say is not entirely new, as I know banks are making seminars and workshop with SMEs”.

(HO22, Istiak)

In that case, BB should encourage and regulate PCBs as the government representative for enhancing the attitudinal change of PCBs. This is possible because the hypothecation-based financing system instructed by BB has in impact on PCBs’ financial strategy for first attempting SMEs. The involvement of PCBs in involving SMEs has introduced. The PCBs arrange for seminar/workshop type programme focusing on their SME customers to learn their problems. However, this involvement is with established owner-managers who use their finance (LO6, Mannat and Sutom; LO2, Khorshed). The further initiatives of BB should be developed for enhancing this involvement with first accessing SMEs’ owner-managers.

5.8.9. Summary of the Theme 4 (Training and Development: BB’s regulation and practice)

This section is associated with the BB’s regulatory initiatives for the PCBs. As the part of enhancing interaction between the SMEs and the PCBs, the BB regulated for PCBs to provide training and development to enhance enterprises (See section 2.5.1). The

BBs' instruction is not fully practiced in the practical field. The PCBs arrange for the seminar and workshop but that is with the approved SMEs. In this regard, it could be argued that the BB's regulation is being abused because the PCBs' workshop and seminars is not for the first accessing SMEs. Another point is that the PCBs take some innovative initiatives for making the interactions other than the traditional training and development. One of them is the SME fair (LO2, Khorshed). In this system, the PCBs find reliable SMEs for financing. More specifically, the PCBs want to hunt for customers from no-need SMEs. This is kind of customer hunting method that does not focus on the first accessing SMEs.

The other factors within this theme are not either specific in the BB's policy or in the contextual literature.

To thus far, it could be argued that the entire training provision is entirely unstructured and inconvenient for the owner-managers. The sum of the training and development provision in Bangladesh are-

- Owner-managers are reluctant to training
- Owner-managers are reluctant to classroom based learning
- Training facilities are centralised to Dhaka and big cities. So, majority of trainees are excluded in the existing training facilities
- The training and development setting is unstructured and not fully regulated.
- The impact of training is not evaluated and monitored
- The training materials are not tailored based on actual needs and that does not focus on key problem- the CCA for financing accessibility.

In the training and development provision, the basic factors of training and development programmes are not effectively regulated. The main point of view is that the trainee selection method is ineffective due to proper and effective monitoring and regulation. The second most important point is that the training centres are central to Dhaka and big cities. For the reason, the SMEs across the country, particularly district level is almost isolated from the facilities. Then the impact analysis is such an important point that it is directly concerned with database development, the training material development and training need analysis i.e. it entirely develop the training and development system. In the point of training materials, the CCA is the concept that has emerged from the study. Therefore, this study could argue that it has made a training need analysis for first attempting SME owner-managers to be entitled as a training need

analysis on the Bangladeshi context. Therefore, the existing training facilities and related factors are unable to develop and use and finding its impact. Therefore, a new concept/model is required for developing CCA.

5.9. Theme 5: Informal social counselling; an alternative of classroom learning

This theme does not directly respond to any of the research questions; however, it respond to the second newly emerged question out of three (section 5.8). The question is a precondition to develop CCA. This theme provides some clues that support to develop a new concept for CCA-based training programmes.

During the fieldwork, I found that business prospect is central for financing accessibility. In addition, the value of CCAs is, indeed, the key determinant of business prospect. Since, CCA is poor and the training context is inconvenient for owner-manages then the question emerged in me that what could be the treatment of enhancing CCA. Furthermore, the reluctance to training of owner managers is a key issue. The research text shows that the activities are better than the classroom based learning system. The research text produces some clues that indicates an alternative form of classroom based training. For the SMEs, this is defined as a “social counselling” (See Subtheme 2B). The conversation with participants naturally produces some clues that later produces a complete theme. The theme provide an alternatives of classroom based learning system. This informal social counselling happens between loan officers and owner-managers, buyers and owner-managers and owner-managers and owner-managers.

Particularly for this theme the concerned discourse have been presented more elaborately. In the Bangladeshi context, the social cordiality is a general phenomenon. For example, CCA where people easily trust each other in a short-term relationship (See Subtheme 2B). Another phenomenon is that people want to teach rather than learn. This interest in teaching happens in interpersonal relation, materialistic relation and social relation that between different group of people through a natural social network system. This network happens between different groups of people as follows-

- Loan officers to owner-mangers;
- owners-managers to owners-managers;

- Buyer/suppliers to owner-managers

5.9.1. Discourse 5A: Loan officer to owner-manager

This point of the discourses implies that the classroom-based learning for the owner-managers does not work. Rather, the informal counselling is important. One of the higher officials of BB explained one of his experience as-

“A branch manager of a private commercial bank has a good relation with a shrimp firm in Khulna. The owner of the firm was a good person and good entrepreneur. Once he lost a huge amount of money by business fall and he could not return the bank loan. Then based on the owner’s honesty and managerial manner, the branch manager gave a big amount of loan at his own risk going out the bank’s SME financing policies. The manager used to monitor **the management** once a week and was mixing with worker and keeping communication with the owner and sharing his view with both of them. When he was going to visit the firm, all the workers respected him and informally kept a chair for the bank manager. At the end of the project, the firm made a good profit, paid the returns, and turned the firm in a good stage. Though the branch manager provided loan at a high risk, he was awarded silver medal for that year among all branch managers of the private bank.”

(HO24, Ashrafuzzaman)

This discourse clearly indicates that the full involvement of loan officers with SMEs in a social relational manner, the SMEs’ prospect could be improved. However, this is the example of established firms who have been approved for loan. In other perspective, it is perceived that the loan officer took a risk because he found the prospect in the owner-managers (LO13, Nazmul).

5.9.2. Discourse 5B: Owner-manager to Owner-managers

The social counselling could be happened between established and experienced owner-managers and the first accessing owner-managers as neighbours. For their particular points of the contextual truth, the entire discourses have been presented.

Nazmul had a SME customer named Belal who had Lather business. Belal had been using loan money from Nazmul’s bank. Nazmul would visit Belal’s business premise

sometimes for official reason, sometimes just to say 'hello' while visiting other firms around him. Nazmul would see a young boy named Bishu in his customer's firm. Nazmul said,

“The boy serve me tea, coffee and looks interested in speaking with me. I learnt from Belal that Bishu has a small business with a lathe machine. Bishu was working at Belal's firm and once he became interested in doing business. Belal helped him to open the business with one lathe machine. My client recognised that Bishu's business performance was good and wants to buy another machine to grow his business but he does not have enough money. Then I advised him to open a bank account, a trading license and make transaction with my bank for at least three months. He did that and finally I approved five lacs taka (BDT.5million).”

(LO13, Nazmul)

It was surprising to me. I asked Nazmul, “on the basis of nothing have you provided him that much money? He replied,

“I saw Belal has a speed in doing business. Besides, **he does not take any decision without discussing with Belal**. As Belal recognises him, I considered him positively. Bank transaction is a supporting document to write positive report to head office. If we see good prospect, then we sometimes advise this way.”

(LO13, Nazmul)

This discourse reflects that the owner-managers needs CCA. This means the value of CCA attract neighbouring successful owner-managers to provide social counselling. This is an example of the benchmark of the social capital in the Bangladesh culture where a person only can provide counselling only for mental satisfaction.

5.9.3. Discourse 4C: Buyer/Customers to owner-managers

This discourse provides clues about the informal social counselling from customers to first accessing owner-mangers. Shimul Engineering workshop manufactures steel furniture and environment friendly ovens for rural household. His main customer of environment friendly oven is an NGO who buys the oven from the firm and sells in rural area. I got the appointment with Shimul by telephoning conversation. When I reached

Atonu, marketing managers of the NGO gives logistic help to Shimul for long time. Shimul allowed Atonu to participate in the interviewing because he is almost illiterate. He introduced Atonu as-*“This is Atonu, MBA in marketing. If he was not with me, then I could not come to this stage. He gave me plan and helps to take decision. Without his concern I do not take any decision”*. Then I introduced myself with Atonu and explained my aim of the conversation. I asked him, *“I see Shimul is grateful to you so much...how have you first introduced with Shimul?”* He replied,

“actually I did not do that much for him...but...yes, he shares his business **condition, plan and other things** with me. I also give my opinions...he takes his **own decision**. Then I asked, “do you only share your views about the oven that you buy or about the still furniture as well?” I asked question to Atonu but replied Shimul, “all...all the things I share with Atonu da. Then I asked Atonu, “if company transfer you to other district then how would you help him” He replied, “it does not matter in this mobile age...I like him.”

(LO15, Shumul)

This discourse implies that the experienced marketing officers of a big buyer can provide logistic support to struggling owner-managers by using the observation and experience.

5.9.4. Summary of the Subtheme 5 (Informal free social counselling is a Contextual Truth)

In all kind of this informal counselling, there is some mental interest and materialistic interest. For the informal counselling between established owner-managers and opaque firm’s owner-managers, the ground of the counselling is the learning interest of small firms’ owner-managers and the mental satisfaction of established/successful owner-managers. The social counselling between owner-managers and the buyers’ staff is grounded by business interest; however, this is not formal. Rather this is by the interest of owner-managers’ interest in learning. The buyers’ staff wants to ensure good quality of product in time and the owner-managers follow the informal advice of the buyers that happened by interpersonal relationship. In this point of view, it could be defined as materialistic networking. The social counselling between bank manager and owner-managers is fully materialistic. In that case, bank managers intend to ensure the

repayment from the business performance. Based on the manager-entrepreneurs relationship, the managers informally found out the problem in business operation and provide necessary advice that the owner-managers follow for any business success. This is because the owner-managers have strong self-efficacy approach but poor learning attitude.

The social counselling is a part of the socio-cultural trend (See section 3.5.8). This is a form of social capital that is, indeed, the solidarity and trust between different group of people (Coleman, 1988), which is more true in the Bangladeshi context. The counselling from established owner-manager and buyers happens based on that solidarity, which is defined as bonding perspective of social capital (Adler and Kwon, 2002; Davidsson and Hong, 2003). On the other hand, Burt (2007) provides another perspective, which is bridging perspective. The bridging perspective does not fully match with the social counselling because the owner-managers does not anyway attempt to make money from the other party, they intends to learn for the business performance as they have available social counsellors closer to them. Therefore, either the relation or interest of teaching or by materialistic interest could define this relations and informal counselling as another kind of bridging perspective by which, the owner-managers achieve necessary counselling from available related people.

This kind of social capital is not entirely new. The bonding perspective fully concentrates on social relation that leads to social wellbeing and economic wellbeing (Bourdieu, 2005). The bridging perspective is fully on personal income oriented. However, in the case of getting counselling help there is no literature. Putnam (2000) straightway views that trust and affiliation between groups, individuals and institutions is the key base of social capital. The findings of this study inform the informal learning perspective between owner-managers and different groups. Therefore, this learning perspective of social capital could be systematically used for CCA development. In that case, the normative social counsellor and learning attitudinal owner-managers could be put together to accelerate the counselling in a formal way.

5.10. Theme 6: PCB's Motivation is better than BBs' Regulations

This theme was developed based on the research text. It supports the research question 4 (4B) but not directly satisfy the question. This theme only provides some clues

that supports the PCBs' contribution for CCA development for their own betterment. The theme 6 also supports the main research issue to develop a holistic approach/model to enhance SME financing in win-win basis.

BB provided some regulation for PCBs to enhance interactions with SMEs. The BB instructed PCBs to develop enterprises through providing training and development. This instruction clearly indicates PCBs' role in arranging training programmes to enhance enterprises through their own fund (Section 2.5.2 and 2.5.1). However, this study argues that only regulation; less likely work as it requires costs (See Section 5.8.8 and 5.8.9). The motivation is important. The key points of motivation include the interest of PCBs in spending money for SMEs and how.

5.10.1. Discourse 5A: Involvement in Training and Development

Considering the issue, some crucial issues rose, such as, how PCBs could contribute in providing training and awareness programme prior to making financing decision and why? I presented a scenario to participants as example and then asked their views. I presented the scenario as

“for example, you can invite the declined owner-managers in a big hall room at any public college or school. You would explain the reasons of declines and after that you would keep communication with the attendant owner-managers. After couple of months, you can find out who of them have used the awareness and training for their business prospect (for enhancing CCA that I defined in the study). In this parameter, you can provide a small amount of finance to the owner-managers who have proved their enhanced knowledge and capability for enhancing business performance. In that case, bank could spend a part of their CSR (Corporate Social responsibility) budget as they...”

(The author)

Before ending of my speaking, a loan officer replied,

“No, it's illogical because the development of SMEs is the responsibility of government...that is not our duty. Why we provide 45% of our bank profit to government?”

(LO3, Mizan)

I presented the view of Mizan to other loan officers, higher officials of PCBs, BB and SMEF. All of them agreed with proposition and denied Mizan. Even some of them provide their views why PCBs should be involved with the enterprise development and training. however, none of them agreed with the concept of using CSR as they viewed that the PCBs should spend money from their business cost for their own interest. A loan officer explained-

“we already do that...we arrange for seminar and workshop with our entrepreneurs who use our loan...our head office bosses come and learn the problems of the owners...most as I know most of the banks do that...”

(LO6, Mannat and Sutom)

The loan officers have interest in enhancing the activities however they expect the strategic development of head office of respective banks (LO1, Rahman and Ritish) The debate on this issue develops a particular part of the research text. The research text provides some important clues that could motivate the PCBs to be more involved by being motivated for their own interest rather than only following the BB's regulation.

This theme responds to the key concept of the research that if PCBs have any scope in enhancing first accessing SMEs' financing eligibility in a holistic manner. The research text finds that the PCBs should take initiatives in some perspectives. Firstly, why they should contribute, and secondly, how they should contribute? The theme provide the findings that support the why and how.

5.10.2. Discourse 6B: Competitive Financial market

This discourse informs that the PCBs should undertake initiatives for enhancing financing eligibility of owner-managers of first accessing SMEs for their own business survival and interest. In the case of enhancing the awareness in SMEs, PCBs should contribute with their own business expenses, as the initiatives are important for their own interest. The contribution of PCBs' for the first accessing SME customers should be added to their business objectives as their marketing strategy. One of the higher officials viewed-

“yes, as a banker he is right in traditional banking system. But my thinking is different. I see much change in last couple of years. The financial market is very competitive now...so, banks have to do something new for their own survival.”

(HO23, Sattar)

The size of entire financial market is comparatively larger than the size of economy of Bangladesh where 56 banks including four state –owned commercial banks together with 31 financial institutions (BB, 2017). Therefore, the financial market is competitive where the survival and growth is a challenge for respective PCBs.

"Banks are in challenging situation. There are too many banks in Bangladesh. To compete with the competitors, we need to develop from our side. Bangladeshi government will not do...they are just expert in speaking...Your model is perceived effective. After completing your research please give me the results..."

(HO22, Istiak)

The research text finds that government is doing things for entire financial institutions in the perspective of macro-economic development. PCBs have to be innovative and take initiatives from their side to maximise survival and growth (HO22, Istiak; HO25, Akhtaruzzaman).

In addition to that, Bink and Ennew (1996) found that the relation between PCBs and SMEs is not customer-seller relation; this is principal-agent relation where agents work in field on behalf of principal. Thus, undertaking initiatives for agents is a responsibility for principal. Furthermore, ADB (2013) recommended PCBs to undertake holistic approach because of their own concern. For example, despite having many initiatives, the growth rate of PCBs' contribution to SME financing accessibility decreased by 10% in 2012 from 19% in 2011 (ADB, 2013, p5). PCBs have been trying to increase contribution in SME financing because of their own interest. Hence, it could be argued that PCBs understand their needs of SMEs as agents but do not act as a principal. Therefore, the problem is in their traditional attitude- not in the proposition of their contribution. For the reason, they have contiguous endeavours to enhance their risk assessment teams to hunt reliable SMEs for investing finance. On the other hand, this study found that in the

present traditional financing system, due to poor collateral assets (PCAs and CCAs), SMEs are not safe in terms of financing with flexible collateral requirement. Consequently, the funding for enhancing risk assessment team goes in vein. The reason is that PCBs

5.10.3. Discourse 6C: Survival and Global challenge

Research text finds a crucial financing market competition where PCBs are at risk of survival. Due to the global business competition, established business firms need quick finance either for surviving or taking advantage of the global/local market opportunities. Therefore, they need finance in short notice. One of the higher officials explained as -

“PCBs have to make additional assessment in financing large business organization that take longer time but large and established business need money in a short notice to take advantage of the local and global business opportunities. I am a former DGM of Bangladesh Bank... As my experience and observation, large and established businesses now do not wait for bank loan for longer assessment time...also there is bureaucratic complexity...They have a new trend to retain a handsome amount of cash money ... and have arrangement of different sources of finance. If this condition continues, five years later bank will not be able to survive. So, it is a good and innovative idea for them to develop small business customers today...to make relationship type lending... then after five years this Small business will be their large business customer....”

(HO23; Sattar)

PCBs in Bangladesh delay in taking financing decision for established business firms due to avoid information asymmetric hazard and other bureaucratic complexity. Hence, there is an emerging trend in business arena that the established firms tailor their business strategy with assurance of cash liquidity and alternative financing sources (Discourse 6A).

Due to the contextual changing situation in financial market, the PCBs will struggle for surviving in near future (HO24, Ashrafuzzaman; HO21, Ashiq). The reason is the local and global changing business condition. In the challenge, the large firms needs instant money with a short notice, however, due to information asymmetric risk, the PCBs

take longer time for entire procedure for financing large and established firms. Therefore, large and established business firms lose the opportunity and become interrupted in fighting with challenges. For the reason, the established and large business tailors their financial strategy with availability of other sources of comparatively quick finance. Therefore, PCBs are at risk of losing the established business customer. For the reason, they should pay more concentration on first accessing SMEs in the perspective that the today's small firm will be their big customers tomorrow.

The lengthy process has been supported by literature where a significant part of no-need customers (SMEs) do not apply for loan (Chowdhury, Azam and Islam, 2015; See section 1.2). The lengthy process is reflected in the primary research. However, this study finds that this is a risk for the PCBs due to the immediate needs of finance to challenge the global and local threats and to take advantage of the opportunity.

5.10.4. Ground of PCBs' Motivation in Enhancing CCA

This theme indicates that the PCBs should be motivated by their own interest rather than only BB's role. The BB's regulation for PCBs created such a theme that/perception that for macro-economic development, the BB has imposed some instructions on the PCBs. In other word, it could be stated that the BB has imposed some regulation on PCBs for its own interest where PCBs' interest has been neglected. The regulation has failed and very few of first accessing SMEs achieve the collateral-free loan (LO6, Mannat and Sutom; LO2, Khorshed). The reason is the PCBs' role is completely a holistic approach beyond the traditional truth of PCBs' interest. The key of the theme recommends that the PCBs should be motivated based on their own survival and interest.

To say analogically, PCBs are struggling like primitive aged people who only used to depend for their livelihood on naturally growing food in uncultivated land. However, while growing people density and demand of foods, they started cultivating land to grow food grains for meeting the increasing needs. However, the PCBs in conventional attitude have been enhancing risk assessment teams to primitively hunt for growing SMEs to invest in rather than nursing SMEs to grow naturally. For the reason, they have been repeatedly failure in increasing contribution in SME financing. Therefore, PCBs have to hunt naturally growing SMEs together with nursing initiatives on the ground of CCA.

5.10.5. Summary of the Thematic Discussion/Speculation of CCA by data achieved from loan officers and the owner-manager.

Based on the above discussion and analysis of research texts, it can be noted that the Bangladeshi context of the SME financing can be benchmarked with the findings of previous studies. In this context the PCBs have a positive intention to come out of the traditional collateral-based financial settings with regulatory support of BB (Section 2.5.1). By considering all the research experience and the data analysis, it is perceived that the CCA could be an alternative of the collateral assets subject to use through effective methods.

The CCA is not justified by quantification; however, it is not avoidable in the case of the research findings. The CCA has emerged in such a contextual reality and theoretical perspective where the practitioners and the researchers struggle for finding an alternative to traditional collateral asset-based financing system (Section 1.7; 2.6; 3.8; 3.9).

Contextually, as a part of macro and micro-economic initiatives, the BB initiated a holistic approach to enhance financial accessibility for SMEs. Under these initiatives, BB instructed PCBs to consider hypothecation and social security to provide finance for prospective firms. This means that BB instructed PCBs to find prospects for providing financing to first accessing SMEs.. BB also instructed PCBs to create enterprises by providing training and development programs (section 2.5.1). However, there is a lack of literature which analyses the practical effectiveness of BB's initiatives. This study finds that the PCBs loan officers find it difficult to enhance interactions with the SMEs (Section 2.6; 5.2.4). Moreover, they do not appear to have any noticeable initiatives. The reason is that strategically, the PCBs only tend to finance reliable SMEs who have sufficient MCA (Section 5.4.5). In the practical field where the loan officers are the main players, they try to find prospects in the owner-managers (Section 5.3; 5.6.2). In that case they find some factors that determines prospects for the business and the ability of it to repay loans. However, they find that future business prospects are poor with regards to first accessing SMEs. Consequently they have to go back to the collateral requirement (5.3).

As per BB's instructions they are to take initiatives for enhancing interactions with SMEs; however, they only arrange some seminars (5.8.8 and 5.10.1) and SMEs fairs (Section 5.8.9) to strengthen their interaction with approved SMEs and to show BB their

initiatives for enhancing interactions. It appears that BB's initiative is dysfunctional since BB intended to enhance interactions with first accessing SMEs (Section 2.5.1), but the PCBs only try to increase interactions with firms already approved (Section 5.10.1). Furthermore, PCBs use SME fairs to pick up reliable firms among the large amount of first accessing SMEs (Section 5.8.9; Appendix 4). None of the initiatives of the PCBs respond to the enterprise/entrepreneurship creation, one of the instructions of BB (Section 2.1; Appendix 4). So, the macro-economic initiative fails at the micro-economic level. This is because the BB imposes regulation on PCBs to set up their respective strategies for first accessing SMEs. This study argues, on the basis of the research texts, that only regulation does not work if there is no motivation and method (Section 5.10). This study argues that that the regulatory initiatives and PCBs' activities are full of ambiguity.

What factors need to be considered and how to assess them are not either strategically defined by the PCBs nor by the instructions of the BB. However, the field level loan officers subjectively want to understand some factors that determine business prospects in contextual settings. This reduces some ambiguity, but such subjective factors are not approved strategically neither by the PCBs nor by the BB (5.6.3). This study finds these factors are important and could be an alternative to collateral assets (5.6.3). The loan officers subjectively collect the factors from the social network and try to develop a cognitive understanding - if the applicant owner-manager has prospects and is, thus, safe for providing an initial amount of finance.

Literature calls the factors soft information. But that soft information is about the firms who have a long- term relation with the bank. Furthermore, there is ambiguity as to what determines soft information.. The factors the loan officers collect and consider is about the owner-managers who do not have relations with the bank. If this study calls these factors soft information, then again the readers will get an ambiguous message. So, the factors need to be named. This study considers these factors to be CCA.

Furthermore, from a practical standpoint, the loan officers are interested in collateral that can be easily converted to liquidity if the CCA assessment is wrong and the firm is unable to meet its debt obligations. The loan officers do not critically understand the definition of the collateral or collateral assets. They are mainly interested in assessing the price of the owner-manager's personal assets or the tangible assets owned by the business. As a result, this study finds that the loan officers give preference to land owned

by the owner-managers or their guarantors. The loan officers also assess the value of hypothecation by pricing the tangible assets on the firm's premises. Literature calls these factors collateral assets, collateral, personal assets and hypothecation. Each of the terms is respectively defined (Section 5.6). Based on the research in the Bangladeshi context, this study refers to them as MCA.

This study finds that first accessing SMEs have insufficient MCA. Therefore, the CCA and the MCA is poor with regards to first accessing SMEs. Thus, based on the contextual situation, it is risky for PCBs to increase financing for first accessing SMEs. Hence, the question emerges, what is the solution to enhance the financial accessibility? It is not realistic to assume that that a third party can enrich the MCA of the first accessing SMEs prior to the bank making financial decision. However, the CCA could be improved, scored/quantified and used for the first accessing SMEs as an alternative of the collateral assets. The level of education is one of the CCA factors but it is not possible to for PCBs to improve this (Section 5.6.2.1); however, this study finds that the proper learning through training and awareness can complement the level of education of the owner-manager (Section 5.6.2.1). This view of PCBs motivation is supported by data from the senior management of PCBs and BB

To improve, assess and use the CCA, a complete process of interactions is needed. The execution of the CCA needs support from macro and micro-economic perspectives. For micro-economic perspective, it needs the strategic support from the higher office/head office of the PCBs (Section 5.10.1). The PCBs need the support from macro-economic level. It needs the support of BB, the representative of the government for SME financing. This study finds that the strategic level officers of the PCBs and BB agree that PCBs need support. Under current BB regulations, PCBs need to be flexible and to provide training and development but the PCBs lack the motivation. This study argues that motivation is better than the regulation. The PCBs' support is needed for providing enough funds and for improving and using the CCA. This study finds that the PCBs agree to provide funds for the SMEs. The BB's support is needed in supporting the PCBs by providing methods of interaction and other logistic support. BB can use its existing relationships and collaborate with training providers and local and intra-governmental organisations that are active in micro-economic development.

The initial benefit of improvement in CCA is that the owner-managers will get higher level of learning and they will expect available training providers with other supports.

Thus, as CCA improves, the demand for training will increase and there will be a need to increase the provision of training and development.. The literature on training and development does not provide enriched information about the PCBs' training programme for SMEs as the instructions of BB. However, the senior management of the public and private training providers, including BB's officials of SME development wing (also a loan officer who works as trainer for SMEs), provide a platform for training and development in Bangladesh. However, the main training providers are located in urban centres and tend to have poor materials and an inefficient method of selecting trainees. As a result, the quality of training is poor and classroom based (Section 5.8). The owner-managers are reluctant to attend such training programmes. In addition to this, they expect immediate financing after attending training sessions (Section 5.6.2.2). Data collected from owner-managers, loan officers and senior management indicates that social counselling is better than provisional training.

On the basis of this data, this study argues that the training should be interesting and should be beyond classrooms with an initial amount of the finance immediately after training session.

Based on the outcomes from different level of participants, it is found that Bangladeshi context is such a situation where, the macro-initiatives are holistic and innovative, the PCBs and their loan officers want to enhance interaction with the SMEs for increasing finance without/with flexible collateral and the owner-managers have self-efficiency approach with poor learning attitude. While BB, training providers, governmental agencies and PCBs spend on training and development, so far, such training programmes have been ineffective.

Furthermore, research institutions, scholars and practitioners have focused significant efforts on basing SME financing and development on soft information and interaction between SMEs and PCBs

The next section has been tailored on the basis of the research findings by introducing the method of improving, assessing and using soft information of the first accessing SMEs with an outside classroom-based social learning method titled as "TTF" (Tour To

Finance) (Section 5.11.4). The soft information for the first accessing SMEs is the CCA and the TTF is one of the interaction processes. The CCA using method could be tailored by scholars and practitioners to suit different contextual settings.

5.11. CCA is the Best solution for enhancing the Prospect-based Financial Settings

The changing attitude of the PCBs, the first accessing SMEs are huge in amount (Cole and Sokolyc, 2016; See section 1.9). In the Bangladeshi context, only 82% SMEs have accessibility to external financial sources. As a part of macro-economic policy, the BB mostly emphasise the first accessing firms who do not have collateral, good record keeping and previous liability payment history (Bosry, 2016; Akter and Alauddin, 2016; See chapter 1). For the group of SMEs, the macro-economic policy of BB is effectively failure. The BB only imposes some regulations on PCBs keeping sufficient finance in hand for refinancing after having the first access; however, the same established and collateral-based first accessed firms are getting that finance (Section 5.4.5). In other words, the finance, indeed, rolling over the first accessed and established firms. The first accessing firms are still isolated from the mainstream financial sources. Though the macro-economic policy is innovative and holistic in manner, the holistic approach is failure in terms of implementing in micro-level initiatives.

In the micro-level, the PCBs instructed loan officers to enhance the efficiency of risk assessment (ADB, 2013). PCBs also follow the regulation of BB to enhance interactions with SMEs; however, that is only to find the reliable firms who have sufficient collateral. The main aim of the PCBs is to hunt and attract the reliable SME customers and to increase the customer retention (See section 5.8.9 and 5.9.1). In the branch level, the main target of the loan officer is to maximise the returns and profitability to satisfy the respective PCBs (Section 5.10.2; Section 3.11). On the other hand, loan officers have much interest in finding prospect but eventually they cannot do and have to rely on that MCA that result in the traditional trap cycle (Section 3.11; Figure 1) and ineffectiveness of BB's holistic approach (section 2.6). Therefore, there is a frustration in the loan officers. The reason is the way the loan officers assess the prospect is not systemised by an official approved template or matrix (5.7.1). In the way they assess CCA, they assess CCA in personal and social interactions and they barriers they face is the information asymmetric and inverse asymmetric problem (Section 5.7.3 and section 5.7.4). If the

CCA could be improved, and assessed without the kinds of information asymmetric problem, the macro-economic condition will be boosted up. To do that an integrated initiative of macro and micro-economic policy should be undertaken.

In the figure 3, the Date-Palm tree is in the heart of the entire integrated model. The tree is analogically a sample of the first accessing SMEs. In the root of the first accessing SME, there is CCA. The Left side of the figure is the macro-economic policy of BB that undertakes initiatives to improve CCA through the “Tour To Finance (TFT) scheme (Section 5.11.1). On the right and side of the Date palm tree model shows the micro-economic initiatives by PCBs. The TFT supported by the macro and micro-economic policy enhances the CCA and the CCA fertilizes the roots of the first accessing SMEs. The BB coordinates with the intra-governmental organisations and the training providers. The PCBs only interact with the SMEs. Hence, the active support of macro-economic support being coordinated by the intergovernmental organisation and training providers and active micro-economic initiatives by PCBs could make the tree fruitful.

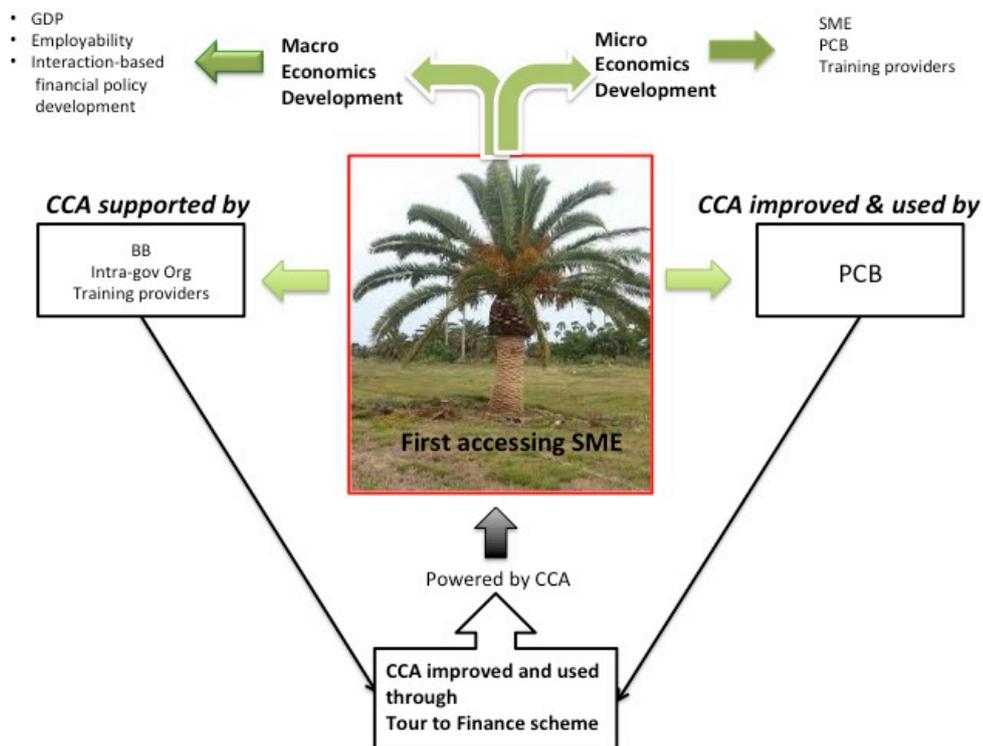


Figure 3: Date-palm model- a win-win situation

The BB will get the organisational profitability because the PCBs provide loan to SME borrowing from the BB by specific rate of interest. Likewise, the PCBs will get the interest from the finance. The both side will be continuously and gradually getting the benefit from the CCA-base financial accessibility. A relationship will be developing between the first accessed SMEs and the PCBs branch level loan officers and they will be able to use finance in the relationship lending provision.

The CCA-based finance will contribute to the macro-economic development in all perspectives. Particularly it will contribute the GDP growth, employability and entirely develop a macro-economic policy setting with the CCA. In this setting, there will be no confusion and frustration about the soft information/CCA factors as it will be regulated and practiced by the PCBs and SMEs by self-motivation.

The training providers are centralised to the capital city Dhaka and other big cities, which is inconvenient for the owner-managers (Section 5.8.1). One of the main reasons of this centralisation is that the training providers do not get available trainee in districts cities and rural area. After systemising the CCA, they will get available trainee through the bank branches across the country (See TFT scheme in the following phase).

The intra-governmental organisations that are associated with the SMEs development in Bangladesh provide training and fund for refinancing (Section 2.5.1. and 2.5.2). The refinancing and fund for SME development is their important objectives. After implementing the CCA powered financial system, they will get benefit because their objective will be met and they will get reliable context to provide more refinance.

Therefore, the CCA-based financial setting will be win-win basis and provide a one-size-fits all solution. However, the CCA development and using will be changing on some aspects. To come over the challenges, a complete interaction process should be developed. This study proposes an interaction process titled as “Tour To Finance (TTF)”. In the following section the TTF and how does it create a complete an effective interaction process to face the challenge has been explained.

Likewise, there are some macro and Micro-level opportunities. By taking advantage of the opportunities, the TTF has been developed. The Date-palm model shows that the development and using of the CCA will create one-size-fits all solution on a win-win basis. The following section shows how the CCA could be developed and used.

5.11.1. Interaction through Tour To Finance (TFT); a one-size-fits-all solution

Based on the research findings and the contextual settings, the associated researchers and practitioners could develop the CCA based on the respective contextual settings across the world. As this study was conducted on the Bangladesh, one of the developing countries, the TFT has been developed on based on the Bangladeshi context. This is an interaction process. However, the TFT is not the Idea that directly emerged from the participants of the study. In addition, this is not justified by the study. The research text emerged from the participants' discourses provides some contextual truth of real practice. Based on that this study tailored this model. Researcher and other audience and the practitioners only could develop ideas by following this model for developing, assessing and using the CCA for the declined and discouraged SMEs.

TFT is a concept by which a first accessing SMEs owner-manager can get the primary accessibility of finance based on CCA leading to developing a relationship lending. The TFT is entirely a set of process of interactions in macro and micro-level perception. In the interaction process, developing the CCA, assessing the CCA and the use of the CCA in a quantifying mode without the inverse-information and information asymmetric affect are the key objectives of the TFT model. This model is tailored imaging a six-month duration. The tour begins in the day 1 of the duration and ends with the first access of finance leading to developing a relationship lending. The entire TFT scheme is tailored on three steps. The step 3 ends with a first CCA-based finance and then the first accessed SMEs will start floating to the relationship lending provision.

Step 1: CCA development

Step 2: Assessing and using CCA with no information asymmetric affect

Step 3: CCA-based initial finance.

Step 4: Accessibility to the relationship lending provision.

In this model, there are three kinds of training will be included, which are T1, T2, and T3 which are based on “*the social counselling is better than training*” concept.

T1-Basic awareness: includes the basic awareness programme. It includes the attitude of owner-managers through changing the beliefs, which are B1 and B2 (Fig: 3. More clearly, it includes the introduction of alternative form of collateral assets i.e. CCA.

T2- Awareness about management other training: This is all about management training programme. But that is not actually management training, it only provides the awareness about importance of theoretical knowledge and skills in surviving and growth of business leading to first accessing finance. The learning outcomes is that the owner-managers will change their attitude to refer their staffs for gaining theoretical knowledge (HRM, marketing, financial management etc.) and concerned skills.

T3- Sector-wide training: This is the sector-wide training. The T1 and T2 is all about the belief and attitudinal factors of owner-managers. T3 includes sector-wide training and skill development. For example, training for poultry firms, daily firm, light engineering and so on. All these sector-wide trainings could be titled as T3A...T3B...T3C....and so forth. The following chart shows the entire steps of developing CCA, use of CCA and first access of finance leading to start-up relationship lending (RL).

Steps	Month →	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	Continuity
1 st Step: CCA development									
2 nd Step: Use of CCA									
3 rd Step: First finance									
4 th Step: RL start									

Table 4Gant Chart for Tour to finance

In this Gant chart of the “tour to finance”, it is shown that the entire tour starts with CCA development and ends with the first finance. The first CCA development starts in first month in step 1. In the second Step, the development and use of CCA continues. However, the concerned loan officer scores the improvement of CCA and MCA/tangible assets at the end of the fifth month. In the Step 3, the loan officer provides first finance to the tour attendant owner-managers based on highest score in the sixth month. At this stage, the first accessing firms entered into the bank as successful/approved firms. Seventh month onward, the PCBs/loan officers will start collecting soft information in the traditional way informed in the literature. Therefore, the “tour to finance” works as a

ladder to the relationship lending system by which the first accessing SMEs are accessed in the mainstream financing system. The following discussion explains how the “tour to finance” works.

5.11.2. Step 1: CCA development

In this step the CCA development will start through an outside classroom-based learning. This study proposes Knowledge tour. This Knowledge tour should be done within first half of the first month of the six-month tour to finance programme. After coming back from the tour, the awareness about the management training programmes (T2) should be provided by together with the CCA development. After cognitively assessing the improved value CCA and awareness about the management training, the loan officers can inspire them to assess their training needs analysis. Based on the sector/industry, the owner-managers then will feel the needs of their sector-wide training.

The “Knowledge Tour” (T1) programme; an alternative of Classroom-based learning

Knowledge tour falls into the networking framework. Networking is important for enhancing creativity, innovation and awareness (Hussain, Scott, Harrison & Millman, 2010). “Knowledge Tour” refers to a programme in which declined owner-managers (SME customers) of one district branch of PCBs will be referred to visit approved SME customers (successful owner-managers) of another district branch led by loan officers through a branch-to-branch networking system. Awareness programme about prospect based financing (where CCA is the alternative form of collateral assets) system could be provided during the knowledge tour.

Based on the interviews conducted as part of this study, it is apparent that owner-managers do not like classroom-based learning (Section 5.8.2). Therefore, non-classroom based learning is more effective to motivate them to learning. A traditional training programme looks like school teaching. None wants to see teacher again in their business operation stage. Furthermore, by nature, human being is fond of visiting new place and new things and seeing things and style differently. Knowledge tour itself is a learning context that does not push people to get into classroom; rather, the classroom accompanies the team of the group of trainees in the travel. The learning could be started

in the running vehicle, in different stops of charming/historical places in the way and finally end with the workshop/seminar type programme in the host district.

Learning Attitude development (T2)

Management awareness programme could be held on the next week after coming back from the knowledge tour. It could be held at a local venue such as sponsoring PCB's branch or any other meeting place. This programme focuses on the need of learning. This programme includes some basic theories of management, HRM, marketing, changing business trend, success factor and other operational theories based on local, national and global business trend. However, this is not the training, rather, this is about the "what is" and how this is related with business performance and financing accessibility including the issues that affect business and techniques of avoiding or overcoming the contextual challenges.

The CCA factors (Section 5.6.2) are personal and loan officer cannot express about the Poor CCA due to courtesy boundary (Section 5.7.4). In this phase of the TFT, the loan officers have opportunities to discuss about the CCA factors and the importance of the CCA for business performance. Then patients will understand their illness, create their business orientation and goal and can assess how far they are away from the first access to PCBs' finance how to start from today.

Sector-wise management training programmes (T3A...T3B...T3C...)

After The T1 and T2 in the step 1, it is expected that the owner-managers are now motivated to acquire other training such as sector-wise management training and other subject-wise trainings based on their respective sectors and business condition. The owner-managers either will fund themselves or may get the opportunity of learning from free of cost from NGOs and other training providers. At this stage, owner-manager will be seeking help of loan officers about the training needs, necessary fund source and the benefit of the training. The loan officers will help owner-managers to take decision about what training they needs, who should get the training, who will be the better training provider, how the training knowledge should be used and related factors. This is a continuous process of staff development. Once, the owner-managers themselves can take the decision and find source of training when the firm knows the arena of training and

development and needs. The outcomes of this stage are that the owner-managers will have improved learning attitude.

5.11.3. Step 2: Use of CCA with no information asymmetric affect

At this stage, the loan officer starts continuing the development of CCA and inspires owner-managers to use the CCA for their business. The continuous development of CCA will be continuing by a social counselling through a systematic way titled as “SME Adda”. The counting of the CCA will be measured through a scoring system. The Adda will continuously improving the CCA through knowledge sharing and network building together with scoring.

SME Adda and Informal social counselling

The research text found that there is a social and informal counselling provision. In this counselling system, an individual advise others if he/she like and see potential in doing good things such as business (Theme 5). This get together is titled as “SME Adda”. Adda means friendly gossiping, joking and informal speaking in young people. This term is interesting and well known to Bengali people. The actual manner of a person could be realized from an Adda. Adda crate and develop relations between the people who sit in the Adda. This is a key character of the social networking system in Bangladesh. PCBs can arrange for a kind of Adda very often (e.g. fortnightly, monthly) between loan officers, the first accessing owner-manager Approved owner-managers and other actors of the social counselling provision (Section 5.2.4). This is a method of knowledge sharing. This is a continuous life-long learning process for all first accessed owner-managers even they have floated in the mainstream financial provision after the TFT scheme.

Openness, ethical issue and limitation

In this relation, owner-managers will have much openness about the information to the loan officers. The loan offices need to have access to the business premise to visit the business and other issues that determine good business management. In this case, there might raise some ethical issues. To avoid the issues the both party should have some limitations.

Owner-managers should do

1. Owner-managers will continuously keep communication with the loan officers. Their communication will be reflected by the behavior with loan officers; the owner-managers will invite the loan officer to visit the firm at least once a week. Loan officers are welcome to visit any business time.
2. Owner-managers should be open-minded to share the problem and prospect, upcoming challenge and preparation to solve that, the challenges they have faced after last visit, expect advice, necessary information, training needs, source of training and related issues.

Owner-managers should not do

Actually, owner-managers do not have limitations. They should run their own business with full freedom. However, they should maintain the confidentiality about the information and advice they get from the loan officers. They should not insist loan officers to provide other firms' (competitors) personal information.

Loan officers should do

1. Loan officers should provide openness to his/her allocated firms that the owner-managers can speak when they need.
2. Loan officers should try to provide accurate information and social consultancy type help. If the issue looks complex then the loan officers should help the owner-managers to find a professional consultant.
3. Loan officers should have entrepreneurship mentality in dealings with his/her allocated owner-managers.

Loan officers should not do

1. Loan officers should be careful in disclosing the information of other firms.
2. Loan officers normally can see and assess the bank transactions. Therefore, they should not insist for/expect internal financial information if the owner-managers do not want to disclose.

Scoring CCA

At this stage After T1 and T2, a relation will be set up between the loan officers and the participating owner-managers. In this relation, the loan officers and the owner-managers will have specific responsibility and limitations.

Loan officers should monitor for making scoring on the basis of prospect determining collateral assets, which are CCA factors (Section 5.6.2) and MCA/tangible (Hypothecation) assets (5.6.1.1). At this stage, the loan officers also can assess and score

on “Hypothecation” appeared on the business premises changes in record keeping and entirely the capability of business orientation.

Step 3: CCA-based initial financing accessibility

Step three is the final phase of the tour to finance. This is the end of the six-month journey. At this stage, the final decision could be made. The loan officers will finalise the score and decide to provide first accessing finance to the higher scoring owner-managers.

Step 4: Accessibility to the relationship lending provision without information asymmetric affect

At this stage, the first accessing owner-managers who received CCA-based finance will be continuing the business by using the finance and maintaining communication through the fair openness and SME Adda. Then the loan officers will be collecting soft information about the dealing of owner-managers with the bank and consider relationship lending as usually.

The summary of the model is that, it starts with a tour and ends with an amount of bank finance within a CCA-based financing system. This model is the ground of the prospect-based financing structure. The CCA-based first access of finance is not the end of the model; rather this first access leads to a relationship lending system that the PCBs uses for established firms.

5.11.4. TFT and Challenge for Developing and Using the CCA

This research finds some key challenges in developing, assessing and using the CCA. The focal points of the challenges are the training provision is the CCA-unfit training provision, Poor learning attitude, asymmetric and inverse-asymmetric affect and classroom-based learning provision. On the other hand, there are some opportunities such as PCBs’ soft attitude to finance beyond the traditional collateral-based financing, loan officers’ attitude to enhance interaction with the first accessing SMEs, self-efficacy approach of the owner-managers, social counselling provision and BB’s role to enhance prospect-based financial setting.

CCA-unfit Training Provisional Issues

The training provision of Bangladesh does not support CCA development. (Section 5.2.3). The training centres are centralised to Dhaka and other big cities and the all other basics of training and development factors are not well structured. In the TTF, all the branches of Bank across the country would be the supplier of the trainees. Because only the declined and discouraged loan-managers will join the TTF where the branch will be the channel. The training providers will be decentralised to the rural cities being hired by the branch. Therefore, the insufficiency and the inconvenience situation will be resolved. The study finds that the training providers invite all the owner-managers in random way, which is a problem of the training session (Section 5.8.5). In this system, only the self-efficient firms' owner-managers will join the training.

Poor learning attitude and reluctance to training is a fundamental problem. The main reason is the classroom-based training provision (Section 5.8.2) and the expectation of immediate money followed by training (section 5.8.7). The TTF solves the problems. The theme of the TTF itself is to provide finance at the end of the tour. Therefore, the owner-managers have that hope of money subject to the degree of CCA score. In the TTF the owner-managers need not enter into a classroom, rather classrooms are travelling with them in the "Knowledge Tour" leading to SME Adda. The both are interesting to human being and could be defined as outside classroom based learning.

Firstly, by nature, people like travelling to new places. This model starts with a tour to a new place. Therefore, the learning is more likely outside classroom base. The owner-managers are starting learning things with a travel that motivates them to learn. Loan officers in an organized way arrange the time cost, transportation and accommodation. Therefore, owner-managers will be motivated to travel for training.

Secondly, the group of owner-managers has strong self-efficacy and they are defined as a growth firm (Shinozaki, 2014). So, by nature the group will be motivated for joining the tour to finance.

Finally, one of the poor learning attitudes is that people expect immediate finance after training because they believe that they understand the business and wonder about sources of available finance. They have also wants of knowledge but they do not feel the impact of the shortage of knowledge as they feel for finance. They will adopt the tour to finance because they have offered to achieve immediate finance at the end of the tour.

Other training related challenges such as training needs analysis, training publicity method an impact analysis (Section 5.2.3) will not get any room to play in the TTF.

Longstanding Beliefs

By the TTF the owner-managers' longstanding beliefs (Section 5.11.3) will be removed and they will know that money is not the only element for business, learning is important. In addition, they will know that the impossible collateral is not the main requirement for the loan, there is CCA, they have a level of CCA, they can gain high level of CCA and there is support in micro and macro-level (PCBs, training providers, BB and intragovernmental organisations). All the solution inhibits in the TTF.

Assessing the CCA

Though the CCA is, indeed, the soft information, which is not quantifiable (Berger and Udell, 2006; Section 1.3). However, in the TTF, the loan officers can develop CCA score in the Step 2of the TTF scheme (Section 5.6.2). They can use the score to provide the first access of finance on the degree of the score.

Inverse-information asymmetry

This inverse information asymmetry is the key driver of improving the financial accessibility for the first accessing SMEs. The inverse information asymmetry happens for the courtesy boundary (Section 5.2.2.4). In the perspective of using and collating soft information, Moro, Fink, & Maresch (2015) recommended maximising openness of the owner-managers. However, this study recommends loan officers to maximise the openness of the loan officers about CCA (5.2.2.4). In the TTF, there is no option for the asymmetric problem to emerge. Likewise, the openness of the owner-managers will be maximise because the loan officers have accessibility to sit in the business firm through the social counselling system.

Dictum affects and classroom-based learning

For developing CCA in first accessing SMEs' owner-managers through a traditional training and developing programme will face some challenges.

First, the CCA is such a quality that could be similar to the dictums of older people to younger such as, knowledge is important than money for business. People know this type of dictums from their childhood but not all follow that in their practical context. Consequently, when the people are now adult and owner-of a business, this is very difficult to feed them the dictums in a classroom-based training session. In the TTF, a situation will be created in the “SME Adda” (Section 5.6.2) where people will share, learn and realise in their chosen and interesting gathering. Furthermore, TTF starts with a “Knowledge Tour” which is interesting to human beings.

5.11.5. Opportunities for Improving’s CCA

The CCA and the TTF is not a newly emerged concept. This is the development of the existing attempt to use soft information through enhancing interaction for setting up a prospect-based financial situation (See section 1.3 and the Chapter 2). In the point of view of the CCA and the TTF, the situational macro-economic and the micro-economic initiatives are the opportunities for developing and using the CCA. The situational settings will support the TTF.

Macro-economic Policy/Role of BB

It is perceived that the Bangladesh government emphasises the SME sector as the main domain of the economic development (Section 2.2 and Section 2.3). The BB is the main public representative to regulate necessary strategy for financial accessibility. Therefore, the BB has a holistic approach to provide innovative regulation, source of available fund for refinancing and fund for training and development through coordinating with public and private organisations and intra-governmental organisations (Section 2.5). Therefore, the BB can support the PCBs by regulations and financial support for developing the TTF type scheme for CCA-based financing. Therefore, the TTF could be defined as the more organised method of interaction of the existing initiatives.

Micro-economic Policy/Role of PCBs

The PCBs have holistic attitude to provide finance to the first accessing SMEs going beyond the traditional collateral-based financing. In the field level, the loan officers are motivated to enhance interaction with SMEs (Section 5.2.1.2). There are opportunities for

PCBs to be motivated rather than following the regulations in win-win basis (Section 5.2.5).

The entire assessment process and the business culture social capital intensive. (Section 5.7.2. and Section 5.6.2.4). PCBs practice some interaction process instructed by BB such as workshop, seminar, SME fair etc. but that is only to satisfy the BB and as a part of customer retention process (Section 5.2.3.8). The practice of the PCBs is with the approved firms, not the financially isolated first accessing SMEs. The BB also instructed to use social network (Section 2.5.1) but that is not effectively practiced in the real field. The reason is the BB instructed PCBs to develop retrospective strategy but the PCBs are unable to do that. The “SME Adda” is the more organised way of the assessment of the CCA (5.11).

The study argues that PCBs’ motivation is better than BB’s regulations (Section 5.2.5). The study finds on the discourse analysis that the PCBs should enhance interactions with the first accessing SMEs for their own interest in terms of survival and grow. They have been trying to develop the interactions. In the theoretical literature, it is claimed that the PCBs have been spending much money to develop the interaction and the assessment process (See section 1.3; 2.6; 3.6; 3.11). The TTF is the organised system of their efforts with lowest cost, with the help of public and intra-governmental organisation, the PCBs

5.11.6. TTF: An Interaction Process for One-Size-Fits all solution

This section is the extended evidence of the Date-Palm model. That model shows that the CCA-powered financial policy could be a win-win framework for the first accessing SMEs, PCBs, training providers and macro-economic policy. The TTF is the initiative for require funds to be implemented. I have a recommendation to motivate PCBs by arguing that traditional system of PCBs for SMEFA should be changed. However, that was only the argument. Logic is the pillar of doing things but it does not ensure practical implementation. Practical implementation requires interest behind any budgeting. Hence, I do not like to push PCBs and BB only by argument, rather there is a counting of materialistic interest. In this model (Fig. 3), there some specific constructs selected. The transformation process made of these constructs will produce the win-win situation between the groups of beneficiaries. The participators are the beneficiaries.

5.11.6.1. Different group of SMEs/Owner-managers

Group 1- Declined owner-managers: These group SMEs' owner-managers once communicated with loan officers of a local branch of a PCB for loan but after making an assessment the loan officers have declined them. This group of SMEs is a part of existing SMEs in the business context. PCBs have opportunity to finance them based on the CCA. Group 1 enters into a branch of a PCB through applying for a loan. They have accepted with the offer of "TTF" programme. This group of owner-managers is known as "participating owner-managers". After participating in T1 and T2 activities, they will be using their CCAs for their existing business with the expectation of finance.

Group 2- Discouraged SMEs: This group of SMEs operates their business in the context. Some of them never apply for loan to PCBs as they have belief that without land and assets (MCA) banks do not finance (Section 5.2.1.3). They either make transaction through bank, or never have account with a bank. Observing the changes of the group 1, this group will know that without collateral the bank loan is available. Therefore, this group will be encouraged to apply for loan.

Group 3- No-need and approved SMEs. The no-need and approved firm also will be beneficiaries of the model and the PCBs will get benefit from them. The no-need firm is similar to the stability firms as they run business only for supplying money for family needs (Shinozaki, 2014). According to Smith (1967), this group could be defined as craftsman owner-managers. This group will be encouraged to be ambitious and innovative and to grow their business by using the model. Likewise, approved group of SMEs have been financed mainly based on collateral assets but they are not over the risks. The group will be attracted to the model for strengthening their existing business condition.

Group 4- Potential entrepreneurs in the context: According to the ILO (2017), 42% young people aged 16 to 24 are not either in work, training or education. This group of people is the reason of unemployment effect such as social unrest, social misconduct, extremism and many other aspects. They have the same belief that money is only element for business and land is the only requirement for bank loan. This group of potential entrepreneur will be encouraged by TTF activities as they have the CCA-based financial option.

Group 5- Higher educated people According to ILO (2017) more than 16% higher educated young people are unemployed in Bangladesh. The rate of unemployment is similar to the other developing countries, particularly in Asian developing countries. This research finds that the SME sector in Bangladesh, more likely the rural area, is full of craftsman type owner-managers (Section 5.6.2.1). The reason is the higher educated young people are reluctant to choose business due to some socio-cultural factors. The ground of the factors is the uncertainty of external financial sources. The TTF will encourage them to come to the business sector, as there is an alternative of collateral assets.

All group of people will be benefitted from the TTF scheme. The SME As the concerned loan officers have accessibility to the participating owner-managers, they can observe and assess the changes in the business. Then loan officers can assess and share the difficulties and experiences from the training needs with the reference of the chosen trainer for T3 such as, public, commercial, intra-governmental/NGOs and other available paid and unpaid training facilities.

5.11.6.2. Benefits for PCBs

In the model, the PCBs are the main beneficiary together with first accessing SMEs. They have a frustration that the potential eligible owner-managers are discouraged to seek for loan (Section 5.2.1.3). Through this model, the owner-managers will come to get the facilities of tour to finance. PCBs can find the reliable customers and provide loan without the involvement in the tour through this activities. PCBs will be the first beneficiary of the T3 from other paid and non-paid training facilities because the owner-managers will be using the knowledge and experience from T3 for using the finance of the PCBs. Therefore, PCBs should fund for the T1 and T2 within the “Tour to Finance” schemes for their SME customers.

The narrow room of PCBs within the MCA-based SME customers (18% in Bangladesh) (Ahmmmed, 2009; Section 1.1) will be enlarged when the CCA-based financing will begin because all groups of SMEs will be their reliable customers without strict collateral assets requirement. Since, the tour to finance leads to relationship lending from seventh month, the firms will be using the money for extending the business; then the sponsoring PCBs will have option to provide more finance without strict MCA.

Though the PCBs have to spend some finance for TTF, they will count benefit more than that. PCBs do not have any cost for training needs analysis, trainee recruitment and training materials selection. They have to cost only for the tour and SME Adda. The monitoring, observing, communicating and continuously developing CCAs-based finance will cost little. The PCBs already spend much money for enhancing interaction with the SMEs (Torre, Peria, Politi, Schmukler, and Vanasco, 2008; OECD, 2015; see section 1.3). This study argues based on the Bangladeshi context that the TTF will spend a little part of their existing cost for the TTF but the benefit will come much more.

The discouraged group of owner-managers will be encouraged to open account with sponsoring bank being inspired by loan winner owner-managers and their business growth. Likewise, the no-need group of SMEs will need finance because this group will turn into growth firm from stability firm (Shinozaki, 2014). The result is that PCBs get SME customers without any marketing cost that they spend for marketing team for increasing bank customer.

Beyond the group of SMEs, a huge amount of educated young people is unemployed or employed with job dissatisfactions. It could be expected that the unemployed educated (diploma to higher level) people who have entrepreneurship in them but due to financial difficulties, they are job seeker/holder. This group of people is reliable to the PCBs for higher level of social value system (Section 5.11.6.1). This group will be encouraged to the sponsoring PCBs to join the “tour to finance” scheme as this tour is ending with finance. Therefore, PCBs will get reliable highly valued customers for financing.

The entire collaboration will create a culture where people’s longstanding beliefs will be broken. In the culture, people understand that either land is not only collateral asset for finance or money is not the only element for business. They understand that there is CCA, an alternative form of collateral assets that only they can increase that for finance, not other third hand guarantor.

5.11.6.3. Benefit analysis for BB

SME financial accessibility is the most important issue for the BB. The BB’ initiatives for enhancing the small business financial accessibility is innovative and holistic. They main point of the BB’s initiatives is to provide collateral-free loan where the focal point is to create entrepreneurs (See Chapter 2). However, the initiatives are not practically

effective. The reason is the regulation only does not work if there is no effective method of motivation. This TTF and the CCA is the organised method, which, in macro-economic perspective, will meet the BB's goal.

It is discussed early that the BB's finance is actually used for SME via PCBs. In considering that relation between BB, SMEs and PCBs, the BB will benefit financially in the same way as PCBs do. The financial benefit is counted this way when BB is considered as a commercial bank as it will get more interest from SMEs via PCBs.

However, the truth is that a central bank controls and developed the financial framework of an economy (See Chapter 2). BB provides PCBs loan with a rate of interest and they get 45% of the PCBs' year-end net profitability. The 5% interest is not their business goal rather this kind of interest rate, profitability rate and other promotions are simple tools of a financial setting of a country. The main profitability will be that the increasing amount of SME financial accessibility through this model will accelerate the economic and financial activities. The moving of finance in an activated economy creates option for government to derive more tax. Likewise, the contribution of SME to GDP growth will be increased.

The amount of PCBs and their branches are increasing day by day. Now the amount of all branches of banks is more than 3000 across the country (BB, 2017). Each branch will have trainee who are, indeed, the customers of public and private training providers. Therefore, the training providers will be decentralized.

More than 40% young people aged between 16 and 24 are either not involved in study nor job or training. This huge amount of young people will be employed either as employee in SME sector or as entrepreneurs. SMEs then have a greater contribution to the economy.

5.11.6.4. Social capital-intensive financing structure

The effective role of all kinds of beneficiaries will develop a new culture between entrepreneurs and financial institutions where unemployed middles and higher educated young people will come to business as they have opportunities to receive bank finance through by developing and using CCAs through the kind of "Tour to Finance" programme. In this culture, they need not be discouraged for only collateral assets

because they have alternative of the collateral assets, which is CCAs. They will know that they have CCAs and they can measure the value of the CCAs, they have opportunities to improve the CCAs and they can achieve external finance by using that CCA.

There are some impact of this culture on the centralization of training providers and the use of social capital. The branches of PCBs are deployed across the country. Therefore, the PCBs braches will have the tour to finance programme and they will have participating owner-managers. In other words, there will be available customers for training providers. Consequently, the private training-providing organisation will be encouraged decentralize their centres across the country.

Networking will be established between the individual owner-managers, the PCBs and the training providers. In that networking system, the declined, no-need, discouraged and even approved firms' owner-managers and potential entrepreneurs will have CCA-based financial security, the PCBs will have security of return and the training providers will have availability of customers. The entire networking will create a new kind of social capital. In addition, this social capital will be used for SMEs' financing security in a constructive and secured way.

5.12. Chapter summary

This chapter present the primary data and analysis with concerned discussion, organised around five research questions that focus on the financing determinants, the method of assessment, and the barriers in enhancing interaction to collect and use soft information. This chapter mainly presented the thematic discourse analysis in six Themes. Theme 1 represents a preamble of the changing financial attitude of the PCBs (Section 5.2.1). Theme 2 provides the discussion and evidence of the research question1 (Section 5.6). The grid of the research question 1 is that the PCBs collect and use soft information and significantly consider as complementary of collateral assets. This study defined that as CCA. CCA is a kind of quality inhibits in the owner-managers that determines business prospect. In the literature, there is ambiguity of the definition of the soft information. The CCA removes that ambiguity. PCBs could develop, assess and use the CCA as an alternative of the collateral assets. The Theme 3 finds the assessment process of the CCA. The loan officers assess the CCA subjectively. The assessment is impeded by information asymmetry and inverse information asymmetry. Consequently, the CCA is

not used effectively (Section 5.7). However, the improvement, assessment and use of the CCA is challenged by the impediments. A systematic process is needed. This study proposed a complete interaction process titled as TTF (Section 5.11.1). The main contribution of this study is that the CCA and its use through the TTF type process will enhance the financial accessibility of the declined and discouraged firms. The accessibility will contribute to the GDP and employment of the country.

Chapter Six: Conclusions and contribution

6.1. Introduction

The aim of the study was to enhance SME financing accessibility to PCBs giving priority to first accessing SMEs. First accessing SMEs refer to the firms who have applied for loan to PCBs but were declined, and those who never apply for loan with the expectation of decline. For the particular group of the SMEs, the PCBs have a changing attitude to increase financial accessibility of the first accessing SMEs. The main point of the ambiguity was in the definition of the soft information, the actual aim of the soft information and the assessment of the soft information (See Section 1.3 and 1.7). In the literature, the soft information was mentioned as a tool of relationship lending. The soft information was collected through a continuing relation with owner-managers. However, for the first accessing SMEs who do not have any long time relation with a particular bank's branch level loan officer how the soft information was collected was not clearly defined. Why the soft information was collected was not clear. Was it trust if the owner-managers would pay back the returns despite having a good business performance? Alternatively to find if the owner-managers can make good performance from which the returns will come. The contextual settings and the BB's holistic regulations reflected that the soft information was collected to determine business prospect but it were not specifically defined (See chapter 2). Due to the ambiguities and failure of the existing interaction process and use of the soft information, ADB (2013 recommended PCBs to undertake holistic approach in the manner of One-size-fits on solution.

This study started its expedition to contribute to the ambiguities. This chapter presents the key findings of the study and contribution to those of ambiguities.

6.2. Research Methods

This study adopted qualitative research framework. This approach has been followed by in-depth qualitative research informed by the concept deigned from literature. Such an approach is focused on the understanding of human experience. The focus of this research was to revisit the issues associated with the interactions between loan officers and first accessing SMEs' owner-managers. To find the interaction, I used snowball-sampling method. The primary participants were the branch-level loan officers who directly interact with applicant owner-managers. Then to derive deeper understanding, I sought help to

loan officers for further experienced and experts on the issue. Then they referred me to issues-specific participants. Therefore, I interviewed PCBs' branch manager/loan officers, the owner-managers, the higher officials of PCBs, higher officials of SME foundation, Bangladesh central Bank (BB), BSCIC and MIDAS. I continued the interviewing with loan officers until I was achieving new information.

I used face-to-face interview method with guided semi-structured questions. This guiding tool was the diverse ideology of the respondents created by their background, experience, and observations (Appendix 1). However, the questions were not directly used in interviewing, rather, that these questions were used for myself to control the narratives and discourses in line with the five research questions that was constructed based on gap in the literature. The critical discourse analysis method was used for data analysis. Then chosen discourses were then blended on a thematic discussion framework. Themes were developed in a six-step process outlined by Braun and Clarke (2006).

6.3. Findings of the research

The entire findings have been presented in the chapter five in the sequence of the research question. It is complex to exhibit the entire findings in a precise form of contents. However, the table 5 attempts to demonstrate the basic gaps in the literature, the findings and a one-size-fits-all solution. Based on the table, the later discussion presents summary of the study headed by the research questions.

In this table, it is shown that the entire thesis has been organized based on the five research questions. This study finds the answer of the five questions in the literature and in the research text. The literature sometimes does not respond to the research questions, sometimes partially responds to the research question, which eventually does not satisfy the entire aim of the research and consequently produced some gaps. Those gaps needed to be closed to fully answer to the research questions. The findings of this study is classified and headed by 6 themes, which are-

- Theme 1: SME financial market moves in a holistic manner (Section 5.4)
- Theme 2: Complementary SME financing structure of Bangladesh (Section 5.6)
 - Subtheme 2A: Using collateral assets is complex for financial accessibility (Section 5.6.)
 - Subtheme 2B: personal attributive factors determine business prospects (Section 5.6.2)

- Theme 3: Prospect assessment process is subjective and interaction-based (Section 5.7)
- Theme 4: Conventional training and development provision is CCA-unfit. (Section 5.8)
- Theme 5: Informal social counselling is an alternative of classroom-based learning (Section 5.9)
- Theme 6: PCBs' motivation is better than BB's regulation (Section 5.10)

Theme 1 does not respond to any particular research questions. It provides a basic understanding of the changing SME financing setting that supports the research question 4, a revised model for enhancing interactions. In this theme, the key findings are that the definition of SMEs does not importantly matter to the loan officers. The loan officers have intention to enhance interaction with the owner-managers but the owner-managers are reluctant to apply for loan for their longstanding belief. The beliefs are the land is the main element for bank loan and money is the only element for business.

6.3.1. RQ1: What factors do the PCBs' branch level loan officers assess prior to making financial decision as an alternative of collateral for first accessing SMEs?

The financing determinants are perceived in the literature are ambiguous. This study conceptually classified the entire factors that the branch level loan officers examine for the first accessing SMEs. In the collateral-based determinants, some kinds of financing technologies were portrayed (Udell (2006)). They are statement-based lending system, asset-based lending system, small business scoring method, and factoring and trade credit. In all this system, the primary source of repayment in an unsuitable no-return situation is the collateral and the collateral assets (Section 3.4).

The literature informs that there is an attitude of financial market to come out of the traditional collateral-based financing system. I defined that as prospect-based financing structure. In that changing attitude the BB undertook regulatory initiatives (Chapter 2) and the PCBs intends to consider soft information (Section 1.3). In the BB's regulation, the collateral-free financial accessibility has been instructed based on "Hypothecation" and personal guarantee (See section 1.3 and 2.6). The BB also instructed PCBs to use social network, provide training and development programme to SMEs and enhancing interactions with SMEs by tailoring the PCBs' respective strategy. On the other hand, the literature only provides clues that the PCBs endeavour to enhance interactions with the SMEs by spending much money. The entire use of soft information and the prospect

determination is not clear in the literature. The terms such as soft information, relationship lending and information asymmetry indicates the SMEs who have long-time relationship with banks, have record keeping and previous liability payment history. The first accessing SMEs do not have any of this requirement except the soft information. Therefore, the question emerged about the definition of the soft information, the aim of the soft information and the assessment process and the better use of the soft information.

Based on the terms and “Hypothecation, this study produced some key findings, it was perceived that in changing attitude of SME financial market; particularly PCBs have much afford to increase SME financing. The PCBs are not rigid with any of the financial determinants. The loan officers only try to find prospects in the applicant owner-managers and security of return. For the effort, they assess some factors such as tangible assets and other personal assets and personal attributes. They are not strict within the BB’s instructions.

All the factors provide a degree of security of return either by ensuring the liquid money from claimed collateral assets or by expected business performance. This study finds that the loan officers find prospects in owner-managers’ personal attributes (Section 5.6.2.2). They also use “Hypothecation” more likely for finding prospect rather than as collateral assets, though it provides security of return by liquid money (5.6.1). However, they consider personal assets (land) as collateral assets. Therefore the tangible assets and the personal attributes determines business prospect. On the other hand, the land determines the value of the collateral assets.

This study defined the factors as collateral assets as they provide security of returns either by either by performing good business or by proving liquid money. The newly defined collateral assets are CCA (Cognitive Collateral Assets) and MCA (materialistic Collateral Assets) (Section 5.6.3).

The CCA is a quality of the owner-managers that creates a trust in the concerned loan officers. The CCA factors are-

- Poor learning attitude
- Involvement in politics
- Involvement in unethical business
- Personal/family life complexity
- Involvement in manpower business

- Social capital using Capability

(Section 5.6.3)

MCA provides the primary source of liquid money from the claimed collateral assets. It includes land and tangible assets (MCA/land and MCA/tangible assets). MCA/land is the determinant of collateral-based finance as the PCBs/loan officers have much preference in land as collateral assets. BB considers the MCA/tangible assets (Hypothecation) as collateral assets; however, this study finds that the loan officers consider only land as best collateral assets (5.6.1.2). They less likely consider the tangible assets as collateral assets; rather, they consider the tangible as the determinant of business condition and business prospect (5.6.1.1). The first accessing SMEs have poor MCAs and the owner-managers are restricted to use the MCA/land due to the social factors, familial and judiciary complexity (Section 5.6.1).

Therefore, the CCAs and the MCA/tangible assets (Hypothecation) determines prospect and the MCA/land determines collateral assets for the first accessing SMEs' owner-managers.

New findings

All the four kind of collateral assets (MCAs and CCAs) are not entirely new findings. The MCAs are informed in literature, which is the key requirement of SME financing in traditional SME financing system (e.g. Udell, 2006; ADB, 2013; Shinozaki, 2014). This study more critically attempted to find “why” beyond “what is”. This study found that for first accessing SMEs; the loan officers require land as the most preferable collateral, whereas they do not find prospect in owner-managers by assessing the degree of CCA value. This is widely recognised that the first accessing SMEs have poor/no-collateral assets. Often whatever they have is impeded by social and familial factors (Section 5.6.1.2).

The CCA could look similar to personality traits and entrepreneurial orientation that have been abundantly found in literature (e.g. Nooteboom, 1994; Muchiri, & McMurray, 2015). However, in the case of financing accessibility, the loan officers find and assess the CCA factors (Section 5.6.2). For social capital, the available literature informs the use of social capital for business performance; (e.g. Gedajlovic, Hong, Moore, Payne and Wright, 2013; Du, Guariglia, & Newman, 2015); however, no study found the impact of

the social capital influences on PCBs' financing decision. Literature confirms that the social capital is all about trust and networking between individual and group. This study found that the misuse of social capital is related with the risk assessment process in terms of any prospect determinant that influences loan officers decision-making.

The literature discusses the soft information (e.g. Hernández-Cánovas, & Martínez-Solano, 2010; Udell, 2006); however, it does not specifically the definitions of the soft information, the soft information factors, the aim of the soft information and the degree of importance of soft information (Section 1.3 and 1.7). The literature informs that the loan officers collect the soft information by long time relations for relationship lending. Here the condition is the "long time relation" but in the case of no long time relations with first accessing SMEs, the literature has not informs any clue (Torre, Peria, Politi, Schmukler, and Vanasco, 2008). Furthermore, the soft information for relationship lending reflects a restriction for the SMEs. In this system, an individual owner-manager only can get relationship-based loan from the particular bank with which he/she has long time relation. The owner-manager cannot use the relationship with one bank for seeking loan to other banks. This study found that the soft information is CCA and the owner-managers can use the CCA for seeking loan from any bank because the CCA is created in the society- not with a particular bank's loan officers. Consequently, soft information is important for first accessing SMEs who either do not have long time relation with banks or do not have sufficient collateral assets. The soft information (CCA) is collected socially by using informal social network, not by long time relation with a bank. The loan officers are the actual risk assessment team and fully empowered to make decision for the first accessing SMEs.

6.3.2. RQ2. What procedure do the branch level loan officers use to create interactions with the firms' owner-managers for assessing the soft information for making prospect-based financial decision?

The entire interaction process happens in six steps as follows – starting with the first contact (either verbally or officially) with loan officers and ends with informing the decision against the application, which are-

Step 1: Verbal appeal for finance to loan officers: At this stage, the owner-managers informally contact with a loan officers. Loan officers primarily make a rough assessment. If the land is insufficient, then they assess if the business is prospective.

Step 2: Documents requirements: If the primary unofficial assessment result is potential for financing, then they require documents. The documents include the paper of collateral assets, legal papers, bank transactions and cash memo.

Step 3: Primary investigation: At this stage, the loan officers make critical investigations about the CCA factors of the applicant owner-managers.

Step 4: Official decision: Considering all the information and documents putting in a table, the loan officers and the branch managers finally decide for the next step.

Step 5: Application sent to head office: If the decision is positive, then the branch managers decide to send the application to the risk assessment wing in the head office. This study found that almost 100% application is approved by head office. However, sometimes, the head office requires some further evidence and documents and resizes the loan amount.

Step 6: Informing result to the applicant: The approval of the application is officially sent to the successful owner-managers with the requirement of advanced signed cheque. The poor CCAs and APCAs are the main reasons of declining the appeal. However, the loan officers do not provide the actual reasons of declining the application to the unsuccessful owner-managers. Rather, they use the reference of head office, area managers, other higher officers and problem in papers of land and other documents and assets.

BB allows PCBs to provide collateral-free and hypothecation-based loan and empowers PCBs to set up their respective strategy for assessment (Section 2.5). No study was conducted on the BB's instructions and application in practical that states any clear set of assessment process. This study clearly exhibits the six steps assessment process that the loan officers follow. The entire investigation process is more likely social-capital intensive.

Theoretically, there are clues that inform that the PCBs have soft attitude to enhance interactions (Torre, Peria, Politi, Schmukler, and Vanasco, 2008; OECD, 2015; BB, 2017; Section 1.3, Section 1.1 and 2.5); however, the interaction process is not clearly defined. This study proposed the TTF model to enhance the interactions regarding the first accessing SMEs' financial issue (Section 5.3.1). Response that is more detailed depends on the improving, assessing and using soft information with no effect on information asymmetry. The detailed response has been more clearly explained in the response to the RQ4 (Section 6.3.4).

6.3.3. RQ 3: What is the key impediment in enhancing SME financing?

The key barrier in enhancing the prospect-based finance is the subjective judgement of the loan officers. The research informs that the CCA is poor that inhibits in owner-managers. Furthermore, the assessment and use of the prospect through CCA (and MCA/tangible assets) is impeded by some fundamental problems as follows-

6.3.3.1. Information asymmetry

Loan officers are fully empowered to assess and decide; however, they are not instructed with any official template/matrix for soft information (CCA). Therefore, the loan officers subjectively assess the CCA factors and as they see the CCA is poor then they have to require MCA/land. This means they have to require collateral assets being influenced by adverse selection problems (Section 5.2.23). They collect soft information (CCA) socially, subjectively and cognitively. The sources of information may mislead the loan officers as either there is not training programme provided to loan officers for using this or no template for measuring the degree of CCA in owner-managers. Consequently, loan officers consider this soft information (CCA) with much confusion. On other words, information asymmetry affects in making cognitive understanding about CCA. Hence, CCA is poor and affected by information asymmetry. Therefore, the poor collateral assets and the information asymmetry is the key barrier in financing accessibility (See section 5.2.2).

6.3.3.2. Inverse information asymmetry

The definition of information asymmetry is that the owner-managers have more information than the loan officers do (Elas and Krahn, 2002; Lehmann and Neuberger, 2001). Moro, Fink and Maredsh (2013) prescribed to maximise the openness of the

owner-managers to loan officers for reducing the information asymmetric affect. This study argues that due to curtsey boundary, the loan officer never become open to the owner-managers with the poor CCA. Rather they misleads the owner-manager by excusing the poor collateral, documents and head office or area managers. Consequently, the owner-managers have created a longstanding belief that without land the bank loan is impossible and only money is the element for a business. The consequence is that the loan officers know more about the CCA of the owner-managers than the owner-managers do. This study defines this asymmetric problem as information asymmetric problem. For the reason, the owner-managers act to reduce the information asymmetric affect.

Inverse information asymmetry is a puzzle of politeness by which there is a *“patients do not know their illness type”* problem. The consequence of this puzzle is that the loan officers provide all of their effort to find collateral-based financing and owner-managers use all of their effort to create and show MCAs. This is the fundamental barrier for both the PCBs and the SMEs. This study defines this gap between PCBs and SMEs as “SME trap cycle” (5.2.2.4).

6.3.4. RQ4.

A. What could be an approach to improve the financial accessibility of decline and discouraged firms through better use of the soft information?

B. How PCBs could contribute to develop the financial accessibility of the declined and discouraged SMEs in a win-win basis.

Since the financial determinants, the CCA and the MCA is complementary to each other (section 5.3.1 and section 5.4.1), improvement of any of them is the solution. The MCA is not possible to be improved by the PCBs or any other third party for enhancing financial accessibility. However, the CCA could be developed. This study argues that the development of the CCA is the best solution that could provide a one-size-fits-all solution (Section 5.3.1; Figure2). However, the level of education cannot be changed in short time but proper and effective training and development could (Section 5.6.2.1- Craftsman approach). This study argues that an effective process of CCA development could be complementary to the level of education. However, the development, assessed and some fundamental barriers challenge use of the CCA.

- The longstanding beliefs of owner-managers (money is only element for business and land is only element for bank loan)
- The poor learning attitude
- Unstructured training and awareness provision, centralization of training centres to Dhaka and big cities, insufficient training facilities, inefficient training providers and other training related factors are poor and that does not support the CCA development
- The information asymmetry in measuring CCA
- The effect of inverse information asymmetry
- Motivation to SMEs and PCBs and
- Initiatives with fund for training

(See section 5.3.2)

On the other hand, there are some opportunities in the contextual setting to improve the CCA. The opportunities are

- Macro-level initiatives where BB generates innovative regulations for enhancing the interactions for enhancing the first accessing SMES (Section 2.5).
- There are micro-level initiatives for enhancing the interaction where the PCBs attempt to enhance interaction with SMEs (See Section 1.3)
- The loan officers have positive intention to enhance the interaction with the SMEs to find prospect (Section 5.2.1).
- The owner-managers have self-efficient attitude to grow and develop the business (section 5.2.1.4)

Therefore enhancing the existing interaction by using the opportunities have been prescribed for developing the CCA. For developing the CCA, different audience and practitioners could develop different model based on the respective contextual settings. Based on the research on the Bangladeshi context, this study proposed a model for enhancing the interaction in a systematic way titled as TTF (Tour to Finance) (See Section 5.11.1).

This study argues that only regulations do not work. This is because PCBs are a kind of business organisation who depends on the degree of the security of the return. The existing level of CCA is not safe for their survival, growth, and business profitability. In that case, the regulation without a method of interaction in win-win basis is important (Section 5.2.5). They need to have motivation and support in contributing in the perspective of their interest. This study finds that the PSBs should contribute in the interaction process for their own survival. The main ground of the argument is that to

cope with the challenge and take advantage of any opportunities in the local and global market, the established business firms need external finances in short notice. PCBs have to survive to complete the assessment due to the moral hazard. This changing circumstance discourages established firms to seek for bank loan. They are tailoring their financial strategy with other sources of finance. Therefore, PCBs have to take initiatives for first accessing SMEs finance and to build up a relation with them for gradually increasing the financing (Section 5.9.1 and 5.9.4).

Based on the research text and critical analysis the method for enhancing the first accessing firms' financial accessibility, the CCA is medication. TTF is the method of using the medication. Why and how the CCA and the TTF will work has been briefly presented in this section.

Tour to finance- a method of interactions

The 'tour to finance' refers to a programme by which the declined owner-managers will start the tour with learning, they will develop and use CCA and finally they will be provided CCA-based finance leading to start-up a relationship lending. This is a four-step model with three kinds of training, which are T1, T2 and T3. T1 includes basic awareness about prospect-based/CCA-based finance. T2 includes knowledge and importance of theoretical management knowledge for the business performance. T3 includes sector-wise training (Section 5.11.1).

Step 1: Step one is the start of a tour titled as "knowledge tour". In this tour, declined owner-managers of one branch of PCBs will be referred to visit established SME customers of another district branch led by loan officers through a branch-to-branch networking system. The knowledge tour programme includes T1. The main aim of T1 is to break the owner-managers longstanding beliefs about business performance and bank finance.

Step 2: At this stage, owner-managers will be provided with T2 and T3. T2 builds up the awareness about the importance of training and development and theoretical knowledge. T3 is sector-wise training that the owner-managers need based on the kind of their product and services. Loan officer will assist the owner-managers to choose which T3 they should adopt, where is the training centre, the available training provider with less/no fund for training.

Step 3: At the end of the six-month tour, the loan officers/PCBs will approve an amount of loan at step 3 based on a CCA-based scoring system. Step 4 will be the start-up of relationship lending.

In this conceptual model, all the challenges can be overcome. This is a one-size-fits-all solution because both parties are getting benefit from this model in a win-win basis. The first accessing SMEs are getting first access to PCBs and PCBs are getting more reliable customer to establish a relationship lending. This model also overcomes all challenge of developing and using CCA-based financing (See section 5.8.3).

6.4. Contribution of the study

This study contributes in existing theories of SME financing risk assessment and macro-economic development. This section presents the contribution in the two perspectives.

6.4.1. Theoretical Contribution

The entire outcomes of this study respond to the gap outlined from the literature regarding SME financing accessibility to PCBs. The gap is fundamental for SMEs and PCBs. The summary of the gap was portrayed in chapter 3 (section 1.3 and 1.7).

6.4.1.1. Collateral requirement

One of the fundamental barriers in enhancing SME financing is the collateral requirement. The key characteristics of SME are that they have poor collateral for external financing (Lean & Tucker, 2001). This study finds the alternative of collateral assets, which is CCA when it is executed by ‘tour to finance’ type programme where loan officers and SME owner-managers are directly related.

6.4.1.2. Information asymmetry

Information asymmetry is the fundamental barrier that leads to collateral assets requirement. No previous study has found a complete model/concept that can effectively reduce information asymmetric affect. This study solves that problem. In the “tour to finance” programme, there is no option to emerge the information asymmetry, particularly for first accessing SMEs within prospect-based financing technology.

Furthermore, Moro, Fing, & Maresch (2015) claimed that the information asymmetry more likely causes for the lack of openness of the owner-managers. The study recommended the risk assessment team to be more open in assessing the soft information because the openness of owner-managers is not improvable. This study found that the openness of risk assessment team is risky for banks. Rather this study provide a model by which the openness of owner-managers is improvable and there is no room for information asymmetry to play.

6.4.1.3. Relationship lending

In the traditional financing provision, there is an alternative of relationship lending; however, the relationship lending is not effective for first attempting SMEs, as they have no long time relation with particular PCBs. In Bangladesh, there is an emerging attitude in PCBs to provide collateral free (hypothecation-based) loan for first attempting SMEs. The attitude emerged from the hypothecation-based financing instruction by BB, which is not mandatory. However, many PCBs setup their strategy on the realization that the enhancement of increasing SME financing is a characteristic of first growing ban (Theme 1). The rate of that collateral-free loan is lower than the collateral-based loan (Akther and Abdullah, 2016). For relationship lending, the first accessing SMEs need to ensure two things, which are a relation with a bank and a first access to finance. No previous study introduced any models that enhance/create a relation between bank and first accessing SMEs. The “tour to finance” programme ends with a relation with banks and first access to finance.

6.4.1.4. Soft information

Previous studies found soft information is important for relationship lending; however, no study specified the importance, kind and quality of soft information. No study produced a conceptual model that develops the quality of soft information. This study specified the kind and quality of soft information, the importance of soft information and the use of the soft information. In previous study, the soft information is all about the financial behaviour of owner-managers that assessed by a long-term relation with loan officers. This study found another kind of soft information, which are the CCA factors, particularly for first accessing SMEs. Not only that, this study also provides a conceptual model by which the soft information could be developed, assessed and used for the first access to PCB finance. The model is the “tour to finance”.

6.4.1.5. Learning attitude

Reluctance to learning from training and development programmes is a fundamental problem of the owner-managers (Townroe & Mallalieu, 1993). The fundamental poor learning attitude of owner-managers in Bangladesh is the more contextual truth because of the longstanding beliefs. In addition to that, the poor availability of training facilities (all training providers are centralized to Dhaka and other big cities) and poor quality of the trainers discourage them. In the concept of the “tour to finance” programme, all the branches of all PCBs deployed across the country will be the training centre/organizer. So, the model will decentralize the training facilities. Another problem of the poor learning attitude is the uncertainty of available finance. The “tour to finance” programme ensures the finance at the end of the tour with the condition of the CCA improvement. So, owner-managers will be inspired to join the tour with expectation of first access to finance at the end of the tour duration.

6.4.1.6. Contribution of PCBs

Previous studies recommended PCBs to develop the efficiency of their risk assessment team (ADB, 2013). Other studies found that the PCBs have an attitude to make more interaction with SMEs (Torre, Perya and Schumbler, 2010; Torre, Pería, Politi, Schmukler, & Vanasco, 2008). All of the findings and recommendations focus on the PCBs’ contribution to develop their own side. This study found that the PCBs have scope to contribute in improving the financing eligibility (CCA-based) of SMEs in a win-win framework and the SME side to increase finance in a win-win framework and in a safe way. Though, Udell (2006) found that the pricing of SME financing does not that much differ from large business, many research claim the issue that PCBs are reluctant to finance SMEs due to high monitoring cost. This study found that the PCBs could provide finance to SMEs without any monitoring cost through the tour to finance concept.

6.4.1.7. Social capital

In literature, social capital was found to be important for SME development. Particularly, the use of social capital for finance was perceived in the Chinese context where networking unites the SMEs to compel the PCBs for providing finance (Du, Guariglia, & Newman, 2015). The study found that the kind of financing is short-term basis, which is not convenient for SMEs business performance. This study found a detailed critical use of social capital where the assessment, the business settings and

prospects are based on the social capital i.e. the entire (particularly for prospect-based) SME financing setting is social capital- intensive. By using that social capital-intensive financing setting, this study develops a concept of “tour to finance” type scheme. The proper and effective use of the concept, the existing social-capital intensive financing setting will developed in such a stage where both the PCBs, SMEs, private and public institutions, the BB and the intra-governmental organizations will be involved in a win-win situation.

6.4.2. Contribution to macro-economic theories/Context

The SME financing accessibility not only improves the prosperity of PCBs and SMEs but also it contribute in developing the economic condition, employment and the entire financial structure.

6.4.2.1. Contribution to GDP

Many studies on SME development recommend the respective government to reset their strategy for SME development (E.g. Beck, 2008; Udell, 2006; Lean & Tucker, 2001). One of the key strategic characteristics of a developed country is that it often includes a huge incentive for SME development for economic growth. In Bangladesh, the contribution of SMEs to GDP is comparatively lower than other neighbouring countries (Chowdhury, Azam & Islam, 2015). One of the main reason is poor financial accessibility of SMEs (e.g. Bosri, 2016; Akter and Abdullah, 2016). On the other hand, the declined and discouraged SMEs (defined in this study as first accessing SMEs) outnumber those in the USA (Cole & Sokolyk, 2016), which should be more in developing country like Bangladesh. This study agreed with Akter and Abdulla (2016) that only established and large firms receive majority of the bank finance. So, majority portion of SMEs (declined, discouraged, no-need) are isolated from the bank finance. In addition to that, the potential entrepreneurs are discouraged to start business due to financial frustration. The tour to finance concept ensure the one-size-fits-all type solution in a win-win situation including financial accessibility, improving learning attitude and CCA. Therefore, the contribution of SMEs to GDP will be enhanced.

6.4.2.2. Contribution to employment

The contribution of SMEs in employment is higher than large business organization. Furthermore, large organizations prefer to employ highly skilled people. On the contrary,

the SMEs employ comparatively low and unskilled people. So, the importance of SMEs in employment is more than a large business organization. Bangladesh is also on a back foot position than neighbouring countries in the case of employment together with GDP (Chowdhury, Azam and Islam, 2015). According to ILO (2017), 42% young people aged 16 to 24 in Bangladesh is not either in education, training or job which is more or less same for other developing countries, particularly for Asian developing countries. According to the Bureau of Statistics of Bangladesh (2017), more than 16% higher educated people (graduate and above) are unemployed. It can be assumed that this group of people is a risk to society, and the opportunity to enter business could be an opportunity to re-engage. The proper implementation of the “tour to finance” programme will involve this group of people in SME sector as either employee or entrepreneur.

6.4.2.3. Employment of higher educated people

This research found that the SME sector across the country excluding capital city Dhaka is full of lower and uneducated people (Section 5.6.2.1). After achieving higher education, they rush to Dhaka for job due to some socio-cultural factors. One of the main reasons is that they are reluctant to start business due to lack of availability of financing source and the necessary facilities. The tour to finance ensures them the available finance and necessary facilities. They will get an opportunity to mix with successful entrepreneurs to develop and use their communication, networking and ideas. Since, the higher educated people are preferable to loan officers; they have more possibility to receive finance than lower and middle educated people. Consequently, the SME sector will be attractive for the higher educated people. Therefore, the concerned public institutions will be released from the pressure of huge unemployment pressure.

6.4.2.4. Interactions and macro-economic Policy setting

The literature provides clues that the PCBs have holistic attitude to enhance interactions with SMEs; however, there is no clear set of interactions method. The effectiveness of the existing interacting attitude is not justified in terms of how many SME get advantage of the interactions and how much money the PCBs earn. The method of interactions and the effectiveness is full of ambiguity. In the contextual settings, there is a set of interaction guideline from the macro-economic perspective (Section 2.5) but that is not practically implementable. The BB instructed PCBs to set up their respective

strategy for the interactions; however, in practical, there is not clear set of method. This study proposed the TTF, as an interaction process.

The TTF enhance the interactions in both the micro and macro level. At the micro-economic level, the interaction element is the CCA. The core interaction is recommended between the branch level loan officers and the applicant owner-managers. In macro-level, the interaction happens in the TTF among the BB, the PCBs, the intra-governmental organisations and the training providers (See figure 2). The TTF creates complete interactions between the financial market and the SMEs. The entire process develops a setting where all the parties get benefit in win-win based. In the perspective of regulations, a macro-economic policy will be established that enhance the finance to the first accessing SMEs without traditional collateral requirement.

6.4.2.5. Use of social capital

This research views that he Bangladesh is a social-capital intensive country in the perspective of trust-based definition (Coleman, 1988; Gedajlovic, Hong, Moore, Payne and Wright, 2013). The misuse of social capital can be described as the dark side of social capital. Dark side of social capital is defined in the case of lender and borrower where the lender dominates borrowers (Gedajlovic, Hong, Moore, Payne and Wright, 2013). This study found that the key character of the social capital is that this is created on trust and short-term interaction. The over reliability on internal and external people is created by the reference of related people such as social influential, relatives and other business related people. For internal people, the employee are recruited by the reference of known people and the over reliability is created in that basis. The result is poor monitoring and management that can produce a downturn for the business and affect returns. Another dark side of the social capital is the “BakiBikroy” (instant supply of product with the condition of paying later with no written/legal documents). BakiBikroy is a contextual truth that is misused by dominating power of either buyer or customer. As the first accessing SMEs are financially vulnerable with low bargaining power, they have a prone of over relying on powerful customers and suppliers. The entre use of social capital is used informally that affect the business and loan officers’ subjective judgment socially investigate the reason of the business loss. No previous study found a clear concept or model to use social capital for engaging prospect-based financing. This study responds to

that gap by the “tour to finance” programme. In this scheme, people will understand the proper and effective use for the business performance

Therefore the key contribution of the study is that it solves some fundamental problems, which are information asymmetry, developing a pre-relationship lending system for first accessing SMEs, and an alternative form of collateral requirement, which is CCA including the method use of the CCA. This study also contributes to some economic theory such as the GDP, unemployment and use of social capital for economic development.

Emerging interests

The entrepreneurship ecosystem and entrepreneurship incubating are the two emerging concepts in the SME research arena. Stam (2014) found that the SME supporting environment tends to limit the government responsibility but it should be the responsibility of all interested stakeholders. The finding of this study fits with the idea of an entrepreneurship ecosystem where the PCBs, public and private organisations and intra-governmental organisations/MGOs are recommended to become involved in SME financing and sustainability in the “tour to finance” scheme. Likewise, the entrepreneurship incubator concept is supported by the “tour to finance” where those with differing levels of education will be encouraged to get through the channel of sponsoring bank with the expectation of training, awareness and finance.

6.5. Implication of the Research

The key findings of this research are the CCA, which is, indeed, an alternative form of collateral assets, and the “tour to finance” model. Analogically, the CCA is the medication and the tour to finance is the method of applying the medication. The CCA factors have emerged in the context of a developing country, particularly, on Bangladesh. The factors could be different in other context. Likewise, the tour to finance is effective in the Bangladeshi context, which is social-capital intensive. The degree of influence of the social capital could be different in other context. So, the method of application of CCA may be in different dimension. Therefore, the CCA and the tour to finance type concept should be more researched to find one-size-fits-all solution in the respective context.

In theoretical perspective, the CCA could be researched or applicable in other context than the relation between PCBs and SMEs. For example, in the case of entrepreneurship

development the CCA could be applied. The employer wants to depend on the employee rather than monitoring and controlling and motivating with much incentives and training cost. They actually want to find a kind of collateral of ensuring the return of the salary and incentives. In that case, the employer could enhance the CCA in employees according to the organizational objectives and can depend on that by using another form of tour to finance type programme.

6.6. Limitation of the study

This study focused on the interaction between first accessing SMEs and PCBs. It has focused on the financing sources and technologies, not the actual finance theories. So, this is all about the financing sources that fall into developmental economics. It therefore includes the theories that are related with the risk assessment process and associated theories that either could reduce the risk or develop new concepts. As this has been an investigative study, I have not strictly focused on any particular theories to justify and quantify them. I focused on the concept in which the traditional financial attitude could be changed with an intention to find lenders' direct involvement in enhancing first accessing SMEs' financial eligibility. Developing a conceptual framework based on concerned previous studies, it used the key materials of the conceptual framework/gap as guide in data collection session. Data collection provided unlimited freedom to participants about the first accessing SMEs' financial issues. In that freedom, it allowed the participants to see their own experience of their respective ideology about problems they face and intended to find clues for potential solutions. The conversation was guided by an ideal form that starts with greetings and get deep into the discussion. So the entire findings are data driven that was produced through a technique of interpretation. This study, in that it has found possible ways forward for SME financing, could be developed by further research that implements the "tour to financing" and investigates how this proposal could be effectively introduced.

6.7. New outcomes at a glance

At the end of the thesis the key outcomes are summarised as follows:

- Redefining collateral assets with introducing new terms such as MCA and CCA.
- CCA is an alternative of traditional collateral/collateral assets

- Poor CCA is the fundamental barrier for the first accessing SMEs
- A new kind of information asymmetry, which is inverse information asymmetry
- Tour to finance- a method of interactions in micro and macro-level initiatives between owner-managers/SMEs, loan officers, PCBs, BB, intra-governmental organisations and training providers.
- An information-asymmetry-free lending technology
- Developing a social-capital intensive financing culture
- A “one-size-fits all” solution
- PCBs’ contribution in enhancing SMEs’ financing eligibility in a win-win framework
- The CCA and TTF develops a macro-economic policy setting for employability and GDP

6.8. Chapter summary

In this chapter, I presented the brief summary of the study that includes the research issues, methodology, findings, contribution and implication of the research. The key problem of enhancing financing accessibility is the collateral-based financing and the solution is that the CCA-based financing should be developed. The PCBs need to enhance CCA of owner-managers. To develop the CCA and its use without information asymmetry and inverse information asymmetry, the “tour-to finance” has been prescribed. This CCA through the tour to finance provides a once-size-fits-all make solution where both the SMEs and PCBs win.

The new findings and the key contribution of the study is that soft information as been defined as CCA and the soft information factors have been found and named as CCA factors. The ambiguous interaction process has been defined in this study titled as TTF. A new kind of information asymmetry has been introduced, which is “Inverse Information Asymmetry”. Both the information and inverse information asymmetry could be resolved in the interaction process, the TTF.

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Appendix 1 – The Interview Guide

Classification of data

Firm/organisation's name:

Phone number and address:

Age of firm:

Age and gender of OM:

Number of employee:

Sector/industry of business:

Work /business experience:

Preamble

Me: This research is being conducted in the strictest of confidence. I am from the University of Gloucestershire, United Kingdom. According to the university policy, I have to abide by the ethics of research and consultancy policy of the university. Therefore, I can assure you of anonymity. The research issue does not require any confidential financial information; rather, this is general conversation between you and me focusing on “what happening in financing culture/context between PCBs and SMEs”. I only expect your interpretation of your experience and observation and views. Hence, the entire discussion focuses on SME financing constraints and PCBs' contribution in increasing SME financing.

For your mental peace, I can sign on the consent letter that legally assures your confidentiality. Would you like to read, retain and provide me a received copy of the consent letter?

Participant: Yes, thanks. Let's sign and begin the conversation

Appendix 2 – Consent Letter

Participant Consent letter regarding fieldwork for Doctoral (PhD) research under University of Gloucestershire, United Kingdom

Dear Sir/Madam,

Thank you for helping me by participating in the research project. This letter will clarify you about the objective of the research and the commitment we shall adhere to conduct a successful research.

The aim of the research is to collect information about private commercial banks' contribution regarding increasing SMEs' formal financial accessibility. The key point of interviewing will be your feelings and idea about the core issue of the study. Your idea is most significant for this study because it will be fully depended on your views.

Research Title: Exploring the Role of Private Banks' (PCBs') in increasing SMEs' financial accessibility in developing country: a study in Bangladesh

Research Questions

- What is the current understanding in the literature of the attributes of SMEs that govern financial accessibility to the PCB sector?
- What are the determinants and behavioural factors of the PCB sector in Bangladesh towards SMEs financing decision-making?
- What is the business operating culture of SMEs and its impact on PCBs' attitude towards SME financing?
- How and what could be the potential role of PCBs in improving SMEs' eligibility to receive finance from PCB sector?

Research Objectives:

- To explore the currently identified attributes of SMEs that play a vital role in accessing finance to PCBs.
- To explore the determinants and behavioural factors of PCBs that affect SMEs' access to finance.
- To analyse the business operating culture of SMEs that affects any potential financing decision of the PCBs.

- To propose a revised model for the potential role of PCBs in improving the SMEs side to reduce risks and hence, increasing eligibility to receive finance.

All of your opinion will be treated strictly and confidentially and will be used solely for the purpose of academic research. I shall strictly follow the ethical guideline issued by University of Gloucestershire, UK and your Bank in Bangladesh.

I would also like to assure you that the information have been gathered from you by no means would be harmful to you or to your organisation in any circumstances. You have unanimous right to withdraw any information or data at any time at any stage of the study. All the physical evidence of data will be kept in a locked cabinet when not in use. All electronic data will be kept password secured. After using the data in the research, all the physical evidence will be demolished and the electronic evidence will be deleted from the device.

Sincerely,

Consent

Khondokar Farid Ahmmed

I.....agree to participate in the primary data collection exercise to be used for the above-mentioned research. I further confirmed that I know my right to withdraw from the research at any time.

Name.....

Signature.....

Date.....

Appendix 3: Sample of a Transcribed Interview

Number of Interviewee	2
Respondent's Code:	LO2
Institution's Code	PCB002
Position of Respondent:	Branch manager
Date of Interview	10/08/2014
Place of Interview	Workplace
Location	Magura, Bangladesh
Translated/Created on	05/09/2014

I tried to make a contact with the participant couple of days before but was unable. Then I directly went to the branch and saw the branch manager. I introduced myself including the purpose of the interview.

Me (Interviewer) Assalamu walykum.

Khorshed (Anonymous name): Walykum Assalam

Me: My name is Khondokar Farid Ahmmmed. I am a doctoral candidate at University of Gloucestershire, UK. As the part of fieldwork I want to take an interview with you.

Khorshed: (He hand shook with me and offered me to be seated. He asked a staff to provide me coffee). What is your research subject?

Me: This is about SME financial accessibility to Private Commercial Bank. Your view is important for this research.

Khorshed: Oh, is it? Thanks.

Me: This is only for academic purpose. This is an academic consent letter. Please read and sign on this. This is actually ensure that I will never disclose your name and handover the interview materials to any third party. It will never harm your career and your organization anyway. After using the data I must destroy it.

Khor: No problem.

Me: As this interview is not based on any specific questionnaire, rather this is a type of conversation; I will take note form the interview. Also it would be convenient for me if you allow me to record the conversation. I will reain it with a password lock in my computer.

Khor: No problem. You are doing a good work for our country. I hope you would not harm me (Courtesy laughing)

(Then I started recording in my mobile phone and started conversation)

Me: In developed countries more than 90% small business is started and run with bank finance but in Bangladesh it is only 18%, NGOs provide 41% and...

(I saw he was not fully ready to start conversation with me and had lot of curiosity. He wanted to know more about my identity. Khorshed interrupted and asked me question about my personal identity)

So far, Preamble

Khor: Where is your home? What you do...?

Me: My name is Khondokar Farid Ahmmed, calling name is Imam. I completed honours and masters in Economics at the Islamic university (Kushtia, Bangladesh), then I went to UK for doing Ph.D. (Then I understood that he wanted to know more about me). Then I said that I went to UK for the Ph.D but my English proficiency and the academic experience was not sufficient for the degree. So, I did masters in international business management. I took another field work in Bangladesh regarding the Micro credit dysfunction. From that experience I realized that the SME also suffer from external finance. I got the idea that some personal factors of the owner-managers personality trait, political factors etc act as the problem in gaining finance. I started doctorate on the issue.

Khor: I see...I understand then...

Me: I am not going to give you a big set of questionnaire for the interview. I have taken lot of interviews with other bank manager, SME owner-managers, DGMs of Bangladesh bank, higher officials of private commercial banks and SME foundation. Based on the experience I just want to know some more view of you that mainly focuses on what the problem you face to make financial decision for the SME financial accessibility. It just your own ideology.

(In that moment, he dealt with a customer)

PCBs' attitude.

Banks more likely

Khor: (I understood by his attitude and facial expression that he understood everything and found the interview interesting and he got a good chance to express his words regarding the financial decision-making and related views). Look, the SME...the issue is too much important across the world. We have lot of initiatives and say lot of things but they are in paper, not in practical. The 18% SME gets external finance you said...

Less SMEs have accessibility than claim in literature

Me: Not me, a survey in Bangladesh says...

Khor: whoever says is not right this is far below than that. Look the size of our economy and the amount of banks we have, we do not need that many banks. That many banks... actually some unethical practice happens in application we know that (he indicated face papers, political persons' phone and request etc).

Financial market is larger than the size of economy

Me: I agree with you. I want know actually hat you consider in assessment actually?

Khor: Actually for SME loan we assess everything on three points- the **person**, the business **condition** and the **collateral**.

The person, business condition

Me: This is not clear to me...people say land is the main thing to get loan (pause) actually what things you consider when an owner-managers seek for loan?"

Khor: Lot of things we consider until we come to a final decision.

Me: Could you specify that? I mean if I request you to specify that in few words?"

Person is the main factor

What...what factor you mainly consider? Land...person or...?

Khor: Person.

Me: People say land...I mean collateral assets.

Khor: Actually collateral assets are important but **Complementary financial determinant** that is not enough for small business loan... that is important for personal loan...actually any of the three respectively does not provide security of returns... our target is not to collect money by **Prospect is the main point** selling your (owner-managers') assets. Prospective business is the main point and...person". Then he viewed that person is most important; however, any of the three respectively does not determine the financial accessibility.

Me: You mean business prospect.

Khor: Actually that...

Me: Prospect is an ambiguous term, how do you consider that?

Khor: We try to understand if the man can do good business, his business plan, his dedication, education, and ambition lot of things you know...

Ambition and motivation

Me: How do you measure that prospect?

Khor: It's simple...if you see a business firm, the machineries, the goods and products then you can see a prospect in the business condition...

Value of hypothecation

Tangible assets

Me: So, if you see the man is prospective...

Existing business

Khor: (He interrupted my speaking and said) Not actually...the business as well.

Me: Yes...you find prospect in owner and business condition.

Khor: Actually that.

Me: If you see the person and the business is prospective then you advise to apply for collateral free loan up to...

OMs do not know about the collateral free loan or they are not officially instructed to apply for the collateral free loan. The loan officers consider when the business is prospective and collateral is poor.

Khor: Not that...we never advise them like that...that you should applied for collateral free loan...simply when a man verbally apply for loan then we consider if the man has enough collateral. If not then we see if the man has good business transaction...prospective and then we see the business volume...actually business condition...if we see the man has poor collateral assets or no collateral then we consider his application if we can consider collateral free loan on the basis of how the person is...how the business condition is... if we see the collateral asset is weak then we make serious investigation to find business prospect.

Me: Do you have any template to measure the degree of prospect?

Khor: Officially we are allowed to provide that collateral free loan...but actually we have to ensure the returns to bank...we have to provide money at our own risk.

Loan officers are responsible for return.

So they have to be more in writing

Me: Say, I have a good business...machineries, tools, products and goods and assets on business premise and good collateral...would you give me loan.

Khor: (smile) brother you are asking the same question again and again...that I answered that business prospect is important even when the collateral is sufficient.

Prospect is really

Important for collateral-based

Me: But you and other loan officers said that collateral is the most important that I may have land and personal assets, I have good assets on business premise...

Prospect is important

Khor: This is our... our means all private banks...our system is to find collateral assets and banks transactions and other papers for established business...but you are asking me about the firms...what the term?

for

Prospect is important for

ME: First accessing SMEs.

Khor: Not SMEs...I think we should say small firms...medium firms are big and most of them have previously used bank loan.

First accessing SMEs refer to

Me: You mean first accessing SMEs should be actually small firms because you need not struggle to make financial decision for them as they have good evidence, collateral.

Khor: Yes, for established...medium size firm actually we do not have that much risk because we can write positive report to head office on the basis of organized documents, bank transactions, previous loan history and other collateral assets.

LOs find much risk in

Me: Then I can come to the decision that the paper, bank transactions and collateral assets determines the firm size and the comparatively large and medium firms get easy access to bank finance.

Me: I forgot the tracking...oh, I got...Ok...I have a small business and have good business condition, land and other assets then you mean that the loan is confirmed.

Khor: That's right it is easy to understand that.

Khor: Almost, but...actually this is very difficult to explain...look you may get a good business from your family

An existing good business condition does not ensure

(he indicated by successor right after parents have died) and currently your business is looking good but you may have different in plan and capability. Who will guarantee that you can continue like that?

Me: So you say person?

Khor: Yes, person.. ...umm...let's see...in Magura, a person likes to get a loan, for example 3 lac, for this he should have the goods that values 3 lac...

(actually he intended to mean that the goods' value is not the main point, the main point is person. Before finishing his speech an officers came and introduced a person with Khorshed and they talked to each other for some whiles). Then he started continuing) You done university in Bangladesh (hons and masters hean meant), now doing PhD in England. Let's see. You have a friend in Magura, school friend who has intermediate (A' level) or degree (Graduation)...do you have a friend like that of your batch in your school you studied? Where was your school? (he meant primary and secondary school).

Person is the

Me: Yes, Jhenidah. Durgapur High school but I studied in magura but set for the exam (O'level) in Durgapur.

Khor: Anyway, Jhenidah or Magura, do you have any friend who has a business license?

Me: No...actually...I don't see... (I meant that no friends who do business)

(at that moment some people came to see Khorshed and they dealt with them for some whiles)

Khor: You also can see your one/two batch senior or junior... as I see in my friends...this means this level...graduated people do not come to business...

Level of education is indicated as a prospect determinant but

Me: Yes, not coming.

Khor: I see couple of friends are doing business but they are doing conductivity (small size of public construction work that any person can get with borrowed license.

Educated young people's attitude is to gain financial solvency overnight. They try to get advantage from

People call conductivity). Available people do that. They do not have enough money but they like to gain money by this business...they submit proposal and stick behind with political influential to get the work. You know it is difficult but at the end they negotiate and get a little from that...

Me: yes, yes...

Khor: After couple of months they understand that this is not possible but they do not have any way and become depressed. They want to gain financial solvency overnight not by business. For example, sorwar munshi had seven sons. He had a big rice business and had a plan to make the business bigger when his sons would be adult but he couldn't do because of this conductivity and wasting time though they are educated. We consider that if there is entrepreneurship in a person. Only giving money and taking money is not our duty, we look for entrepreneurs but we do not get that educated and prospective people.

Searching entrepreneurship in OM is the main point

Me: yes. Off course I understand.

Khor: No educated people come to business. Sometimes, I target some 10 young people to help them who struggle with their business for money. I get one or two but they have neither any opportunity nor ...

Me: At a glance you don't find any efficiency in them.

Khor: This is not the problem of the young boys. We need constructive economic policy. Government only presses us to provide finance to small firm but how we can do? (at that moment a person entered into Khorshed's room. He was looking happy. He said Alhamdullillah (thanks to Allah) because he paid up all the installment of a loan. He explained that his father became guarantor by showing all of his assets (land) where all of his sons and daughters had successor right on that. The man was feeling a family and social pressure because if he died before the mortgage ends and the business falls down then bank would crock the land and all of his brother and sisters would be deprived from the right. None complained but it is the social and religious value system. His father had the tension that he could not give accountability to Allah hereafter for this inequality and partial judgment).

Entrepreneurship should be
created by overall economic policy

Social value system dos matter

Equal practice

in successors

Me: This man has paid up all payment today?

Religious and ethical pressure

Khor: (Khorshed explained the issue of the man) Our families are full of pressure groups (smile). He took loan from this bank by claiming his father as guarantor. He said that parents were on tension because other sons and daughters have rights on their assets. If bank parents occupy the land are scared of accountability to Allah.

Fear of the accountability

Me: It means his family members did not agree but his father supported helped him by his own accord, is it?

Khor: Not actually...I know him and his family, actually he was feeling guilty by himself. He was trying heart and soul to make his parents free from tension...they are around eighty. At this stage people wonder if they have misjudged people.

OMs also do not

Like to press their parents

Me: (After the man went away I went back to the track of the conversation). Yes, Government initiatives.

Khor: Government should grow efficiency through training monitoring and discipline system but you know what happens in our country (Again he talked to another officers for a couple of whiles).

Training & development

Me: No training system I know that.

Khor: Also, the entire system does not support the system that interrupts us to provide finance. Bangladesh bank has a guideline that emphasis the trading; manufacturing and service but in the primary economic section, in the agricultural sector has a lack of trading. There is some cold storage business but the pricing is not consistent. There is winter grains (wheat, mustard etc) but there is no manufacturing business where that could be used as raw materials. BSCIC also does not have emphasized on that where we can finance. There is lot of brickfields in Magura but we cannot finance more than 85% of them. The reason is there are lot of condition of environment safety and others. If you don't know and cannot meet the requirement then how I can finance you?

Increasing finance needs a complete structure.

A combination needs between trading

Restriction to finance though

Intra-governmental organization

provides 50% finance

Me: You mean you cannot finance the firms who practice unethical business in terms of code of conduct?

Khor: I cannot do. I have ethics. This is also legal issue...I mean there is no well planned productive and manufacturing structure (Pause). Look, after being destroyed by nuclear attack they started thinking about their economic development. They started from village with massive manufacturing. That's why they took one village one product concept. In this system all kind of business (service, trading and manufacturing) is equally and naturally covered. Bangladesh bank also specialized district for different product and instructed us to give priority to that. For example, Magura is specialized for rice mill and we are instructed to give priority to provide loan to the rice mills' owner managers but there is no monitoring system and I think no banks follow that instructions. ADB, JAIKA, IDB and other international organization supports the specialization but...

One village one product.

Intra-governmental organisations

provide 50% finance for SME project

Me: yes, that's right. But...for example, if I want to open rice mill and need money then...

Khor: Oh, I understand. The international organization will provide 50%, Bangladesh bank 30% and the rest 20% is any of the commercial bank.

Financial sources are
integrated by BB,

Me: who assess for that?

Khor: we, the loan officers.

Me: Ah, that means the PCBs are the main point, money does not matter.

PCBs provides one-fifth
but they are the gateway

Khor: yes.

Me: Then for your and others' point of view so far, then we can come to the decision that in rural area the undergraduate owner-manager do not hope to get your finance?

(While asking this question with Khorshed, a young man entered into the room to see Khorshed and asked about the updates of his loan application. Khorshed told the young man, "you are very weak in paper. I am not sure whether you will get loan or not...let's see...If you go forward I will do for you. I am really very interested in brick field but are not. The young man said "OK" and then then went away.)

Khor: (After the man going away) This young man has good **experience** on brickfield. He submitted application for finance regarding setting up an auto brickfield but his **organizing capacity** of documents and **management** is very weak. I think level of education is a factor.”

Only experience

Poor management

Khorshed continued “look, the young man did not ask me why we are not satisfied, which paper is poor. The reason is that he does not have clear idea about the condition and procedures.

Poor learning

Poor organizing

Me: How do you know that he is experienced in brickfield?

Khor: I know his village, ummm...I forgot the name of the village...its...its over the Ramnagar Bazar, I have been there to see...just turn right after passing the Ramnagar bazar. In the village there are 15/20 brickfield. It's very potential to finance in the brickfields in that village but its lot of things. Actually...he anyhow wants finance because he is blind of his quality that he could do a good business...this is his belief...I mean **blind of own**

OM's over confidence

Longstanding belief

Money is the only element for business

confidence. They only feel **the needs of money** and not others...I know his capacity is not enough and...he did not ask me **where to go for necessary training and information and papers**...for brickfield the government rule is very strict for environmental safety. He did not ask me anything...actually he never know that there is something more than money for a business. How you help him?

Reluctance

Reluctance to know

Me: Actually what is the problem that you find there?

Khor: The village is full of clash. People always are involved in court. One sues against others without reasons. If this your one does

Misuse of social capital

Threat of civil case

good business then next year he is busy in the court and run by police, count loss. They never think... to get loan what they should do. Where to go to meet the requirement, how to do

Involvement in

LOs help in organizing and collecting documents if the

business they don't know that. Its difficult to assess. If they are on threat of case by other party then how you would

social clash

assess the security of the business performance/ how they would pay back. We are ready to finance

LOs want to train and

but...even if we see the man is potential then we help them in collecting documents on which we can write positive assessment report to head office. But actually we cannot do...we cannot stick behind a person to teach.

help but they are not

Me: But he wants to do business?

Yes, no doubt. This person has good **dedication** and **motivation** but does not have **plan**. More likely educated people can realize the **needs of training and plan** but others do not. However, training and awareness and mixing with people creates good **business manner** in uneducated owner-managers". Now this person does not have education (to the best of my sense he completed HSC, (equivalent to A' level) but **dedication**...now if you make him aware that this poor **learning attitude** is the main problem.....he needs **realizations**.

OMs have good motivation

PMs do not have plan

Poor larning attitude

is the most serious

Me: What is the solution?

Khor: They need to change their **attitude** about the process they ask for money and deal their business...as my experience,

OMs should change their attitude

Seminar symposium

I can say that our young people are **ambitious and innovative**...but they

OMs need to realize their own lackings

have no interest in learning things level of education does not matter if you want to learn, you have to find the problem. We do lot of seminar, symposium and we make paper that we did that. We are very strong in paper but not in practical (smile). That does not help them they need another kind of realization that you understand so far...they need to show their potential, prospect...

PCBs have changing

attitude to enhance

Paper is well maintained but

not the impact of the training

Young

people are innovative and

Me: You said that seminar, symposium and the training are not effective but what is the ...

Training materials

does not fit with

Khor: (Pause and thought for a while) actually brother this is the problem of our culture. Look, my

home is in a village, Bagherhut district. There is always class. For example, if I walk across the road in this city (Magura) in midnight I am not scared of people but I am scared in my own village.

The problem is not solvable

Socio-cultural setting creates

poor learning attitude

Prospect is disregarded

Me: it interesting! Why?

Khor: In our village there are five Eidgah (a place where people say prayer of Eid). Generally one Eidgah is in one village but in my village there are five. This is the result of traditional family clash. There were two main influential families, Sheikh and Khan. Once one of the forefathers of the village donated a piece of land for setting up an Eidgah of Khan family. Then the amount of people was less and one was enough. The amount of people was increasing and one was not looking enough. Once there was a class with Sheikh family with hand weapons. Then the Sheikh family decided not to go to the Eidgah for Jammah. They built up another one. Then the other people were divided into two Eidgah.

Disputed land is not

considered a collateral

Social and political involvement

determines risk and poor prospect

Involvement in social

conflicts influence

One family pressed them to go to their one and vice-versa. Then other threatened them. So, they built up another one. Now the number of Eidgah is three. This way there are five Eidgah now. This is the clash of two hundred years. Now if one wants to do some good business then other thinks how to destroy his business. If one wants to get a loan from bank then others sue civil case to the court and the land become disputed. They go to political and other local influential to get power, spend money for the case and everything happens like this. We do not consider disputed land as collateral. Some people consider the merit of the dispute but I keep myself away from the land that is disputed and involved in court.

Me: I do not understand this system at all, could you explain...people can be involved in many ways in court...?

Khor: For example, my father got five pieces of land around our home and my uncle

Social mutual distribution of land

is a component of poor prospect

got same amount of land near his home from my grandfather. This is not by legal deeds rather by family mutual understanding.

Me: Yes, I understand so far.

Khor: My grandpa passed away twenty years before and the land was distributed in that time by family judgment. Now I see, due to the communication development and urbanization, the price of my uncle's land has increased for several times than our ones. As that was not divided by legal deeds, then I can sue in the civil court to reconsider the distribution.

Me: Yes, you can but longer time they have been using the properties, court evaluate that importantly.

Khor: Yes...at the end people do not get the land redistributed...we will never go to court as we respect our family members who distributed... but sometimes people go to court to disturb others.

Accessibility to collateral assets is relation with socio-cultural factors

Accessibility to collateral assets

Me: I see...but... do people do that normally?

Khor: Yes, people do. People do for some reason...political and social are most important.”

Political and social reasons interrupt land in claiming

Me: Yes, I know that there is political impact in our country and people are influenced by political leaders and emotions.

Khor: Not only political, the dangerous thing is social factors. For example, in our village there are five influential families...from my boyhood I have been seeing each family divided the entire village into five social group...whole the year there is social clash between them and they want to let others down when they get any chance. Disturbing this way is one... To take revenge, sometimes they change their political support to either from Awami league to BNP and vice-versa.

Entrepreneurs' prospect is intentionally down by social

Me: As you explained. I know the same thing in my village as well but I did not know that it affects collateral and financing...so you never accept the land and assets that are involved in the civil court?

Khor: you can say but it depends on banks policy and sometimes branch managers. As I know, each bank has legal department who justify the merit of the case. If the merit is better then sometimes we consider positively...if the business condition and performance is good, the owner has **good business capability** and prospects and **other things**...but personally I avoid that kind of hassle. Court takes longer time to solve a case.

Consideration of land involved

(at that moment another person entered into his office room and addressed himself as a long distance relative Khorshed. He was a principal of an IT college. Khorshed introduced me with the man and I invited him to join us)

in court depends on respective

LOs' attitude if the prospect of the OMs is good.

Me: none tries to solve that? It is problem for business as well?

Khor: Another person of Khan family, a big officer of Bangladesh Army was posted in Kumillah. I was posted in the same family. I offered him to get and initiative to solve the traditional clash as we are the two member of the two families. But we are failure. How it is possible? If a boy shows his courage to rape a girl of other family then the older people indirectly encourage him. This is the situation of the village in Bangladesh.

The society is not changeable

Me: yes, the values of people are really unacceptable.

Khor: Think, how the boy will be a secured client of my bank? Look how many kind of bank, state owned bank, farmers' bank, foreign bank, Basic bank, priate bank...

Poor prospect of person is the key barrier for banks to enhance

Me: there are other financial institutions, NGOs...

Khor: Yes, lot of banks is there, but we cannot find people to provide loan. If we...if we PCBs have to look for collateral accumulate all the bank managers in the Magura city, seventeen branch manager then none can confidently say that he has encouraged an entrepreneur to finance as the instruction of Bangladesh bank. This is the problem brother. We look for collateral but speak about creating entrepreneurs... all we do in paper.

Recognition of failure of PCBs in follow the initiatives of BB

BB's recent innovative approach for

Small business financing is

Me: You mean the person and their family?

Khor: Then what else, entirely our society?

Me: Then collateral is the main point?

Khor: Not actually, we consider guarantor.

Me: what you mean? Do you find any other things that obstruct in being guarantor?

Khor: Intentional problem. Actually people do business to create a social identity and for family expenses...that does not imply true involvement in business.

Being guarantor depends
on applicants' dedication

Me: Yes, this is true for all.

Khor: Actually I could not make you understand...ok, let me tell an example.

Me: Off course, I am interested in your speaking.

Khor: one of my friends' younger brother...my friend is the guardian of the family as his parents passed away. He managed to set up a business for his

Guarantors consider

OMs' dedication, plan and

younger brother...but he once asked his brother for some more money for getting a job...couple of days later, he changed his mind and proposed to go Singapore as worker. My friend was puzzled and requested me to make his younger brother understand that he should do one thing. I saw the business progress was also not good and he runs business with many other options keeping in his mind. Then I asked my friend to provide some more money as his brother is motivated to do business as my instruction. He said that he didn't have that much cash money. Then he requested me to provide a loan from my bank. I advised him to contact with the branch manager of his nearest branch by using my reference.

(I was taking interview at Magura district branch of Pubali Bank but Khorshed was telling story of his friend in his home district, Bagherhat, which is more than hundred miles far from Magura). After making an investigation the branch manager told me by phone that the owner was serious and have considerable collateral assets on business premises but he was not getting confidence, he asked for land as collateral. The younger brother had land but my friend didn't have confidence to allow his younger brother to let him show the land for a loan.

Guarantors'

Confident on OMs

Me: The younger brother of your friend got the same amount of land from parents, so he had right to use his own properties as collateral.

Khor: You are right that all people have successor right on parents' assets and properties. Sometimes people do that but...you know, we respect our guardian and cannot do without good response from family members.

Me; Yes, same thing for me as well...now what did they finally decide?

Khor: He is observing for some more months to see his brother's seriousness to business

Me: so, you mean the person does matter in borrowing money from internal sources...I mean in getting guarantor.

Person does matter in getting guarantor' help

Khor: He cannot show his own assets for his vulnerable career target, you know...

Vulnerable career plan

(Again he was involved in dealing with others and the interview time was being too long. Once I attempted come to the conclusions and came back to the track)

Me: Khorshed Bhai (brother) let's finish our interview just touching some points.

Khor: Yes, that's fine.

Me: After all we understand that the person is the most important and we also understood that they need training and wariness.

Khor: You know the quality and the condition of training in our country (smile)

Training quality is poor

Training facilities are poor

Me: how many applicant get loan, I just want to know the ration

Khor: Normally we can provide loan without that much investigation one out of ten.

Rate of approved

Me: That's fine. Some people officially apply for loan, some verbally. After all let's see you can provide loan twenty applicant out of hundred and cannot do eighty.

Khor: Yes, actually that.

Me: You and also other participants said that they (OMs) have problem...

Khor: not only they, we have problem. Our attitude should be changed...

Me: yes, that's right but I am at the point of internal quality of the SME, there are lot of external people that we find the Bangladesh bank, commercial bank, training providers and entirely the social settings you said...five Eidgah in a village.

Khor: Yes actually.

Me: The training points are actually, basics of management, behavioral training, how to avoid social complexity, political influence, use of finance and... that all is it?

Awareness about social

dealing, behavioral

Khor: Hummm...

Me: let's a third party training provider provides the eighty declined applicant training on that and after six month of the training...that's all for example, as the model I am thinking...

Khor: carry on, interesting.

Me: After six month you can more twenty applicant could get loan, would you agree that

Model agreed

Khor: Yes, that's interesting

Me: Then who is the beneficiary of this twenty? Number one, the SME

Khor: Humm (he became too much serious to my speaking at the point and was just agreeing my points)

Me: Secondly, Bangladesh bank

Khor: Yes, the entire economic development of this area (he means the surroundings of the bank branch)

Me: Bangladesh government

Khor: Humm, bank as well

Me: Yes, the direct beneficiary is the bank, you

Khor: hummm

Me: what the training initiatives the Bangladesh bank has is not enough...

Khor: Yes, not at all

Me: Chambers of commers...

Khor: Yes, chambers of commers are initiating but in most of the case they are inactive

Me: Yes, inactive. So, the indicatives of Bangladesh bank is not enough, chambers of commerce is not enough, ADB, JAIKA and other international organization provide some fund for training, that SME foundation mainly use that for training, and the quality of the SME foundation is not enough...

Existing initiatives

Khor: No, they are interrupted by bureaucratic (he means government and political influence) boundary...

There is source of fund

but training system

Me: Since, you, the banks are being benefitted, and then you should take initiatives for the training, because banks have responsibility

Khor: yes, banks also trying...

Me: But the way the banks are trying is not fruitful

Banks have much initiatives for

Khor: yes, we are doing seminar symposium and lot. This year I arranged for a SME fair where the regional head office, head office, SME owner-manager, other banks loan officers, chambers of commerce, other business associations were invited...

Seminar, workshop, SME fair.

Me: Assa (good), interesting

Khor: we invited local small business owner-managers, after all we distributed five thousands invitation card.

Me: Oh, interesting

Khor: We can let them know our view, the source of fund etc. we segregate different group of entrepreneurs (he means owner-managers as entrepreneurs), say we segregate 20 entrepreneur of different industries such as rice, dress, oil seasonal food grains, rod cement etc. then we offer them the facilities we have including

PCBs massive

PCBs' attitude is to hunt

solvent business who less

account opening. We have development officer to consult them, to find secured entrepreneurs. Actually it is difficult to make them understand going door to door. They do not have enough time to learn (he hinted poor learning attitude). Actually, what they need they should be encouraged to do manufacturing business to develop SME sector. Look government initiative is nothing, despite the GDP is almost 7%. The world is astonished, how is it possible? I think government nothing help, only the poor people help themselves. And they are unskilled and semi-skilled. The 7% is actually coming from the unskilled people. Now if SME is developed and the manufacturing sector is developed then the small business will get more option to show performance. When an entrepreneur will develop, when there is good manufacturing environment.

Me: yes, you are brilliant. You mean, external factors are more important for SME development.

Khor: Now come to the training. This is actually not for the SME. This is crucial for mass people. We, the loan officers, staff of Bangladesh bank, training organizations and other concerned people are much inefficient.

Training is not only needed
for SME. The staff of BB, PCBs

Me: That's right but I mean the training in my model is about very basis, for example, why we need training type awareness. Then fund is a matter, who will provide fund, who will provide training.

Needs of training is

Khor: Yes, that's an important point.

Me: For example, this Pubali bank spend much money from its CSR fund, say Ayla, Sydre, school and different purpose.

Khor: yes.

Me: say, they spend 100 taka under CSR. I propose that if they spend 5 taka for this training. Each month one or two training in any premise of government college...

Khor: no...no, it will not happen because there is some government restrictions, once Ispahani wanted...

Me: No, actually I am not saying that. For example, you invited the rest 80 declined owner-managers in a hall room, people will share their views, difficulties, business related opportunities and problem...

Khor: Humm

Me: your signboard will show that this workshop/training is from the corporate responsibility of the Pubali bank, there should be the bank logo in lunch packet, bag, cap and etc.

Khor: Humm

Me: At the end what is happening. You will have option to mix with the owner-managers. Social communication will increase. (interruption by some customers). Ok, Khorshed Bhai (brother) we are at the last point.

Khor: OK, lets start.

Public relation of PCBs

Me: By the social communication, banks will create a value in the society that the Pubali bank spends money for the people...

Khor: Yes, an interaction is being happened...we are already doing that...doing...

Interaction

Me: You are doing in other way...that fine. But do you do by CSR money?

Khor: No. we cannot do, head office needs the initiatives. There is a board who approve and instructs. For example, board allows us to spend some fund and instructions for SMEs, that's why we have done (SME fair). We cannot do without that approval. Beyond things we have some responsibility, we are sending proposal to head office to arrange for this kind of seminar, such as Iftar Mahfil but they allow very rare....after all we are trying to increase the interactions, to exchange views...if there is any problem. Actually we have to increase the interactions as the age is being changed...

Head office approval needed

LOs agree with the more

interactions activities but

Me: I mean, you think its important but you needs head office's approval..

Khor: off course.

Me: I expect head office needs to come to a system.

Khor: Already head office has come to the system. We have four hundred and twenty seven branches. Each of them has arranged for two programme, one is SME fair, another is the seminar branches.

Head office started spending
money for the interactions

Me: I see. It is under CSR?

Khor: Yes.

Me: That's good idea. In Bagura, an NGO invited all the owner-managers in that city. Some of them came for lunch, some of them to see girl, some of them to show their leadership. Actually the main purpose of the training was not success because they invited massively. But you do for your own customers. That's more effective... (interruption by call and customers).

Only dedicated OM should

Khor: yes, I think so.

Me: Thank you Khorshed bhai. I will contact you if I need further views from you.

Khor: Off course.

Me: See you soon . Bye. (After finishing interview we talked to each other about our personal matters and the interview issues came to the discussion and many important points came out that I retained in the field note)

END

Appendix 4: Institutions' Code, Respondents' Anonymous Name, Respondents' Codes and Position

Institutions' Code	Respondents' anonymous name	Respondents' codes	Position of Respondents
PCB001	LO1, Ritish	LO1	Branch manager, SME Chief
PCB002	Khorshed	LO2	Branch manager
PCB003	Mizan	LO3	Branch manager
PCB004	Motiur	LO4	Branch manager
PCB005	Satish	LO5	Branch manager
PCB006	Mannat, Sutom	LO6	2 nd officer, SME in Charge
PCB007	Toufiq	LO7	Branch manager
PCB008	Kabirul	LO8	Branch manager
PCB009	Ibrahim, Akter	LO9	Branch manager
PCB010	Mahbub	LO10	Branch manager
PCB011	Nasir	LO11	Branch manager
PCB012	Qader	LO12	Branch manager
PCB013	Nazmul	LO13	Branch manager
PCB014	Achintay	LO14	Area manager, SME charge
Owner-managers (OM) of First Accessing SMEs			
SME015	Shimul	OM15	Owner
SME016	Ashak	OM16	Owner
SME017	Dipok	OM17	Owner
SME018	Rezaul	OM18	Owner
SME019	Al-Amin	OM19	Owner
SME020	Hafiz	OM20	Owner
Higher Officials (HO) of PCB, BB, SMEF, BSCIC and MIDAS			
HO/PCB021	Ashiq	HO21	Vice President (Head Office)
HO/PCB022	Ishtiak	HO22	Asst manager (Head office)
HO/SMEF023	Sattar	HO23	Secretary General
HO/BB024	Ashrafuzzaman	HO24	SME in Charge (DGM)
HO/BB025	Akhtaruzzam	HO25	DGM, SME
HO/BB026	Shahid	HO26	Assistant Director, SME
HO/BSCIC027	Aktar	HO27	Divisional area manager
HO/MIDAS028	Mukti	HO28	Strategic manager

Appendix 5: Interview Schedule

No.	Date	Participant code	Place of Interview	Location	Anonymous Name	Position
N o.1						
N o.2	06/07/14	LO1	Workplace	Jessor, BD	LO1, Ritish	Branch manager, SME Chief
N o.3	010/08/14	LO2	Workplace	Magura, BD	Khorshed	Branch manager
N o.4	09/07/14	LO3	Workplace	Jessor, BD	Mizan	Branch manager
N o.5	04/08/14	LO4	Workplace	Jessor, BD	Motiur	Branch manager
N o.6	14/07/14	LO5	Workplace	Jessor, BD	Ratish	Branch manager
N o.7	16/07/14	LO6	Workplace	Jessor, BD	Mannat, Sutom	2 nd officer, SME in Charge
N o.8	16/07/14	LO7	Workplace	Jenidah, BD	Toufiq	Branch manager
N o.9	05/08/14	LO8	Workplace	Magura, BD	Kabirul	Branch manager
N o.10	20/07/14	LO9	Workplace	Magura, BD	Ibrahim, Akter	Branch manager
N o.11	21/07/14	LO10	Workplace	Jessore	Mahbub	Branch manager
N o.12	21/07/14	LO11	Workplace	Magura, BD	Nasir	Branch manager
N o.13	06/08/14	LO12	Workplace	Magura, BD	Qader	Branch manager
N o.14	15/08/14	LO13	Workplace	Dhaka, BD	Nazmul	Branch manager
N o.15	23/07/14	LO14	Workplace	Jhenidah, BD	Achintay	Area manager, SME charge
N o. 16	24/07/14	OM15	Workplace	Magura, BD	Shimul	Owner
N o17	24/07/14	OM16	Workplace	Jenidah, BD	Ashak	Owner
N o.18	25/07/14	OM17	Workplace	Magura, BD	Dipok	Owner
N o.19	06/08/14	OM18	Workplace	Magura, BD	Rezaul	Owner
N o.20	06/08/14	OM19	Workplace	Jenidah, BD	Al-Amin	Owner
N o.21	06/08/14	OM20	Workplace	Jenidah, BD	Hafiz	Owner
N o.22	06/08/14	HO21	Workplace	Dhaka, BD	Ashiq	Vice President (Head Office)
N o.23	06/08/14	HO22	Workplace	Dhaka, BD	Ishtiak	Asst manager(Head office)
N o.24	06/08/14	HO23	Workplace	Dhaka, BD	Sattar	Secretary General
N o.25	06/08/14	HO24	Workplace	Dhaka, BD	Ashrafuzza man	SME in Charge (DGM)

N o.26	06/08/ 14	HO25	Workpl ace	Dhaka, BD	Akhtaruzza m	DGM, SME
N o.27	06/08/ 14	HO26	Workpl ace	Dhaka, BD	Shahid	Assistant Director, SME
N o.28	06/08/ 14	HO27	Workpl ace	Khulna , BD	Aktar	Divisional area manager
N o.1	06/08/ 14	HO28	Workpl ace	Dhaka, BD	Mukti	Strategic manager

Appendix 6: Value of the interview

Table 5. Code creation

Name	Nodes	Translated Created On	& Modified On	Created/Modified & Justified By
LO1, Ritish	98	01/09/2014	02/02/17	Ahmmmed & Robin
Khorshed	101	05/09/2014	05/02/17	Ahmmmed & Robin
Mizan	97	11/09/2014	07/02/17	Ahmmmed & Robin
Motiur	35	13/09/2014	09/02/17	Ahmmmed & Robin
Ritish	45	15/09/2014	11/02/17	Ahmmmed & Robin
Mannat, Sutom	91	18/09/2014	15/02/17	Ahmmmed & Robin
Toufiq	46	23/09/2014	16/02/17	Ahmmmed & Robin
Kabirul	69	28/09/2014	18/02/17	Ahmmmed & Robin
Ibrahim, Akter	77	30/09/2014	19/02/17	Ahmmmed & Robin
Mahbub	54	01/09/2014	21/02/17	Ahmmmed & Robin
Nasir	79	01/09/2014	23/02/17	Ahmmmed & Robin
Qader	72	01/09/2014	24/02/17	Ahmmmed & Robin
Nazmul	92	01/09/2014	26/02/17	Ahmmmed & Robin
Achintay	95	01/09/2014	27/02/17	Ahmmmed & Robin
Shimul	54	01/09/2014	28/02/17	Ahmmmed & Robin
Ashok	61	01/09/2014	04/03/17	Ahmmmed & Robin
Dipok	67	01/09/2014	07/03/17	Ahmmmed & Robin
Rezaul	44	01/09/2014	09/03/17	Ahmmmed & Robin
Al-Amin	49	01/09/2014	10/03/17	Ahmmmed & Robin
Hafiz	75	01/09/2014	12/03/17	Ahmmmed & Robin

Ashiq	86	01/09/2014	14/03/17	Ahmmmed & Robin
Ishtiak	78	01/09/2014	22/03/17	Ahmmmed & Robin
Sattar	99	01/09/2014	23/03/17	Ahmmmed & Robin
Ashrafuzzaman	98	01/09/2014	26/03/17	Ahmmmed & Robin
Akhtaruzzam	87	01/09/2014	29/03/17	Ahmmmed & Robin
Shahid	82	01/09/2014	01/04/17	Ahmmmed & Robin
Aktar	32	01/09/2014	05/04/17	Ahmmmed & Robin
Mukti	45	01/09/2014	08/04/17	Ahmmmed & Robin

Appendix 7: Thematic Nodes

Name	Initially Informed By	Supported /Reflected By	Sources	Created on	Modified On	Modified / Justified By
5.2.1. Theme 1: SME financial market moves in a holistic manner	2/LO	20	22	09/11/14	02/03/17	Ahmed & Robin
5.2.1.1. Discourse 1A: Size and definition	1/LO	12	13	30/11/14	03/03/17	Ahmed & Robin
5.2.1.2. Discourse 1B: PCBs' Soft attitude to Interaction/Prospect-based financing	1/LO	20	21	05/12/14	05/03/17	Ahmed & Robin
5.2.1.3. Discourse 1C: SMEs' Traditional Attitude to PCBs	1/LO	21	22	12/12/14	05/03/17	Ahmed & Robin
5.2.1.4. Discourse 1D: Self-efficient Attitude	1/LO	8	9	12/12/14		Ahmed & Robin
5.2.1.5. Discourse 1E: BB's Initiatives are not effective	1/LO	19	20	13/12/14		Ahmed & Robin
Theme 2: Complementary SME financing Structure of Bangladesh						
5.3.1.1. Subtheme 2A: Using Collateral Assets is complex for Financial Accessibility	7/LO,OM	16	23	15/01/15	16/03/17	Ahmed & Robin
5.3.1.1.1. Discourse 2Aa: Hypothecation determines Business prospect	4/LO, OM	14	18	17/01/15	16/03/17	Ahmed & Robin
5.3.1.1.2. Discourse 2B: Land is the best Collateral assets	6/LO	10	16	22/01/15	17/03/17	Ahmed & Robin
5.3.1.2. Subtheme 2B: Personal Attribute/factors determines Prospect						
5.3.1.2.1 Discourse 2Ba: Level of Education	15/LO, OM,HO	4	119	28/02/15	02/04/17	Ahmed & Robin
5.3.1.2.2. Discourse 2Bb: Personal Attributes Determines Soft Information/business prospect	5/LO, HO	13	18	05/03/15	09/04/17	Ahmed & Robin
5.3.1.2.3. Discourse 2Bc: Misuse of Social Network determines prospect	9/LO	03	12	09/03/15	11/04/17	Ahmed & Robin
5.3.1.2.3. Discourse 2Bc: Misuse of Social Network determines prospect	2/OM	12	14	14/03/15	12/04/17	Ahmed & Robin
5.2.2. Theme 3: Prospect Assessment process is subjective and interaction-based						
5.2.2.1. Discourse 3A: Empowerment of Loan Officers	8/LO,OM, HO	18	26	23/05/15	13/05/17	Ahmed & Robin
5.2.2.1. Discourse 3A: Empowerment of Loan Officers	4/LO	17	21	26/05/15	14/05/17	Ahmed & Robin
5.2.2.2. Discourse 3B: Assessment process is social network-based	4/LO	13	17	28/05/15	15/05/17	Ahmed & Robin
5.2.2.3. Discourse 3C: Information asymmetry for Hypothecation/MCA (tangible assets)	9/L.O,OM	10	19	01/06/15	16/05/17	Ahmed & Robin
5.2.2.4. Discourse 3D: Inverse information asymmetry for CCA	2/LO, OM	23	25	03/05/15	18/05/17	Ahmed & Robin

Theme 4: Conventional training and development provision is CCA-unfit	5/LO,OM,HO	21	26	11/05/15	24/05/17	Ahmed & Robin
5.2.3.1. Discourse 4A: Insufficient training facilities	2/HO, OM	20	22	13/05/15	25/05/17	Ahmed & Robin
5.2.3.2. Discourse 4B: Outside classroom based learning	2/OM	21	23	11/05/15	26/05/17	Ahmed & Robin
5.2.3.3. Discourse 4C: Training needs and training materials are not CCA-fit	1/HO	10	11	15/05/15	27/05/17	Ahmed & Robin
5.2.3.4. Discourse 4D: No Impact analysis	2/HO	09	11	16/05/15	27/05/17	Ahmed & Robin
5.2.3.5. Discourse 4E: Trainee Selection Method	1/HO	10	11	17/05/15	28/05/17	Ahmed & Robin
5.2.3.6. Discourse 4F: Training Publicity Method	1/HO	12	13	19/05/15	30/05/17	Ahmed & Robin
5.2.3.7. Discourse 4G: Training and Immediate loan is associated	1/OM	6	7	19/05/15	30/05/17	Ahmed & Robin
5.2.3.8. Discourse 4H: PCBs' Attitude and BB's Regulations	1/HO	8	9	21/05/15	30/05/17	Ahmed & Robin
Theme 5: Informal social counseling is better than formal training for CCA improvement	3/LO,OM,HO	19	22	23/05/15	01/06/17	Ahmed & Robin
5.2.4.1. Discourse 5A: Loan officer to owner-manager	2/LO, HO	05	7	29/05/15	03/06/17	Ahmed & Robin
5.2.4.2. Discourse 5B: Owner-manager to Owner-managers	1/LO	07	08	01/06/15	03/06/17	Ahmed & Robin
5.2.4.4. Discourse 5C: Buyer/Customers to owner-managers	1/OM	05	6	04/06/15	04/06/17	Ahmed & Robin
5.2.5. Theme 6: PCB's Motivation is better than BBs' Regulations	19/LO,HO	19	19	14/06/15	10/06/17	Ahmed & Robin
5.2.5.1. Discourse 6A: Involvement in Training and Development	1/HO,LO	19	20	15/06/15	11/06/17	Ahmed & Robin
5.2.5.2. Discourse 6B: Competitive Financial market	2/LO,HO	14	16	16/06/15	12/06/17	Ahmed & Robin
5.2.5.2. Discourse 5C: Survival and Global challenge	1/OH	19	20	18/06/15	13/06/17	Ahmed & Robin