

EFFECT OF INTERNAL BUSINESS ENVIRONMENTAL FACTORS ON SURVIVAL OF MICROFINANCE BANKS (MFBs) IN NORTHERN NIGERIA

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ABSTRACT

The Nigerian government, through various policies and initiatives, has made several efforts to enhance the sustainability of Microfinance Banks (MFBs) as it plays a critical role in Northern Nigeria's economy by providing financial services to low-income populations, fostering financial inclusion, and supporting entrepreneurship. Despite the importance of these institutions, many MFBs face significant challenges that threaten their sustainability and survival. This study examined effect of internal business environmental factors on survival of microfinance banks (MFBS) in northern Nigeria. The study adopted a survey research design whereby structured 5-point likert scale questionnaire was administered to a sample of two hundred and eighty-nine (289) Chief Executive Officers (CEOs) of microfinance banks in Northern Nigeria. Partial Least Square Structural Equation Modelling (PLS-SEM) was employed to test the hypotheses formulated. The study found a negative and significant effect of quality decision on the survival of MFBs in Northern Nigeria, while information technology infrastructure had positive but significant effects on survival of MFBs in Northern Nigeria. The study recommends that MFBs should Conduct thorough reviews and assessments of their current decision-making practices, identifying areas for improvement in terms of information gathering, analysis, risk management, and strategic planning. MFB in Northern Nigeria should conduct a comprehensive assessment of their current IT capabilities and infrastructure, identifying areas for improvement in terms of hardware, software, connectivity, data management, and cybersecurity. Develop a robust, multi-year IT strategy and investment plan that aligns with the overall business objectives and growth plans of the organization.

Keywords: Internal Environment, Decision, Technology, Infrastructure, Survival

INTRODUCTION

The internal environment of business determines how quickly a firm recognizes an opportunity and how fast it seizes that opportunity. A firm's internal environment refers to the setting of an organization in terms of its structure, resources, skills, and capacity to deliver goods and services. Also, the acquisition of skills and resources is important for a firm to build strong internal capacity and respond to the market demand. Firms operating in dynamic environments with rapid changes can experience uncertain profitability and thus constantly need to search for new opportunities. For business to cope with the dynamic and rapidly changing business environment, there is a need to develop and implement appropriate strategies that would safeguard their operations and yield the desired results (Akanni, 2015). The business operating environment all over the world is complex and dynamic due to many interconnected factors including globalization and advancement in technology. Meanwhile, every business organization is seen as a system that is available to everyone. This suggests that people interact with their environment, affecting and being influenced by events and patterns in the operating environment. Changes in the operating environment in Nigeria have harmed businesses, made it hard for them to survive, and caused the inability to compete with larger multinational firms and imported products from countries with lower production costs, particularly those from Asia; who also have less government protection and are exposed to a lack of social capital, all of which puts pressure on the productivity of Nigerian businesses. Silvia *et al.* (2021).

One of the most significant components in setting a company's direction and differentiating itself from competitors is the internal environment (Aldrich cited in Simon, *et al.* 2020). This environment has a variety of qualities that a corporation can use to respond to the constantly changing external environment effectively. The internal environment of a corporation, in contrast to the external environment, is mostly controlled by management. Corporate culture, organizational structure, quality decision-making, and Information Technology.

Decision-making offers overall guidance and direction to a business or organization and is superior to regulating day-to-day activities. Therefore, good strategic decision makers have broader vision and are able to see the growth and efficiency of an enterprise beyond the present performance of survival and efficiency. Making decisions is a matter of huge responsibility for the managers not only against the organization itself, but against their employees and other stakeholders, as well. Involving teams in decision making improves the quality of decisions most of the times.

The rapid advancement of information technology has revolutionized the business landscape, rendering robust and efficient Information Technology Infrastructure (ITI) critical for organizations' survival and growth. In today's hyper-connected and data-driven world, ITI serves as the backbone that supports the seamless flow of information, enables data storage, retrieval, and processing, and facilitates enhanced decision-making processes. Organizations across industries heavily rely on diverse hardware, software, networks, and databases to underpin their various business functions and strategic objectives. The effectiveness of an organization's ITI could directly impact its operational efficiency, agility, and ability to respond to dynamic market demands. Therefore, understanding the significance of ITI and its intricate interplay within the internal business environment is imperative to drive competitive advantage and foster sustainable business performance. Zehir *et al.* (2021)

Business survival is the ability of sustaining an enterprise into the unforeseeable future. It implies that enterprise will continue its business activity without any form of break and is able to realize all the enterprise objectives (profit maximization, sales maximization and welfare maximization. Adeoye (2022), revealed that corporate survival is the continued existence of an enterprise especially in difficult condition. Enterprise survival signifies that a business can continue into the unforeseeable future and doing well even in the turbulent environment that is evidenced by high competition. Business survival is the ability of a firm to continuously be in operation despite various challenges i.e., the managerial process of directing the affairs of a firm regularly on a going concern basis and meets the needs of all stakeholders. Akindele *et al.* (2022) in Adeoye (2022) submitted that the present form of complexities facing firms include leadership styles, changes, uncertainty, conflict, culture, technology, structure, competitive market, profitability, and workplace motivation. Hence, firms must develop a strategic plan and tactical procedure that is appropriate and adaptive to the present business environment that will aid their optimum resource utilization and attainment of set goals. This study seeks to assess the effect of internal business environmental factors on the survival of MFBs in Northern Nigeria. The internal business environment will be proxied by quality decision making and information technology infrastructure in this study.

Despite the importance of Microfinance Banks (MFBs) to Micro, Small and Medium Enterprises (MSMEs), boosting economic growth and development, the researcher has observed that Microfinance Banks (MFBs) in Northern Nigeria find it hard to survive as the number MFBs in operation has been on the decline. This is supported by the NDIC (2020) report that mentioned how the CBN revoked the operating licenses of about 153 failed MFBs. Among the failed MFBs, 52.38% were operating in Northern Nigeria. Furthermore, out of the 876 registered MFBs currently operating in Nigeria according to CBN's (2021) list of MFBs, only 289 (33.1%) are currently operating in Northern Nigeria, which is a 13% decline from the figures published in the same report as of 2018. This phenomenon calls for an assessment of the factors responsible for the decline in number. Since external factors like laws and regulations, economic situations, and sociocultural factors amongst others, are common to all businesses and sectors which no single business or sector has direct influence over, the researcher perceives that the problem of MFBs may be addressed by looking at the internal factors that are within the control of the institutions.

Objective of the Study

- i. Determine the effect of the Quality of decision-making on the survival of MFBs in Northern Nigeria;

- ii. Ascertain the effect of Information Technology Infrastructure on the survival of MFBs in Northern Nigeria;

Research Hypotheses

In line with the problem and objectives of the study, the following research hypotheses will be statistically tested at 0.05 alpha level:

H₀₁ Quality of decision-making has no statistically significant effect on the survival of MFBs in Northern Nigeria.

H₀₂ Information Technology Infrastructure has no statistically significant effect on the survival of MFBs in Northern Nigeria.

LITERATURE REVIEW

Internal Business Environment

The Internal Business Environment refers to all the factors within an organization that influence its operations, performance, and culture. Unlike the external environment, which encompasses factors outside the company's control, the internal environment includes elements that are directly influenced by management decisions and organizational practices. Core components of the internal environment include the company's organizational structure, management style, corporate culture, internal processes, and resources (such as financial, human, and physical assets) (Daft, 2020).

The Internal Business Environment encompasses all internal factors that directly influence a company's operations and decision-making processes. These factors are largely within the control of the organization and include elements such as the organizational structure, corporate culture, leadership style, employee morale, resources, and internal processes. Together, these components shape how effectively the company can execute its strategies and respond to challenges (Robbins & Coulter, 2020). The internal business environment refers to the various factors and conditions within an organization that influence its operations, decision-making, and overall effectiveness. Understanding this environment is crucial for firms as it directly impacts their ability to respond to external opportunities and challenges.

Consequently, Vlado (2019) defined internal business environment as an analysis that constitutes a significant contribution to modern strategic planning. The exploration of the inner structural socioeconomic elements that comprise the internal environment of the firm is one of the two critical pillars of articulating an integrated business strategy – together with the external business environment. Based on a simultaneous examination of these two analytical dimensions (external and internal environment), SWOT analysis can be further consolidated, which is the source of the subsequent strategic planning of the firm, and which results in the overall strategic plan.

Quality of Decision-Making

Harris and Lee (2022) defined decision-making as a process that occurs daily in homes, schools, political, and governmental organizations, corporate boardrooms, and executive offices. Decisions, especially important decisions, are made by leaders and managers located at the top of the organizational hierarchy. In the words of Harris (2019) decision making involves an act of identifying and ably selecting among an array of alternatives based on the inclination. It includes variety of processes that are all intermediate steps between thought and action which are the precursors to behavior (Taylor 2023).

Furthermore, Robbins, et al (2022) noted that decision making is not only the essence of management; it is what managers try or try not to do. The underlying insight in this definition is that all managers would like to make good decisions because they are judged on the outcomes of those decisions. Such judgment is based on the effectiveness of decisions in terms of following specific objectives as well as efficient utilization of limited resources. This goes to say that every decision has an outcome, which could be positive or negative.

Greenberg and Baron (2021) posited that decision-making is the act of choosing one alternative from a set of alternatives. On the other hand, decision-making process involves much more than just making a

choice from a list of alternative options. It includes recognizing and defining the nature of a decision situation, identifying alternatives, choosing the best alternative, and implementing and evaluating its outcome, with the intention of moving toward some desired situation, by creating visions of future states and mobilizing resources.

Information Technology Infrastructure

Laudon and Jonathan (2020) note that Information technology infrastructure consists of the shared technology resources that provide the platform for the firm's specific information system applications." This infrastructure includes physical devices, such as computers, servers, and networking equipment, as well as the software, protocols, and processes that enable the communication, storage, and processing of data and information.

In the same vein, Gupta and Anderson, (2023) refers to information Technology Infrastructure (ITI) as the integrated framework of computing and communication technologies, hardware, software, networks, and related resources that enable and support the overall information technology (IT) capabilities of an organization. ITI provides the foundation and underlying structure for the effective delivery and management of IT services and solutions within an enterprise.

Also, Rouse (2023) defined information Technology Infrastructure (ITI) to includes the physical devices, software, networks, facilities, and related equipment used to develop, test, deliver, monitor, control or support IT services." Effectively managing and maintaining the ITI is crucial for ensuring the reliable, efficient, and secure operation of an organization's IT systems and applications.

Smith and Johnson, (2022) refers to information Technology Infrastructure (ITI) as the underlying framework of hardware, software, networks, and other technological components that enable the efficient management, processing, and communication of information within an organization. It serves as the backbone supporting an organization's digital operations, facilitating day-to-day business functions, strategic decision-making, and fostering innovation. A robust ITI is crucial for organizations to maintain their competitive edge in today's rapidly evolving business landscape, enabling quick responses to market changes and efficient delivery of products and services.

Business Survival

Laudon and Laudon (2020) defined business survival as the act of sustaining or surviving the severe, harsh, or unusual conditions. It may occur in a business that continues to fulfill the enterprise aim and objectives most especially during challenging situations such as recession or economic meltdown. During the challenging situations that the business has adopted strategic decision-making techniques, the enterprise will be able to attract customer patronage, pay-off staff and earned enough profit.

Margaretta (2022) noted that business survival is the surviving of a business in a competitive atmosphere is highly dependent on level at which the enterprise is subjected to with respect to learning from the external environment and adaptation of the environment with optimum resource utilization. Survival refers to the ability to remain in business. It implies the ability of a business to continue to remain in operation despite various challenges it faces. Akindele et al. (2022) explain survival as the process of regularly managing the affairs of a business on a going concern basis and meeting the needs of all stakeholders. Most businesses function in a dynamic environment characterized by changing technology, competition, uncertainty, etc., that exert significant impact on their operations, and thus, these organizations are in a constant process of structuring and restructuring to stay relevant in their market (Adeoye, 2022).

Microfinance Bank (MFB)

Microfinance banks typically serve economically as an advantage to individuals, including small-scale entrepreneurs, farmers, women entrepreneurs, and those in rural or remote areas. These banks offer a range of financial products tailored to the needs of their clientele, including microloans, micro savings

accounts, microinsurance, and remittance services. The loan amounts are relatively small, and the repayment terms are often flexible to accommodate the irregular income patterns of their borrowers (Katz & Kahn, 2020).

To mitigate risks associated with lending to the unbanked population, microfinance banks often use innovative lending methodologies, such as group lending and social collateral. Group lending involves providing loans to small groups of individuals who collectively guarantee each other's repayment. Social collateral relies on the support and trust within close-knit communities to ensure loan repayment (Karlan & Zinman, 2021).

Empirical review

Quality of Decision-Making and MFB Survival

Onafadeji and Ogunyemi (2023) investigated quality decision making on enterprises' survival using some shoes and garment enterprises in Ibadan, Nigeria. The study used a sampling technique that targeted six hundred and fifty-seven (657) respondents comprising of middle and top-level management staff of shoes and garment enterprises selected. Primary source of data was employed, and this drew out five hundred and thirty-nine (539) respondents analyzed with the use of regression analysis. The study employed statistical package for social sciences (SPSS) version 20 together with excel (Window 10) to code, compute, and process the data. The investigation revealed that quality decision making is significantly influencing enterprises survival at ($R = 0.803$, $p 0.000 < 0.05$, $R^2 = 0.644$). In view of this result, persistence and quality decision making is crucial to the survival of the enterprise. Hence, the study recommends that management of shoes and garment enterprises should improve on their quality decision making for the survival of the enterprise. The study was carried out in Nigeria hence the data might not be relevant in the context of other places.

Sumedha et al (2021) investigate the impact of quality' decision-making styles on enterprise survival and suggests several entrepreneurial ecosystems – factors are impacting this relationship. The authors extend this line of work by examining how regional entrepreneurial culture, educational institutional support and business and social networks mediating the relationship between quality decision-making style and small medium enterprises (SME)s' business survival. The data were collected through an e-survey of SME owners in New South Wales, Australia. This study developed a model combining a set of entrepreneurial ecosystem factors, quality' decision-making styles and SMEs' business survival. Data were analysed using partial least square structural equation modelling. The results suggest regional entrepreneurial culture, educational institutional support and business and social networks mediate the relationship between quality' decision-making style and SMEs' business survival. Hence, this study developed a more complete methodical understanding of quality decision-making styles and their impact on SMEs' business survival. This study provides deeper insights into the conditions and processes by which a quality' decision-making style impacts SMEs' business survival. The authors identified that the quality' decision-making style has negative and significant impacts on SMEs' business survival. This study augments the body of knowledge by proposing ways in how the quality' decision-making style can be more strengthened. The findings from the analysis does not show the direction of the effect of the relationship between decision-making styles on enterprise survival which this study showed in its findings.

Rana *et al.* (2022) determines the impact of quality decision making styles on organizational survival. Study also investigates the moderating role of emotional intelligence on the relationship among quality decision making styles and organizational survival. Data is collected on random sampling basis from 187 banking sector employees. Findings of the study determine that quality decision-making styles influence organizational survival differently. Major findings include that rational and dependent decision-making styles have high positive and insignificant impact on organizational survival while avoidant decision-making styles has negative impact on organizational survival. Study further determines that emotional intelligence moderates the relationship among decision making styles and organizational survival. The

results from the analysis only showed the relationship between the variables but did not show the effect nor direction of the relationship which this study explored in its analysis.

Information Technology Infrastructure and MFB's Survival

Andy (2023) investigates the impact of compatibility and connectivity of Information Technology Infrastructure (ITI) on reliability and access of customer service delivery in the Nigeria commercial banks. The study selected 8 commercial banks out of the 20 commercial banks in Nigeria as to generalize her findings. The study conveniently selected 40 customers from the eight banks, thereafter a total of 40 copies of the questionnaire that is 5copies per banks was randomly distributed to the 40 customers of the banks and the 40 questionnaires were fully attended to and retrieved. Simple percentages, tables were used to analyze the respondent demographics, while the Spearman's rank order correlation coefficient was used to analyze the four hypotheses; this was made easy with the use of statistical package for social sciences SPSS. The findings therefore revealed that compatibility and connectivity of ITI has positive and significant impact on reliability and access of customer service delivery. Therefore, the study has bridged knowledge by revealing that the two components of ITI used in this study impact on the two components of customer service delivery as used in this work. We, recommended that commercial banks should improve on their ITI compatibility and connectivity by training and retraining their IT personnel to be responsive to customer's complaints, also should overhaul their ITI facilities regularity in other words by improving their facilities, so as to deliver quality service and access to service.

Owusu (2023) examined information technology infrastructure (ITI) influences marketing effectiveness in Ghana commercial banks. But the study specifically evaluated the influence of ITI on customer satisfaction and competitive advantage of effectiveness marketing (ME). The researchers' adopted simple random sampling and judgment sampling in selecting 10 banks which represents the 21 banks in Ghana. The researchers systematically selected 100 staff from the 10 banks as the sample size of the study. The five-point Likert scale was used in framing the questionnaire instrument for ITI and ME, thereafter a total of 100 instruments were distributed and 80 copies of the instrument were retrieved. The researchers used Spearman's rank order correlation coefficient to analyze the data related to ITI and ME with the ease of Statistical Package for Social Sciences (SPSS). The study revealed that the two constructs of ITI: which are connectivity and flexibility has negative and insignificant effect on the two constructs of ME: which is customer satisfaction as well as competitive advantage. This study recommended that the banks should overhaul their ITI facilities regularly in order to mitigate the challenges that customers face in accessing banking services in Ghana, for example, ATM, funds transfer, POS as well as other related problems.

Gaitho and Kising (2023) examined the influence of information technology infrastructure capability on firm performance in microfinance banks in Kenya. The study was guided by dynamic capability theory. The study employed a descriptive research design and inferential statistics. The research targeted 111 branch managers in all the 13 microfinance banks in Kenya as registered by Central Bank of Kenya (2022). Primary data was collected by use of questionnaires while secondary data was collected from journals, books, and relevant online sources. The questionnaires were dropped and picked to give the respondents enough time to respond, and clarity provided in areas where the respondents found it difficult to comprehend the questions. The questionnaire content was checked to ensure completeness and accuracy. The researcher used the statistical package for social sciences (SPSS) version 25.0 to analyse the data. The study used frequency tables to present the data in numerical values with the mean, standard deviation, percentages, and normal flow frequencies. The findings revealed that information technology infrastructure capability translate to improved firm performance in microfinance banks. Therefore, emphasizing that information technology infrastructure capability has the potential of increasing firm performance in microfinance banks in Kenya. The study, therefore, recommended that the customer relations infrastructure needs to be well emphasized so as to improve the effect on firm performance.

The Resource-Based View Theory

The Resource-Based View (RBV) theory suggests that a firm's unique bundle of resources and capabilities can lead to sustainable competitive advantages and superior performance (Barney, 1991;

Wernerfelt, 1984). According to RBV, resources can be tangible, such as physical assets and technology, or intangible, such as intellectual property, organizational knowledge, and corporate culture (Barney, 1991). Capabilities, on the other hand, refer to an organization's ability to effectively use and combine its resources to achieve specific tasks or activities (Barney, 1991).

RBV emphasizes that not all resources are equally valuable or rare. For a resource to contribute to a competitive advantage, it must be valuable in the sense that it enables the firm to exploit opportunities or neutralize threats in the external environment (Barney, 1991). Additionally, the resource must be rare, meaning that it is not easily available to competitors (Barney, 1991). Moreover, the resource should be difficult to imitate or replicate, and the firm must have the ability to organize and deploy the resource effectively, which is referred to as "organizational slack" (Barney, 1991).

In the context of the internal business environment, RBV suggests that an organization's success and survival depend on its ability to identify, develop, and leverage unique and valuable resources and capabilities. This includes factors such as a strong and distinctive corporate culture, a flexible and adaptive organizational structure, high-quality decision-making processes, and superior Information Technology Infrastructure (Grant, 1991).

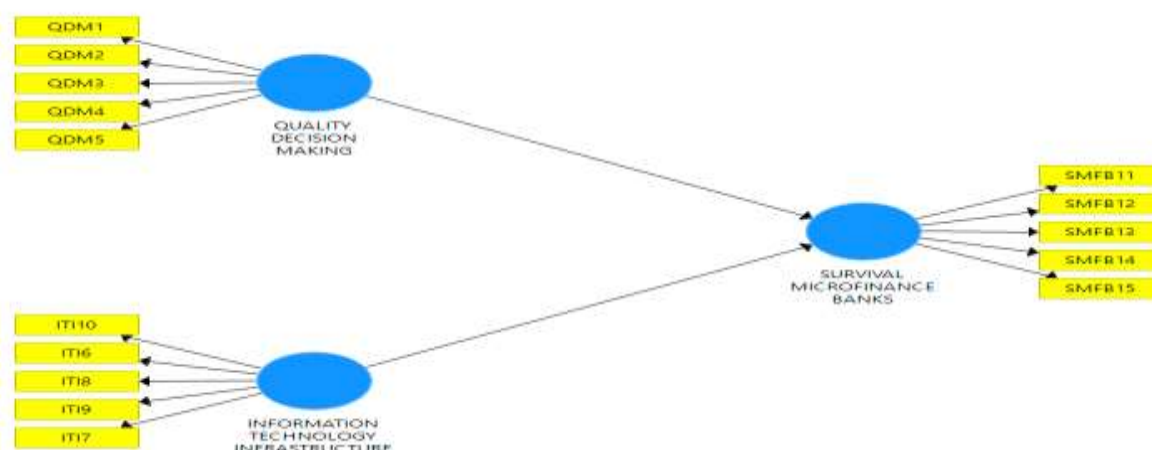
By aligning these internal factors with the external opportunities and threats, firms can achieve sustainable competitive advantages and ensure their longterm survival (Barney, 1991). Moreover, RBV emphasizes that resources and capabilities are not static; they must be continuously nurtured, developed, and adapted to changing market conditions and industry dynamics to remain relevant and competitive over time (Barney, 1991; Peteraf, 1993).

METHODOLOGY

This study adopted a survey research design because the research objectives require the use of primary data. The population of the study is top management staff each from all 289 microfinance banks in Northern Nigeria according to the CBN list of microfinance banks in Nigeria (2021). The study used census sampling technique where all the 289 CEOs of the MFBs was be part of the sample and the study attempt to have all of them as respondents. Primary data is adopted for this study, collected using a five-point likert scale structured questionnaire as the research instrument. The instrument for data collection was structured questionnaire with items adapted from the works of Cao *et al.* (2015). The questionnaire was self-administered administered using the google forms electronic survey tool. This study analyzed the data using Partial Least Square Structural equation model (PLS-SEM) to test the hypotheses to determine if there is an effect relationship between each of the independent variables and the dependent variable.

Model specification

The model of the regression analysis is specified thus:



Structural model for direct relationship between internal business environment and survival of microfinance banks

RESULT AND DISCUSSION

Table 1: Descriptive Statistics

	Mean	Median	Min	Max	Standard Deviation	Excess Kurtosis	Skewness
QDM	4.55	4.8	2.6	5	0.62	1.60	-1.44
ITI	4.50	5	2.70	5	0.70	0.03	-0.10
SMFB	4.42	4.70	2.83	5	0.62	-0.00	-0.80

Source: SMART PLS Output

Table1 provided statistical description of the variables as expressed in the data collected in terms of the mean, minimum, maximum, standard deviation, skewness and kurtosis values, quality decision making (QDM) showed minimum and maximum values of 2.70 and 5 respectively with an average value of 4.55 and a standard deviation value of 0.62. information technology infrastructure (ITI) had minimum and maximum values of 2.70 and 5 respectively however, it showed an average of 4.50 along with a standard deviation of 0.70. Survival of Microfinance Banks (SMFB) had a mean value of 4.42 along with a standard deviation value 0.62. The minimum and maximum values recorded for SMFB were 2.83 and 5 respectively.

Indicator Reliability

When evaluating the measurement model, we initiate the process by examining the item outer loadings. Generally, it is recommended to consider loadings above 0.708, as they signify that the construct accounts for more than 50 percent of the variance in the indicator, ensuring acceptable item reliability (Hair et al., 2019). However, Hair et al. (2019) also suggest that low but statistically significant indicator loadings (below 0.50) may be included. Conversely, outer loadings below 0.4 should be eliminated, and in exploratory research, loadings between 0.4 and 0.7 may be retained if the average variance extracted is satisfactory (Hair et al., 2014). This justifies the decision not to exclude indicators with loadings below 0.70 and above 0.40 from the model.

Measurement Model

Indicator Reliability

In assessing the measurement model, we begin by assessing the item outer loadings. As a rule, loadings above 0.708 are recommended, as they indicate that the construct explains more than 50 percent of the indicator's variance, thus providing acceptable item reliability (Hair, et al., 2019). However, Hair, et al., (2019) also posited that low but significant indicator loading (less than 0.50) can be included. Also, outer loadings less than 0.4 should be deleted and in exploratory research, loadings more than 0.4 and less than 0.7 can be retained if the average variance extracted in satisfied (Hair, et al., 2014) hence justifying why indicators with loadings less than 0.70 and above 0.40 were not deleted from the model.

Table 2: Factor Loadings of the Constructs

	QUALITY DECISION MAKING	INFORMATION TECHNOLOGY INFRASTRUCTURE	SURVIVAL OF MICROFINANCE BANKS
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QDM1 0.638

QDM2 0.526

QDM3 0.812

QDM4 0.839

QDM5 0.770

ITI10 0.773

ITI6 0.726

ITI7	0.610	
ITI8	0.785	
ITI9	0.798	
SMFB11		0.701
SMFB12		0.632
SMFB13		0.773
SMFB14		0.869
SMFB15		0.849

Source: SMART PLS Output

Construct Reliability

To establish internal consistency reliability of the construct, Cronbach's alpha and composite reliability (CR) should be higher than the threshold of 0.7. It is clear, that all the latent indicators are reliable since their values are higher than the threshold value of 0.7. As an alternative to Cronbach's alpha and composite reliability, Dijkstra and Henseler (2015) proposed rho A as an approximately exact measure of construct reliability, which usually lies between Cronbach's alpha and the composite reliability. Hence, rho A may represent a good compromise if one assumes that the factor model is correct.

Convergent Validity

Convergent validity gauges the degree to which a construct converges to elucidate the variance within its items. To evaluate convergent validity, the average variance extracted (AVE) should exceed 0.5. As depicted in Table 3, the AVE values for all constructs surpass 0.5, affirming that our constructs meet the criteria for convergent validity. This observation suggests that the entire construct accounts for 50 percent or more of the variance present in the items comprising the construct.

Table 3: Construct Reliability and Convergent Validity of the Indicators

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Quality Decision Making	0.768	0.795	0.845	0.528
Information Technology Infrastructure	0.799	0.829	0.858	0.550
Survival of Microfinance Banks	0.823	0.822	0.878	0.593

Source: SMART PLS Output

Discriminant Validity

Discriminant validity is the extent to which a construct is empirically distinct from other constructs in the structural model. There are many traditional methods for discriminant validity assessment, such as cross loadings and the Fornell-Larcker criterion (Fornell & Larcker, 1981), but researchers are advised to apply the Heterotrait-Monotrait (HTMT) criterion (Henseler et al., 2014). This is because traditional methods fail to indicate a lack of discriminant validity, even when two constructs are perfectly correlated, rendering this criterion's use ineffective for empirical research. For this thesis, table 4 shows the HTMT criterion for all the latent constructs. The discriminant validity of the construct is valid if the upper bound of the 95% confidence interval of HTMT is lower than 0.9. From table 4, this condition is satisfied.

Table 4: Heterotrait-Monotrait Ratio (HTMT)

	Quality Decision Making	Information Technology Infrastructure	Survival of Microfinance Banks
Quality Decision Making	0.760		
Information Technology Infrastructure	0.742	0.727	
Survival of Microfinance Banks	0.829	0.652	0.770

Source: SMART-PLS Output

Assessing Coefficient of Determination (R^2)

The R-Square value on table 5 show 0.688, meaning that 68.8% of survival of microfinance banks were influenced by business environmental factors variables. Meanwhile, the remaining 31.2% was affected by other factors not mentioned in the study. Also, the R^2 of the present study can be recognized as substantial.

Table 5: Coefficient of Determination (R^2)

	R Square	R Square Adjusted
SURVIVAL OF MICROFINANCE BANKS	0.688	0.687

Source: SMART-PLS Output

Model Goodness of Fit (GoF)

To validate the PLS model, it is essential to evaluate its goodness of fit, as recommended by Hair et al. (2017). In this study, the standardized root mean square residual (SRMR) was employed for this purpose. The selection of this index was based on the fact that SRMR provides an absolute fit measure, where a value of zero signifies a perfect fit. Following Hu and Bentler's (1998) suggestion that a value below 0.08 represents a good fit when using SRMR for model assessment, the study's result revealed an SRMR value of 0.013. This indicates that the model fits well. Besides the chi-square, other measures corroborate the goodness of fit in the study's model.

Table 6: Model of Goodness of fit Summary

	Saturated Model	Estimated Model
SRMR	0.013	0.013
d_ULS	2.248	2.248
d_G	1.633	1.633
Chi-Square	2666.586	2666.586
NFI	0.476	0.476

Source: SMART-PLS Output

Test of Hypotheses

The table below show the path coefficients, t-values and p-values used to test the hypotheses of the study:

Table 7: Path Coefficient of the Model

Variables	Beta	T Statistics (O/STDEV)	f ² Values	P Values	Decision
Quality Of Decision Making -> Survival of Microfinance Banks	-0.055	0.973	0.004	0.331	Accepted
Information Technology Infrastructure -> Survival of Microfinance Banks	0.788	16.587	0.844	0.000	Rejected

Source: SMART-PLS Output

Hypothesis One

H_{01} : Quality of Decision Making has no statistically significant effect on the survival of MFBs in Northern Nigeria.

The result of the test as shown in table 7 revealed that Quality of Decision Making has negative and significant effect on survival of MFBs in Northern Nigeria, with $\beta = -0.055$ and P value = 0.331. Thus,

hypothesis one was supported and therefore accepted at 5% level of significance. There is adequate evidence to reject the null hypothesis and the study therefore conclude that Quality of Decision Making has negative and significant effect on survival of MFBs in Northern Nigeria.

Hypothesis Two

H₀₂: Information Technology Infrastructure has no statistically significant effect on the survival of MFBs in Northern Nigeria.

The result from table 7 shows that Information Technology Infrastructure has positive but significant effects on survival of MFBs in Northern Nigeria, with $\beta = 0.788$ and P value = 0.000. Thus, hypothesis two was not supported and therefore rejected at 5% level of significance. There is adequate evidence to accept the null hypothesis and the study therefore conclude that Information Technology Infrastructure has positive and significant effects on survival of MFBs in Northern Nigeria.

Discussion of Findings

The first finding revealed that quality of decision making has a negative and is indicating that increasing decision making may not lead to improvement on MFBs survival, significant effect on survival of microfinance banks in Northern Nigeria, this imply that quality of decision making may be appealing or make the internal business environment under desirable to microfinance banks, which in turn better the survival of business. The finding is in agreement with that of Sumedha et al (2021) who found negative and significant on the impact of quality' decision-making styles on enterprise survival and suggests several entrepreneurial ecosystems. However, the finding disagrees with the finding of Rana *et al.* (2022) who found positive and insignificant impact on quality decision making styles on organizational survival.

On the other hand, the second finding revealed that Information Technology Infrastructure also has positive and significant effects on survival of microfinance banks in Northern Nigeria, this appears to be an important factor contributing to the survival and sustainability of microfinance banks operating in Northern Nigeria. The research suggests that fostering a positive Information Technology Infrastructure is crucial for MFBs to thrive in this regional context. These findings could have important practical implications for microfinance institutions aiming to improve their long-term viability in Northern Nigeria. This finding agrees with the findings of Andy (2023) who found positive but significant on impact of compatibility and connectivity of Information Technology Infrastructure (ITI) on reliability and access of customer service delivery in the Nigeria commercial banks. But the finding however, disagreed with that of Owusu (2023) who found negative and significant effect on information technology infrastructure (ITI) influences marketing effectiveness in Ghana commercial banks.

CONCLUSION AND RECOMMENDATIONS

This study examined the effect effect of internal business environmental factors on the survival of microfinance banks in Northern in Northern Nigeria. The findings concluded that, quality of decision making, that the quality of decision making has a negative and significant effect on the survival of MFBs in Northern Nigeria. However, the high p-value suggests that this relationship may not be as strong or reliable as a p-value of less than 0.05 would indicate. the results imply that improvements in the quality of decision making are associated with increased survival of MFBs, but the strength of this relationship is not as robust as one would typically expect from a statistically significant finding. This finding underscores the importance of carefully considering Information Technology Infrastructure and the survival of microfinance bankss. Based on the finding that Information Technology Infrastructure has positive and significant effect on the survival of MFBs in Northern Nigeria, the results indicate that improvements in the IT infrastructure are strongly associated with increased survival of MFBs in the region. This suggests that investing in and developing the IT capabilities of MFBs is an important factor in supporting their long-term sustainability and success. The low p-value ($p < 0.001$) provides a high level of confidence that the observed relationship between IT infrastructure and MFB survival is not due to chance, but rather reflects a genuine and reliable association. This finding has important implications for the management and policymaking decisions related to the microfinance sector in Northern Nigeria.

Based on the findings and conclusions above and given the importance of MFB survival and sustainability in supporting financial inclusion and economic development in the region the study recommends thus:

- i. Microfinance Banks in the Northern Nigeria, should prioritize and invest in improving the quality of their decision-making processes, but this should be done as part of a broader strategy that also addresses other critical factors for MFB survival. Conduct thorough reviews and assessments of their current decision-making practices, identifying areas for improvement in terms of information gathering, analysis, risk management, and strategic planning. Provide training and professional development opportunities for management and key decision-makers to enhance their skills and competencies in decision-making.
- ii. Conduct a comprehensive assessment of their current IT capabilities and infrastructure, identifying areas for improvement in terms of hardware, software, connectivity, data management, and cybersecurity. Develop a robust, multi-year IT strategy and investment plan that aligns with the overall business objectives and growth plans of the organization. Allocate a significant portion of their budgets and resources towards upgrading and maintaining their IT infrastructure, with a focus on building reliable, scalable, and secure systems. Hire or train specialized IT personnel to manage and support the MFB's technology systems, ensuring they have the necessary skills and expertise.

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Research questionnaire

Key: SA= Strongly Agree, A= Agree, U= Undecided, D= Disagree, SD= Strongly Disagree

S/N	Statement	SA	A	U	D	SD
	Quality of decision-making:	5	4	3	2	1
QDM1	The decision-making processes within the microfinance bank are transparent and well-communicated to all employees.					
QDM2	Decisions are made efficiently and effectively, without unnecessary delays.					
QDM3	The bank encourages input and feedback from employees at all levels in the decision-making process.					
QDM4	The decision-making processes consider the potential impacts on the bank's long-term sustainability and survival.					
QDM5	The bank's leadership demonstrates the ability to make tough decisions when required for the bank's well-being.					
	Information Technology Infrastructure:	5	4	3	2	1

ITI1	The microfinance bank has robust and up-to-date IT infrastructure that supports its day-to-day operations.					
ITI2	The bank's IT systems ensure secure and reliable handling of customer information and transactions.					
ITI3	The bank regularly invests in upgrading its IT infrastructure to keep pace with technological advancements.					
ITI4	IT tools and software are user-friendly and enable employees to perform their tasks efficiently.					
ITI5	The bank's IT infrastructure enhances its overall competitiveness and ability to serve customers effectively.					
	Microfinance Bank's Survival:	5	4	3	2	1
MFBS1	The microfinance bank has demonstrated resilience and adaptability in the face of economic challenges.					
MFBS2	The bank has a solid track record of sustainability and profitability over the years.					
MFBS3	The bank's leadership shows a proactive approach to address potential threats to its survival.					
MFBS4	The microfinance bank effectively responds to changes in the regulatory environment to ensure compliance and continuity.					
MFBS5	The bank's overall performance and reputation indicate a high likelihood of continued survival and growth.					