

Critical evaluation of organizational structure and culture impact on the productivity of MFIs within the example of Agroleasing Leasing Credit Company LLC in Armenia

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Abstract: Nowadays, to survive in the dynamic and global environment, companies need to have a strong organizational culture to have competitive production or service and flexibility for a quick response to environmental changes, which can be achieved by optimal organizational structure. It will impact the whole company's productivity and influence better performance and duties balance. The main purpose of this study is to identify the cultural and structural issues of the MFIs in Armenia, examine the best practice and give an improvement action plan. Based on the literature review, there are diverse studies that prove the relationship between the structure and culture of the company and their correlation with productivity. Actually, organizational structure and culture have a great influence on productivity, as the formal and informal communications between employees predict the level of their work efficiency. Being a driver of a company's execution, organizational culture, and structure is connected with different activity outcomes. While examining the current situation in Agroleasing, a few problems were identified in accordance with the productivity of the company. One of them is connected with the complicated organizational structure, as there are several positions that are not used in reality. The other was linked with the absence of cultural behavior; the employees are acting based on their preferences and professional level. These two issues had a serious impact on the performance of the company. Summarizing the best approaches of literature review and identifying the problems of Agroleasing, several test cases were organized in order to evaluate the current efficiency of the organizational structure and to understand the roots of employees' diverse behavior approaches. According to the results of the research, recommendations were highlighted for each sphere. A new organizational structure was offered in order to simplify the complexity of the duties. Also, servant leadership behavior was recommended as a way of creating a better internal cultural environment creation.

Keywords: microfinance, culture, microloan, efficiency, productivity

JELCodes: G21, G24, G34, G38

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1. Introduction

Each company needs an evaluation framework with a specific end goal to know about its sub-framework tasks. Foundations, associations, and profit-seeking organizations with each mission, objective, or vision are in charge of responsibility to their founders. Financial institutions are no exceptions. Organizational culture and the best choice of structure of financial institutions play an irreplaceable role in an organization's growth. Poorly placed roles and weak management, incomprehensible culture, and unclear strategy of organization will bring job dissatisfaction and high level of turnover, which directly affects the productivity of the organization.

Nowadays, in a highly competitive environment, every organization needs to pay attention to the development of the culture and structure of the organization. According to Hogan *et al.* (2014), organizational structure and culture have a huge influence on the productivity of the company. Currently, the main organizational behavior issue that Agroleasing faces is weak organizational culture and structure. In fact, the team is small, and two specialists cover almost all duties concerning the clients' service, including the maintenance of current issues related to contracts, the provision of extracts, and the accountant's responsibilities. Besides, there is no internal policy that regulates the relationship between consumers and company workers.

Microfinance institutions (MFIs) are relatively small financial organizations that have historically focused on providing financial services to the low-income population in an effort to encourage them to take part in creating value in the economy. They differ from conventional financial institutions as they frequently offer loans without collateral and mostly serve low-income clients. Most significantly, while commercial banks' objective is to maximize their wealth, MFIs aim to maximize social wealth. This is why this study examines the ways to strengthen the productivity of MFIs by taking out issues concerning organizational structure and cultural environment. The example of Agroleasing has been chosen because of several reasons. The main reasons for choosing Agroleasing are the fact of its 20 years of activity, its purpose and strategy being close to international standards, as well as the average size of the company, which means that the approaches developed for this organization can be applied to a wider range of similar MFIs.

The banking system is the largest participant in the Armenian financial market, accounting for about 92% of the financial system's assets. As of December 31, 2020, 17 commercial banks and 44 MFIs were operating in the Republic of Armenia. As of June 1, 2021, one of the 44 MFIs registered in RA is a credit union; three of them are leasing organizations, one is a factoring company, two are refinancing credit unions, and the rest are universal credit organizations. Nine out of the 44 MFIs operating in Armenia are affiliated members of the Microfinance Center. As of the end of 2021, the credit portfolio of MFIs amounted to 298 billion AMD, which is equivalent to 620 million US dollars. 63% of the loans were provided in AMD, and a significant part of the foreign currency loans was made in US dollars. Compared to the previous year, the change in the volume of provided loans is insignificant, amounting to 0.02%.

Summarizing all the information mentioned above, the aim of this study is to examine the basic literature approaches to organizational structure and culture issues. Based on the integration of literature materials give, practical recommendations for the optimal changes which should be made in order to increase the level of knowledge management and productivity of Agroleasing.

2. Research Elaborations

The aim of this study is to find out the optimal structure and corporate culture model for MFIs operating in Armenia, which will increase the productivity of the organization. The objectives of this study are to identify the link between the culture and structure of MFIs, take out cultural and structural issues of the MFIs operating in Armenia, and to propose an optimal organizational structure and cultural environment for them.

The research methodology is based on qualitative analysis mixed with a quasi-experimental post-test method. The choice of this approach was due to the fact that the proposed study was explanatory in nature; In line with White & Sabarwal's observations, the quasi-experimental study designs causal hypotheses using interventions based on predetermined factors (Kwendo, M. E. S., Omondi, O. C., & Kirwa, M. J., 2018).

The work can be claimed as one among the few that tries to arrive on the corporate culture and structure impact factors drawing upon both academic and practitioner perspectives. The primary responses obtained from MFIs employees enhance the credibility of our findings reported in the study.

Thematic qualitative analysis is made upon the interviews of the employees of MFIs operating in Armenia. Initially, 9 MFIs were contacted with anticipation of at least 1 respondent from each. Agroleasing employees were also interviewed, which was the company where a quasi-experimental study was done. The interviewees were credit specialists, 7 men, 5 women, all were 24-34 years age range. Respondents were asked about the challenges faced so far in the MFIs, which refer to existing traditions, issues concerning organizational structure within the organization, clarity of distributed roles, and contact with superiors. The transferability of the research is achieved by having qualitative data so that the researchers can compare one context to the other (Li, D. 2004).

It was noted from the respondents that the absence of clear corporate culture is a major challenge in the MFIs: We need to feel the culture in the organization, to go through the goals together with the top management (Credit Specialist, MFI). Clear tasks in each position of the structure is a key measure of success. (Senior Credit Specialist, a leading MFI). Another respondent also mentioned a lack of contact with managers for the clarification of details of specific tasks. The gap makes the working process unclear as the employee can't get guidance on the working process.

Both researchers and practitioners underline that the optimal organizational structure, culture, and strategy are key indispensable conditions for effective performance and high productivity for each company.

It should be noted that the activities of MFIs in developing countries, such as Armenia, are quite complex, as the needs of micro-entrepreneurs and other clients receiving microcredit are different, their financing is risky, and competition between microfinance organizations is high. Microfinance organizations support a wide range of activities, from start-up capital to educational programs that enable people to develop the skills needed to succeed as an entrepreneur (Mkhitarayan A., 2021).

Market transformations that have taken place since 2020, in turn, pose additional risks to financial institutions. At the same time, competition in MFIs is very high, and the RA regulatory framework is highly regulated, which on the one hand, is good from the point of view of risk management; on the other hand, it has a negative impact on the productivity of MFIs. Increasing competitiveness and productivity for financial

institutions has gained significant importance in the context of recent economic and political changes. The discovery of an effective organizational structure and cultural model can be seen in terms of improving the productivity of the organization and is considered one of the most important preconditions for increasing the productivity of the financial institution. It, in turn, promotes the improvement of financial-operational indicators and increased competition of the organization (Mkhitarian A., 2021).

Organizational structure, culture, and strategy are three important key resources that have been examined broadly in their relationship with organizational effectiveness. However, how they pass their impact on organizational productiveness of the company still needs to be studied (Zheng, W., Yang, B., & McLean, 2010).

Schminke *et al.* (2000) stated that organizational structure demonstrates a persisting configuration of tasks and activities. Moreover, as per Bergeron *et al.* (2004), the optimal choice of structure and roles will directly increase the productivity of the whole company. Anthony *et al.* (2001), Sullivan *et al.* (2003), and Hall *et al.* (2009) defined an organization as a group of people who work together to achieve the main goal, mainly focusing on getting profit.

On the other hand, culture is the next component that has been examined in correlation with company performance. Lee *et al.* (2005) found out that organizational culture has become a central concern of companies in their research for management efficiency. Organizational culture conceivably has an impact on the financial performance of the organization, as well as on strategic development (Vallejo-Martos, 2011).

Taking into account the above-mentioned reasons, as well as the fact that there are few pieces of research on this topic in the Republic of Armenia, at the same time the high competition in the financial sector, especially among MFIs, the research about corporate culture and structure of the MFIs becomes very relevant. Although organizational culture provides a relatively stable and frugal pathway to improving the performance of the firm, it has received little research attention, particularly in emerging industries such as microfinance.

In the framework of the article, the corporate culture and organizational structure of Agroleasing Leasing Credit Organization LLC (hereinafter referred to as Agroleasing) were examined, which enabled the acquisition of additional information and ensured the practical applicability of the research results. The choice of Agroleasing is due to the fact that the company is one of the oldest MFIs operating in Armenia, founded by the US Department of Agriculture Marketing Support Program and, despite the changes made over the years, has both Armenian and US-accepted management experience in Armenia.

Agroleasing was established in 1999. The company implemented the US Government's Leasing Program in general and the Financial Leasing Program in particular in the Republic of Armenia. From the first years of performance, Agroleasing has been implementing a large number of leasing and loan programs, financing mainly small and medium enterprises involved in agricultural production and processing. In addition, the company provides support to its clients by providing consultancy during the selection, installation, launching, and running of the equipment. The company has a small staff consisting of 11 permanent workers and 4 positions which are outsourced.

The company's mission is to promote small and medium-sized businesses in the Republic of Armenia through lending, finance, leasing, low-income families, and providing financial services to farmers, as well as loans to the most vulnerable, relatively low-income, and economically active population.

a. Structure and productivity

Nowadays, surviving in a dynamic and complicated environment, it is required organizations to have agility and flexibility in which the main factor is organizational structure, which is the principal force of change (Shafiee *et al.*, 2016). As per Storey *et al.* (2010) organization exists to achieve goals; goals are divided into tasks as the background for jobs; furthermore, jobs are grouped into departments, like accounting, sales, credit department, finance, and so on. Moreover, within each department, there are more variations between jobs and individuals' performance. The connections of departments lead to the formation of the organizational structure.

In practice, there are a lot of indicators which has an impact on organizational structure, like centralization and decentralization, formality, and complexity (Storey *et al.*, 2010). According to Gounaris *et al.* (2013), conceptual model, formalization, and centralization of the structure of an organization can bring key account orientation management, relationship, and financial productivity outcomes.

Even though different discoveries about the connection between structure and knowledge management exists, a decentralized structure has regularly been viewed as a success accelerator. High centralization restrains communications among individuals in different positions and decreases the opportunity for career advancement (Gold *et al.*, 2001).

b. Culture and productivity

In spite of the vast number of research on the impact of culture on a company's productivity, there are few ideas in this field (Gillespie *et al.*, 2008). One reason for this was the difficulty in operationalizing the culture construct (Lee *et al.*, 2004). There is a strong link between the culture of the organization and the level of productivity. Some other researchers in this field suggest that companies with a strong mission, a high degree of employee involvement, and internal consistency are the most effective (Denison *et al.*, 1995). As per Liden *et al.* (2014) and Dinh *et al.* (2014), an environment where participants share the understanding of prioritizing the needs of others above their own and assisting them, is characterized as servant culture. A later study by Mousavi *et al.* (2015) sought further evidence about authoritative culture, which has been considered like never before, and more consideration has been paid to the connection between several factors, for example, efficiency, hierarchical structure, job satisfaction, productivity, and organizational citizenship.

In contrast to researchers who prove a strong link between culture and organization productivity, other theorists support another hypothesis, which is about a lower connection between culture and performance (Heskett *et al.*, 1992; Chatman *et al.*, 1994). Their studies, which have been conducted in different industries worldwide, show that organization's culture has an impact on short-term productivity. There were organizations with well-built cultures and weak output and vice versa, and there were found out 22 organizations with weak cultures and excellent productivity. This result revealed that there are different companies with disparate cultures, which have good performance due to business specificities.

Another specification of a company's culture is the difference between the cultures of countries, which results in different ways of effective organizational cultures. For example, Slovenia has characterized by well-structured and organized unions, strong worker associations, broadened remuneration contracts, and firm works councils, but in contrast with this theory, Estonia uses decentralized bargaining and much weaker union structures and workers' associations and narrow work councils (Psychogios et al., 2010).

3. Results and Discussions

There are different approaches concerning the best organizational structure and culture. Several researchers consider decentralization and free decision-making more effective; meanwhile, others bring real facts on the successes of strict cultural policy and centralization, as well as formality and non-formality inside organizations.

a. Recommendations on organizational structure

According to Zheng *et al.* (2010) and Boyce *et al.* (2015), organizational structure dimensions most frequently met are complexity, formality, centralization, and specialization. Examining these dimensions in borders of Agroleasing and also combining the data with the results of the interviews, the level of impact and the ways of improvement were identified (Figure 1).

Figure 1. *Organizational structure and culture impact on productivity*

<i>Impact factor</i>	<i>Impact level</i>	<i>Ways of improvement</i>
Complexity	Low	<i>Clear tasks</i>
Formality	High	<i>Paper-based orders</i>
Specialization	Middle	<i>Overload workers to job oriented multitask workers</i>
Centralization	Middle	<i>Participation in decision making</i>

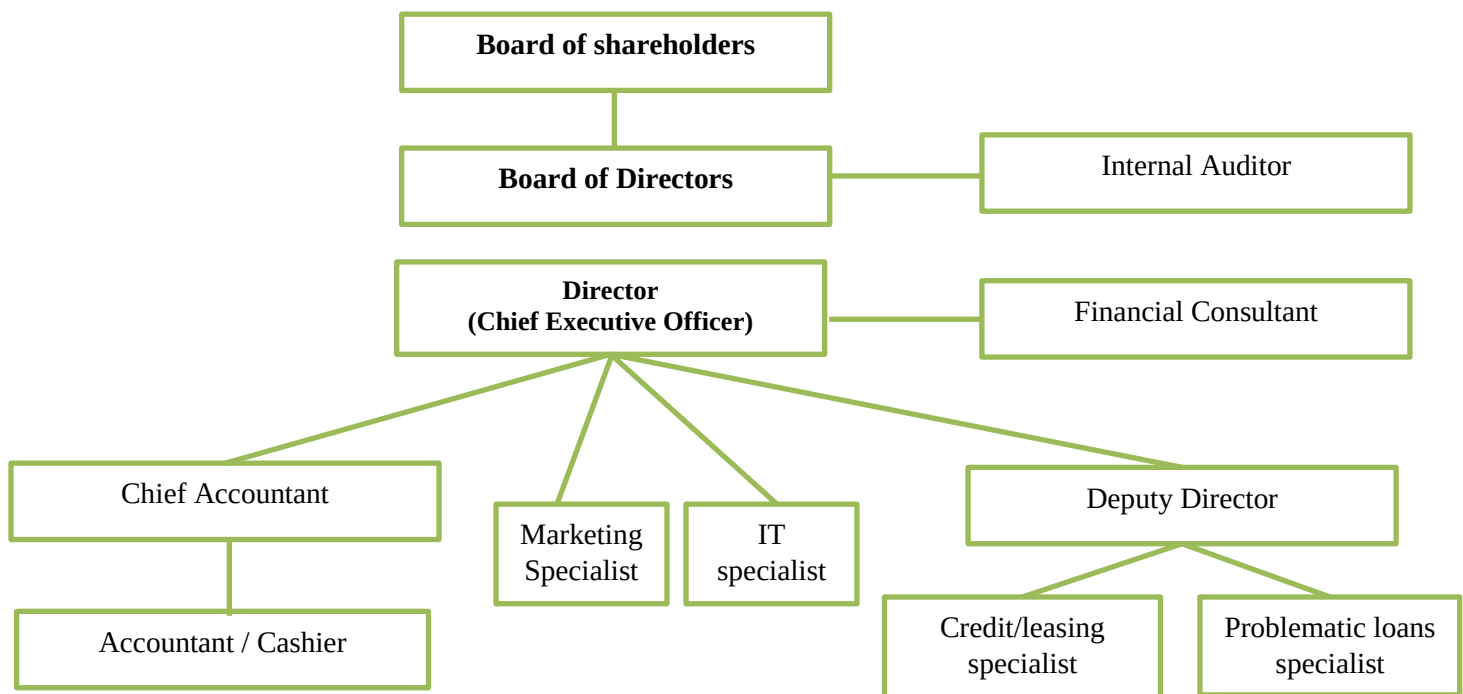
Complexity means the number of undertakings or sub-frameworks in an association. Hage (1980) presented the attributes of hierarchical structure and said that the levels of these qualities are distinctive in different associations. This added to a long pace on examination of organization structure. Complexity does not have a big impact on performance. But still, it is very important to maintain clear tasks for employees. *Specialization* inside an association identifies with the degree that job positions are narrowly defined in terms of required skills, ability, and experience (Green et al., 2005). Specialists are experts in their areas but not necessarily in other areas. Currently, in Agroleasing, different types of duties from different aspects overload employees. According to test results, a cashier's performance is higher than the outcome of a credit

specialist that in parallel is responsible for diverse tasks like administrative duties. Taking into account these facts, it can be recommended to specify their responsibilities.

Formality focuses on the standard level of authoritative jobs. In a formal company, authoritative relations are clarified for workers in paper form and based on managerial levels and, if vital, the following changes are introduced by manager formally; however, in informal companies, hierarchical relations are shown verbally for workers, and if essential, are changed naturally (Zheng et al.,2010).

Currently, the organizational structure of Agroleasing is presented below.

Figure 2. Agroleasing Leasing Credit Company LLC current organizational structure



Taking into consideration the facts taken out from the literature, there are several issues in the organizational structure of Agroleasing which can affect work efficiency. In particular:

- The company's structure does not provide opportunities for employee advancement and career improvement,
- There is a position of Deputy Executive Director which is only involved in the management of credit operations. Besides, the position is vacant since its inception.
- The existing board of directors in the company consists of the employees of the company; thus the advantages of the corporate institution are not fully applied.
- An internal audit of the company revealed that all non-job-specific responsibilities are distributed among staff, leaving employees overworked and prone to work-life balance difficulties and job stress.

Taking into account the literature review, it is also recommended that Agroleasing to simplify the structure and better clarify the responsibilities between positions. This will lead to clarity of tasks and functions of employees, which is important for increasing the productivity of the company.

According to RA legislation, such financial institutions as credit organizations (in our case, Agroleasing) must have corporate governance, which results in a centralized organizational structure. That is the reason why all MFIs operating in Armenia have a board of directors. As a result of the studies, it was found that the Boards of the MFIs are mostly formal in nature and fulfill the requirement of the law, and the MFIs did not fully reveal the positive effect of the regular and professional work of the board. As per Ssekiziyivu *et al.* (2018), the boards of directors of MFIs are responsible for ensuring healthy and prudent management by implementing an effective policy framework, and this is lacking in most MFIs operating in Armenia. Based on the above statement, it can be stated that the involvement of professional board members, independent from the core team of the organization, can significantly affect the productivity increase of the MFIs.

Table 1. *Highlighting problems and solutions regarding the structure of Agroleasing*

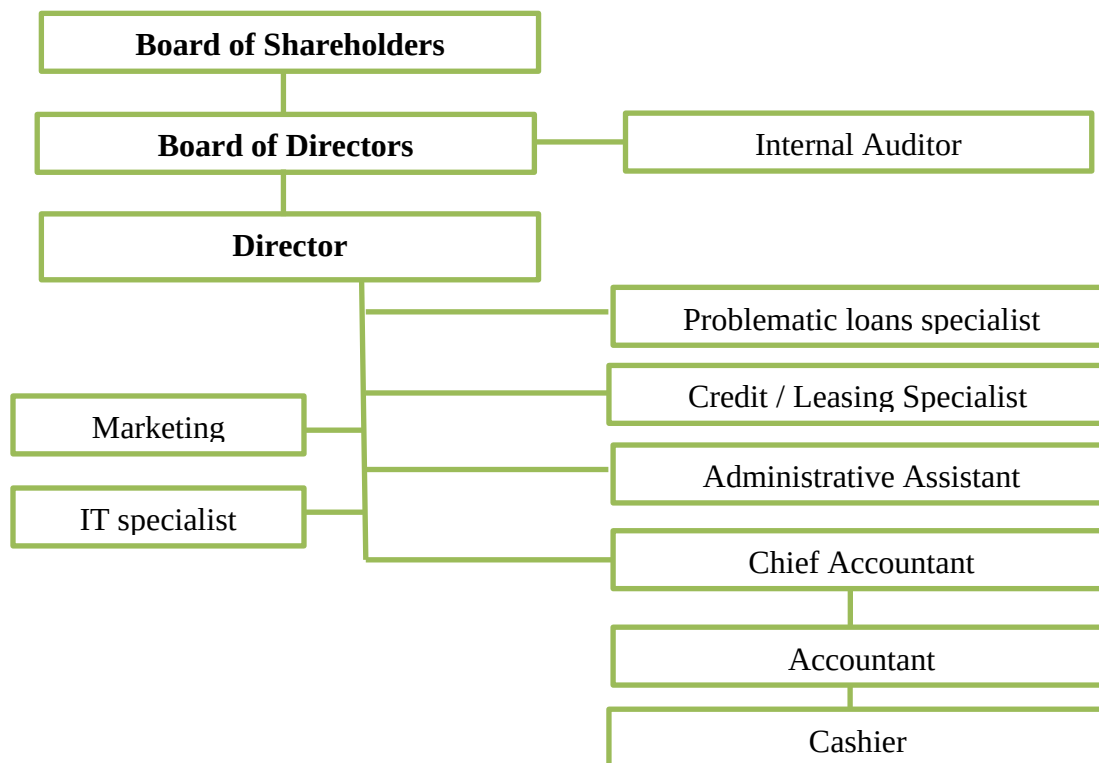
Issue	Solution	Result
Formal nature of the board of directors	Change in the composition of the board members	New strategy development, policy development
Complex structure	Specification of positions	Clarification of employee roles, balancing of overworked and underworked positions
Lack of career growth	Ensuring the growth of positions	Replacing positions in the structure with departments

Taking into consideration the literature review above, it is recommended to simplify the structure and better clarify duties among positions. Responders to the interviews also mention the necessity of having a simple structure. It will bring clear tasks and functions for employees, which is key to a better outcome and higher productivity of the company.

Overall, for improvement of organizational structure and culture in Agroleasing, it was offered to change the organizational chart and to develop servant culture. The implementation plans for both aspects are presented below.

According to RA legislation, banking institutions such as credit organizations (ex. Agroleasing) need to have corporate management, which brings to a centralized organizational structure. In fact, in Agroleasing, the company does not have Deputy Director or Financial Consultant. The structure is too complicated, so it needs to be simplified by replacing them with Administrative Assistants. Also, it is recommended to split the positions of cashier and accountant. Simplifying the roles of each employee will make their responsibilities clearer and will lead to an increase in their job satisfaction and performance. The recommended organizational chart is presented below.

Figure 3. *Agroleasing Leasing Credit Company LLC Recommended Organizational Structure*



Analyzing the existing version of the organizational structure, we made an attempt to develop a more simplified and effective organizational structure, which solves a number of problems within the organization, starting with the possibility of promotion, balancing positions, removing inactive positions, and increasing the efficiency of existing positions.

Based on the literature review, the most important factor is that it is vital to include the behavior of all members of the team, not only the formal leader. Moreover, in a positive role, servant leaders stimulate employees' personal change in efforts to imitate the desired qualifications and attitudes of the leader.

In order to implement servant culture, the director needs to perform servant behavior to his employees and understand their own interests and preferences. Then it is suggested to create a plan of coaching on how to achieve their goals and better satisfy their needs.

As a supportive feature, team-building events can support the creation and development of servant culture, as the team will have the opportunity to communicate outside of the office and establish more friendly relations.

b. Recommendations on organizational culture

Nowadays, many approaches and views on the development of better organizational culture, but no best solution has been found. Every research identifies one direction and approach and presents its importance of it, and each of it is unique and important for that exact company. In addition, the most optimal corporate culture models may differ in different countries and in different organizations. So, the best organizational culture will be typical for the exact company, and it can't be duplicated as resources – employees and leaders differ, and they create their relations on diverse values.

Lee *et al.* (2004) research has identified a high level of correlation between customer satisfaction and strict department culture. According to this practice, a test was made in Agroleasing.

At the same time, it should be noted that there is a strong connection between corporate culture and productivity levels. In this context, companies with a strong mission, a high degree of employee engagement, and an effective internal control mechanism are the most effective (Denison, D. R. & Mishra; A. K., 1995). According to Liden (2014) and Dinh (2014), an environment where participants share an understanding of putting the needs of others above their own and helping them is characterized as a servant culture. Later, other researchers sought additional evidence for this approach and began to pay more attention to the relationship between several factors, such as effectiveness, hierarchical structure, job satisfaction, productivity, and organizational citizenship (Mousavi *et al.*, 2015).

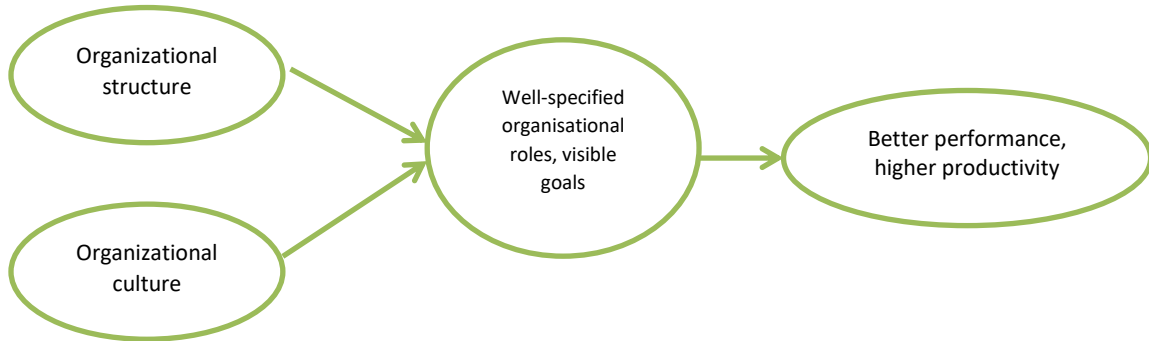
In contrast to researchers who prove a strong link between culture and organizational productivity, there are other theorists who support another hypothesis, which refers to a lower link between culture and performance (Heskett, J. L., & Kotter, J. P., 1992). Their studies, conducted in different countries around the world, show that organizational culture affects short-term productivity. There were organizations with good culture and poor performance and vice versa, 22 organizations with weak culture and excellent productivity were found. This result showed that there are different companies with different cultures that have good results due to business characteristics.

Another characteristic of a company's culture is the difference between the cultures of countries, based on which there can be different forms of effective organizational cultures. For example, Slovenia is characterized by well-formed and organized trade unions, strong workers' associations, and strong works councils, while Estonia, for example, uses much weaker trade union structures and workers' associations and narrow works councils (Psychogios. *et al.*, 2010). Consequently, the effective corporate culture models of organizations operating in those two countries may differ for objective reasons.

There are different approaches to the best organizational structure and culture. Several researchers consider decentralization and free decision-making to be more effective, while others cite real facts about strict cultural politics and centralization, as well as formality and informality within organizations.

Based on the literature review presented in the previous section, it can be concluded that organizational structure and culture have an influence on the output of the company. The processes of influence are presented below in Figure 4 (Hogan *et al.*, 2014):

Figure 4. *Organizational structure and culture impact on productivity*



In Agroleasing organizational structure, there are several positions that are not functioning in reality. The duties are divided among the staff because of which employees are overloaded, prone to have work-life balance difficulties, and tend to be occupationally stressed. Whole, summarizing the problems with organizational structure and culture, the director of Agroleasing organized two series of tests in correlation with best practices in order to examine the current situation and to develop an improvement plan for structure and culture.

As per Lee *et al.* (2004), there is a high correlation between customer satisfaction and a strong credit department culture in their research. Based on the above statement, as well as taking into account that the main result in MFIs is created from the lending process, we conducted a scientific experiment in Agroleasing to find out the impact of the strict lending procedure on work efficiency. The results of the hypothesis test are presented below.

The first experiment was made in March 2022, while the executive director of the organization proposed to strictly observe the lending policy during the month, without any exceptions, to demand the implementation of all processes according to the sequence and proper provision of documents. During the following month, 151 people visited the company to obtain a new loan, of which 66 people filled out a loan application, and 24 clients received a loan. After each experiment, interviews were taken with the employees of the MFI to compare the results obtained.

The following month, in April, we suggested working without strict adherence to policy requirements, providing flexibility, and engaging customers in their own ways. Out of 126 people who visited Agroleasing, 78 people applied for a loan, and 29 received one. In fact, comparing the data from previous periods, we see that in April, fewer people visited the MFI for a loan, but more applications were received, and loans were granted. Let's compare the data with the same data of the previous year and take into account that the volume of lending increased by 10% on average compared to the previous year. We will see that in March 2021, 38 clients were financed with a volume of USD 389,400, in April - 47 clients with a total of USD 299,800.

Table 2. *Customer flow and service data during the experimental test period*

Date	Number of visitors	Number of applications	Number of disbursed loans	The volume of disbursed loans
February 2022	132	76	29	305.000 USD
March 2022	151	66	24	214.000 USD
April 2022	126	78	29	283.000 USD

Having 6 months' data (Sep 2021 to Feb 2022) of those who visited Agroleasing for lending, it's obvious, that 58.3% of visitors ended up filling out the application form. For the same period, 38% of applications were approved, and customers received the loan. Comparing the obtained data with the data of the months of implementation of the experiment, we see that there is a significant deviation between the application of a strict culture and the completion of applications, 43.7% compared to the average data of 58.3%, but there is no significant deviation in the number of applications and the index of loans provided (36.3 % compared to the average data of 38%).

Table 3. *Extracted data from experimental test results*

Date	01.02.22 – 28.02.22	01.03.22 – 31.03.22	01.04.22 – 30.04.22
Proposed change	Keep unchanged	Tighten the lending process	Streamline the lending process
Accepting of application forms	Accepting of a standard quantity of applications	Accepting a significantly lower number of applications	Accepting more applications
Lending	Standard lending volume	The slight decrease in lending volume	A non-significant increase in lending volume

In fact, the results obtained showed that the volume of served customers decreased as a result of strict policy adherence. Credit specialists were also not satisfied with the strict procedure, which was also the cause of customer dissatisfaction. The results showed that strict rules and perfect credit policies solely are not enough to have a healthy culture in an organization.

4. Conclusions

This study seeks to determine the relationship between organizational structure, corporate culture, and performance of an MFI and find out an optimal model of structure and culture for an MFI operating in Armenia. The results of the research show that there is no optimal structure or culture model which can be fitted for all sorts of MFIs in different countries. Summarizing the studies and analyses carried out in work, taking into account the features of the organizational structure and corporate culture adopted by the

examined MFI, it is recommended that the management of MFIs operating in Armenia contribute to the development and formation of a strong corporate culture, which will make both management team and employees to work towards a common goal.

Considering that the examined organization has a small team and extant literature on the subject, we argue that it would be more appropriate to introduce the servant leadership method in Agroleasing. Although servant leadership is accepted in some circles as a Christian paradigm, it has been influenced by many cultures and organizations around the world (Gandolfi *et al.*, 2017). Whereas many, if not most, leadership styles focus first on the mission and then on empowering followers to achieve that mission, the servant leadership model focuses its attention first on the ability of individuals to succeed and then on the success of the mission. This is at odds with most contemporary schools of thought in management and leadership but confirms the potential for excellent results in small professional teams (Gandolfi F., Stone S., 2018). As a positive experience, servant leaders promote the personal development of employees by striving to achieve desirable leadership qualities. In order to implement the servant leadership model, the director must show servant behavior towards his employees, understand their own interests and preferences, and identify the hidden talents of its employees.

It is also recommended to create a coaching plan, and guide employees on how to achieve their goals and better meet their needs. Coaching can complement the servant leadership method and enable employees to easily discover their potential and the way to achieve their goals.

As a feature of the proposed leadership model and coaching, team building can support the creation and development of a planned culture, as the team will have the opportunity to communicate outside the office and establish informal relationships as well.

Pertaining to practice and results of experience gained in Agroleasing, we demonstrate that culture management could be a significant game changer in performance management.

What concerns the organizational structure of an MFI, we hold an opinion that well designed and simple organizational structure has a direct link to the performance of an MFI and creates a competitive advantage for the organization.

Going forward, future research can be based on a cross-nation study of the factors leading to or hindering the achievement of better productivity within the implementation of better corporate culture and simple structure of the MFI. Future studies may also look into socio-cultural factors impacting the sustenance of MFIs in different nations.

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