Stakeholder Influence and Board Role Performance in Microfinance Organizations: A Theory-Based Approach

Author(s)

Neema Mori

Abstract

Microfinance organizations provide financial services to low income individuals. In this paper I argue that good governance is a precondition for the long run survival of such organizations. The paper discusses importance and roles of stakeholders who sit on boards of microfinance organizations. The paper first identifies six types of microfinance stakeholders who sit on boards. These are donors, investors, government officials, creditors, employees and customers. The paper continues by discussing roles and importance of these stakeholders on boards and their contribution to board role performance. Stakeholder, agency and resource dependence perspectives are used as theoretical foundations, and used to identify stakeholder roles and their influence on board role performance. Practical implications and areas for future research on stakeholders, boards and governance of microfinance organizations are identified and encouraged.

Keywords

Microfinance organizations, stakeholders, boards, board role performance