iKSP Journal of Innovative Writings
http://iksp.org/journals/index.php/ijiw/
iKSP Publisher

Determinants of Debt Collection Management of the Financial Institutions in the Kingdom of Bahrain

Hanan Ali Ahmed Alnatiei*
College of Administrative and Financial Sciences, AMA International University-Bahrain

Abstract - The performance of a financial institution engaged in extending credits is determined by the effectiveness of their efforts to collect the payment once it became due. The identification of the possible challenges related to debt collection helped in proactively planning on how to deal with these issues. The topic represents a demanded study for the Kingdom of Bahrain since it is crucial for the financial institutions to maintain good strategy of debt collection as its greatly affect their financial status. This study assessed the determinants of debt collection management of the financial institutions in the kingdom of Bahrain. Its main objective is to analyze the effects of staff competency, collection's resources as well as collection'strategies to the debt collection management. The research was conducted through the use of questionnaire for the employees working as debt collectors of a different financial institutions in Bahrain. The sample size was 112 respondents determined through the simple random sampling method. Multiple regression analysis methodology applied for analyzing the data. Results of the study showed that the null hypotheses are rejected, which implied that staff competency, collection's resources and collection's strategies have significant effects in debt collection management of the different financial institutions in Bahrain. It's recommended that financial institution should make sure that employees are equipped with the necessary skills, knowledge and competency of their job, the collection's resources needed to perform the debt collector job is provided and that the debt collection policies and strategies in place are robust.

Keywords: Staff competency, resources, strategies, debt collection management

INTRODUCTION

Money lending offered by the financial institutions plays an important function in the contemporary world through the mobilization of payments from the surplus parts to the deficit parts. The surplus units are then directed to the insufficient section through lending. Most commercial banks and other financial institutions are involved in extending loans or credits as one of their primary activities. Loans form significant assets which consequently contributed substantially to the revenue of banks in the form of interest income. Loans receivable turnover determines the effectiveness of these financial institutions in the management of their debt collections (Sani, et al. 2017).The financial sector especially the banks exposed to a severe risk of defaults by the loan borrowers. The quality credit risk assessment, careful management of the banking risks and substantial provisions for the bad debts encompass ways of reducing these financial risks (Wessels & Haentjens, 2014). Presence of a high non-performing assets ratio and bad debt provision proves insufficiency in managing debt collection. Some of the strategies which have been employed by the banking sector in an attempt to remedy the situation, include information sharing.

This method allows banks and other financial institutions to share the information regarding their borrowers to a joint credit reference bureau. This enables the lenders to be in a position of accessing the information

*Corresponding author:
Email: al.hanan.88@hotmail.com (H.A.A. Alnatiei)

about their borrowers and has enhanced the verification of their ability to pay their debts before getting the funds (Trimbath, 2015). In contemporary society, loan risk management includes both the loan reviews and the loan portfolio analyses. most financial institutions such as banks have resorted to other ways of credit risks management that is different from the traditional system. Bahrain has a well-developed and diversified financial sector consisting of a range of Islamic and conventional financial institutions and markets. This results to offering of a wide range of both financial products and services. In Bahrain, the financial sector is one of the most extensive single job creator and employer. The Bahrainis account for over eighty percent (80%) of the human capital. Overall, the sector accounts for twenty-seven percent (27%) of Bahrain's Gross Domestic Product (GDP), and this makes it one of the most crucial economic growth drivers in the country. The Central Bank of Bahrain (CBB) regulates and supervises the financial sector. Since the year 2002 it has been functioning as the sole regulator for the whole financial system sector.

The banking system in Bahrain is made up of both Islamic banks and conventional banking institutions and accounts for eighty-five percent (85%) in total financial assets making it largest financial system component. The conventional banking segment constitutes of twenty-nine retail banks, seventy-three wholesale banks, and eight representative offices of international banks operating from overseas (Central Bank of Bahrain,2016).The emergence of the Bahrain's supremacy in the financial sector within the Gulf region has been championed by different banking sectors. According to (Central Bank of Bahrain,2016) statistics, banking sector assets accounted for over$192 billion American dollars, which is over twelve times annual the Gross Domestic Product. The industry growth has been championed by; fiscal policies, robust macro-economic policies; open markets economy; application of suitable regulatory system as prescribed by the international standards and skilled local human capital. All the above-mentioned elements have played a crucial role in cementing Bahrain's position as a banking services hub within the Gulf region, hence continually attracting volumes of overseas banking institutions to create physical presence in Bahrain (Central Bank of Bahrain,2016).The financial initiation's day-to-day activities are adversely affected by delayed and overdue payments. Identification of the possible challenges related with debt collection helps in proactively planning on how to deal with issues like debtor excuses and market changes. It is crucial for the financial initiations to maintain a good track to avoid the potential effect defaults payments, inefficient queries management & correspondences and the inability to test current collection strategies.

Financial institutions should ensure they continually establish and update new collection procedures and strategies to cope up with the dynamic and changing market circumstances. They also assist in redefining the process and complications elimination. Despite the used method for evading bad debts, employment of proactive approaches can assist in anticipating challenges in the debt collection and provide appropriate practical solutions. Despite the fact that the banks are in a position of managing and controlling their obligor and their portfolio concentration, their loan, maturities and addressing or even elimination of the problem assets, the problem of debt collection is still a major challenge. This challenge has rendered banks to hardship times and financial crisis exposing the banking sector to both market and credit risks (Sukhov ,2019). The identification of the possible challenges related to debt collection will help in proactively planning on how to deal with these issues. This study assessed the determinants of debt collection management of the financial institutions in the kingdom of Bahrain. Its main objective is to analyze the effects of staff competency, collection's resources as well as collection' strategies to the debt collection management.

LITERATURE REVIEW

Competence refers to the ability or the underlying traits of a single that is causally linked to effective performance. The behaviours form another manifestation of the intent as suitable at various times or circumstance. The distinction between competence and competency should be noted as the former refers to the area of work in which an individual is competent while the latter refers to the dimension of the behaviour which is underlying the competent performance (Hines & Matteson, 2017). According to Bridger, (2014) competency concept refers to functional understanding and skills. Performance delivery and the necessary behaviour obligatory to efficiently and effectively get stuff done. Employees get more motivation to do better and work harder in assuring the company's success and also offer greater belief that their efforts are making

significant contribution to the general success of the firm. Furthermore, chances are less that the employees will have to look for job opportunities from other firms. Therefore, business institutions which implement employee training create a competitive advantage. The rewards for the institutions which successfully engage their Labor forces are usually unlimited and worth the commitment and investment.

Below are the various benefits which result from training both the firm's leadership and employees. This implies that leadership is the understanding and sharing of common goals and objectives without which an effective leadership cannot be attained. According to Adair, management entails handling changes while leadership involves managing growth. Malik (2015) laments that, with leadership performance of others in any organized system is managed. Nowadays, it is believed that organizations good leadership calls for active involvement of every institution's member. It is the ultimately responsibility of leaders to establish the organizations growth through vision and strategy (Amann & Kruckeberg, 2017). In all the industries and mainly in debt collection, leadership's entails handling human relations where making decisions, good communication and problem-solving processes are cultivated and promoted (Nair, Kaushik, & Dhoot, 2019). Highly effective managers are equipped with various forms of decision-making approaches , they are also experienced in their application and are usually sensitive in the choice of a specific approach to decision-making.

Additionally, he notes to the fact that good leaders can be either chosen or trained. They are hence skilled and rational in the manner in which they undertake and perceive their functions. With the dire need of predicting the occurrences of the future, in anticipation of the new development in a bid to better the future performance of those in the financial sector is important. Improving competency is one way of achieving the goal in the banking sector with a bid of bettering debt collection. Amann & Kruckeberg (2017) mentioned that such methods include: Training. The majority of those employed in any industry do not have the experience in their respective fields thus training is likely to improve their experience hence productivity in their fields. Numerous studies on the influence of training on non-financial performance as the eminence, turnover, absenteeism, and client gratification. Self-employment. The personal development encompasses the activities, which are likely to better awareness and develop potential. This aids in the building of human capital and facilitation of employability thus enhancing the quality, which improves competence. According to Diaz & Rhodes (2018) competence is integral in the prediction of workplace performance over a wide range of setting which includes the banking sector and procurement sector. Besides competence are yielded by a job and once generated it provides a link with the people, work, and the necessary strategies, which are necessary for improving the performance in any firm (Jena et al., 2018).

Hudson further asserts that identification and nurturing of competence is important is banking personnel are supposed to consider themselves as high performers. According to De Vos & Cambre (2017), the best form of competitive advantage of any firm lies with the competitive nature of the employees. All other performance such as business models' strategies stands a chance of being copied by competitive firms. Wilson (2011) is of the view that, if the organization has adequate employees in the debt collection department it would be good to rotate them. This shows the defaulting customers that they are not just dealing with one person but with the whole organization. To the staff the rotations help them to gain knowledge and experience in the field. Based on a study by Putti, (2015), the organizations require high performing personnel in order to meet the organization's goals likely in order to achieve the objective of the firm based on its aim in meeting its customer's needs.

According to Polachek and Tatsiramos, (2014), resources refer to the input into the production process. According to Robinson and Schroeder, (2014), resources are summations of all the input factors within the control within the control of the firm that the firm applies in a production of goods and the services aimed at satisfying human wants. According to Peterman, (2018), knowledge and skill development encompasses an important part of the ripple model. Other studies such as Oxelheim and Forssbaeck, (2015), show a direct link between the skills or training to the success in the implementation of debt collection strategies. For an effective debt collections procedure, significant client interaction is crucial, starting with client's situation analysis and a continuous timely and frequent contact all through the loan period. Payment alternatives must be offered to clients and they should be appropriate and timely to every collection activity, situations and at

the same time taking records for continuous monitory and follow-up facilitation. In addition, client compliance controls with well agreed and negotiated leasing contracts. Some distinctive collection procedures include specific case analysis, reaching the client to understand the information that he or she can provide, client's location as well as his or her history. Assessment of the client to know the root cause of the current delinquency problem and suggesting alternatives and possible solutions to selling the benefits of on timely payment, thus, fostering client's positive payment culture (Zafer, 2015).

Strategic management involves choosing which customer to serve, with which products and services, and satisfying the customers' legitimate needs and wants through resource allocation in the most beneficial manner (Trimbath, 2015). It is an organizational procedure tailored to sustain, strengthen and direct the firm's workforce and resources in the gainful accomplishment of the wants of clientele and other principal stakeholders. The procedure is controlled by the institution's value system, or culture, which is manifested in not only firm's mission statement, strategic goals and policies but also in the behaviour of top leadership and other crucial leaders in the company. If a firm anticipate addressing issues of service delivery and performance management based on strategy focus, then service delivery should be among the values of that firm and the leaders must be in the frontline in living the values in their daily lives. If this will happen there must be a need for well analyzed and crafted strategic management system operating all the time in the organization (Teply, 2018). One of the effective creditor regulation remedies is having a good comprehension of the effective debt collection roles within consumer credit system.

Additionally, it involves proper location of the target market failure to be addressed. Finally, it entails determination of if proposed regulations will, improve those market gaps in such a manner that the consumer benefits are more than the costs. Furthermore, prior to new regulation implementation, the Consumer Financial Protection Bureau (CFPB, 2012) is mandated to analyze the effectiveness of earlier regulations as well as the marginal outcome of adding new rules to the existing ones. Where traditional collection procedures have vacillated, the strategies and practices received as a piece of the modern collection management systems have gone far to address a few agonies focuses that were experienced in the prior frameworks. The cutting-edge collection procedure pursues a few rules that planned for streamlining the tasks and offer advantages to the two authorities and their borrowers.

Expanding the power of the web systems and a concentrated money related framework, the accompanying parts of the advanced gathering the executives programming go far in the simplicity of business: Auto-generation of Customer Statements, Digitized Collection Strategies, Managing Collection Activities, Managing Settlements, Optimize Collection Efficiency, Analyzing the collection team (Kalanidhi, 2017). Training promotion and development of skills result into far reaching overall benefits to both the firm and the workforce. Firms which embrace and effective implement skills development and employee training strategies experience notable performance improvements, increased revenues and stand a better chance to retain and attract the best workforce in the industry (Veldsman, Johnson, & Madonsela, 2016). Leadership is one of the aspects compounded in one's personality and vision. On the other hand, management is a mind trend, more of an accurate methodology, calculation, and routine (Vincent, & Kumar, 2014).

Based on Mika Fukada,(2018) study, there are two forms of competency which include the operational (technical) and personal or behavioral competencies. The former refers to any technical skills, which are required for the job while the latter refers to encompasses softer skills, which are necessary for the effective performance of the firm. According to Berman (2014), behavioral competencies are also important since they form the abilities and the characteristics, which aid them in technical competence, which is always acquired from educational environments. Other studies, which focus on the effects of training on the absenteeism, customer satisfaction, and debt collection, show a positive correlation between the two factors (Oxelheim, &Forssbaeck, 2015). A study by Uphill (2016) capacity building and productivity of the employees has a positive correlation with the performance of any organization. This study thus recommended that firms be supposed to plan and execute training programs, which are meant to be in line with the firm's objectives and ensure that the employee's skills and abilities are integral in the enhancement of effective and efficient performance of an organization. A study published by Amann and Kruckeberg, (2017), finds that creditor remedies with strict regulations results in higher and at the same time lower credit prices for consumers.

Conceptual Framework

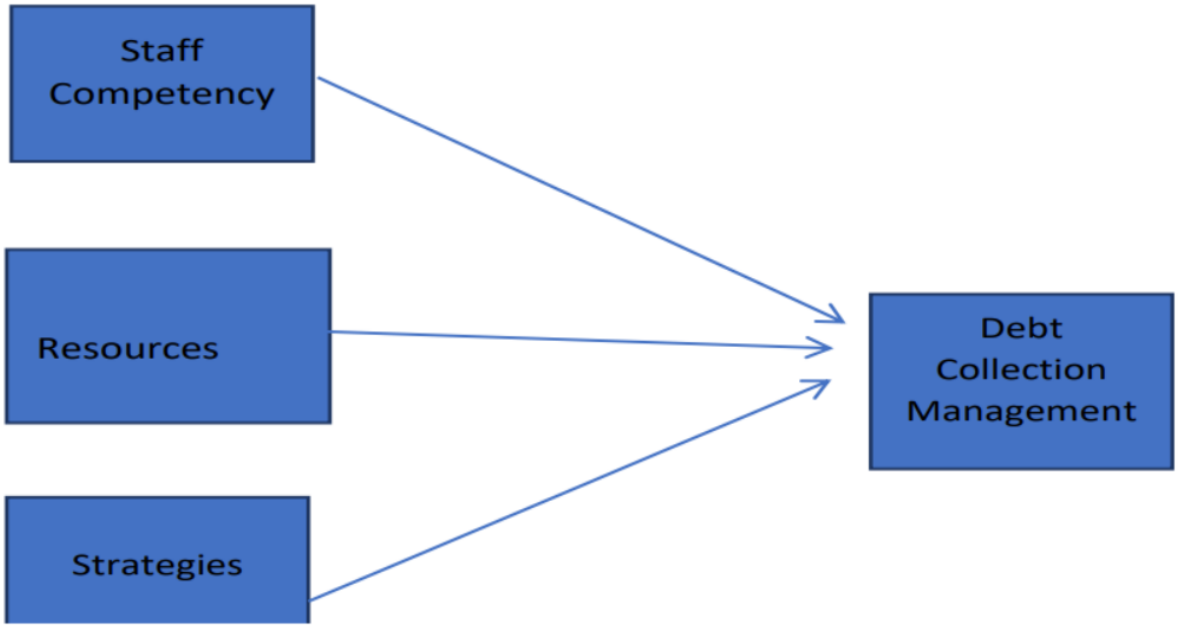

Figure 1: Conceptual Framework

Figure 1 above reflects the conceptual framework for what the study seeks to find out. The independent variable staff competency it's a combination of skills, knowledge, values and behaviours that are specific and well defined to perform a specific role. Resources presented here are the materials, money, and other things that drives for the mobilization of the staff while performing their duties. The last independent variable is strategies which are an action of plans to attain a certain future goal. The strategy comes from the continues strategic planning, developing and strengthen the debt collection strategies. Debt collection strategies are needed to maximize the efficiency and effectiveness of the collections team. The Debt collection management which is the dependent variable in which we want to investigate the effect of the other variables on it meanly , it refers to identifying, treating and managing the process of pursuing payments of debts owed.

Research Hypothesis

H_{01}: There is no significant effect of staff competency factor on debt collection management.

H_{02}: There is no significant effect of debt collection's resources on debt collection management.

H_{03}: There is no significant effect of debt collection's strategies on debt collection management.

METHODOLOGY

This study utilized the inferential descriptive statistics of research which involved gathering of facts and views of some of the employees of the different financial institutions in the Kingdom of Bahrain to determine the factors affecting debt collection management. This design allows the researcher to conduct the study in the respondents' work environment to ensure the integrity of the data obtained. Furthermore, the data gathered provides the researcher a holistic understanding of the research problem. This design is deemed as the most appropriate since it focuses on the present phenomenon to find new truth and causal relationship. It can also help in assessing the current situation and the underlying trends in the research problem. The primary goal of using this method is to determine the factors affecting the debt collection management of the financial institutions in the kingdom of Bahrain. The simple random sampling method was employed in the choice of the respondents who seized part in the study as a sample from the collection department in the financial institutions. In this paper the target population was identified, sampling frame obtained, and simple random sampling method used. The selected plaintiffs were then issued with questionnaire. The sample was randomly selected, and the size determined using the (Krejcie& Morgan, 1970; Cohen, 1969). The breakdown of the respondents is presented in table 1.

Table 1: Distribution of Respondents

Category	Total Population (No. of Debt Collectors)	Sample Size for each Bank (N/P * S)	Sample Percentage
National Bank of Bahrain	10	7	6.4%
Bank of Bahrain and Kuwait	10	7	6.4%
Ahli United Bank	20	15	12.8%
Bahrain Development Bank	7	5	4.4%
Citi Bank	6	4	3.8%
HSBC Bank Middle East	7	5	4.4%
Standard Chartered bank	20	15	12.8%
Arab Bank	6	4	3.8%
Bahrain Credit Financial Company	60	43	38.4%
National Finance House	10	7	6.4%
Total	156	112	100%

Data Processing and Statistical Treatment of Data

The data obtained were analyzed and descriptive statistics were used in the summary and interpretation. Frequency count was used to determine the number of respondents' responses involving their demographic profile. Weighted mean was used to obtain the interpretation of the respondents' responses from the 5-point Likert scale. Regression analysis was used to determine the relationship effect between the independent variables (staff competency, resources, and strategies) and the dependent variable (debt collection management).The responses gathered were organized, summarized and tabulated for statistical treatment of data. Statistical Platform for the Social Sciences (SPSS) was used in the analysis and production of statistics. The statistics generated helped the researcher in the presentation and interpretation of thee findings of this study.

RESULT AND DISCUSSION

The researcher employed a multiple regression analysis to estimate the relationship between debt collection management (dependent variable) and staff competency, resources and strategies (independent variables). Further statistical tool which is the Analysis of Variance (ANOVA), was also utilized to determine the extent of influence of staff competency, resources and strategies have on debt collection management. In the researcher's multiple regression model, the dependent variable is the debt collection management of the different financial institutions in the Kingdom of Bahrain and independent variables or predictors are the Strategies, the Resources and the Staff Competencies. Table 2 displays the multiple regression model summary indicating the measures of goodness of fit of the observed values and the expected values.

Table 2: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.747a	0.558	0.546	0.38346

The value of R (correlation coefficient) is estimated 74.7% (0.747) that expresses a very strong correlation between independent and dependent variable. The R Square(coefficient of determination) and Adjusted R Square result with 55.8% (0.558) and 54.6% (0.546), that represent only 55.8% of the variance of Debt Collection Management of financial institutions in the Kingdom of Bahrain is explained by the three variables provided in the research, and this shows acceptable result. The significance level below 0.5 that is 0.000 it can be concluded that the overall regression model is statistically significant and the independent variables significant too . The rest of the percentage that is 44.2% is accounted by other variables that are not part of this research.

The results of ANOVA are interpreted in the table 3, with the last column of significance that shows if p value is less than 0.05 that means that the test on variance is significant, the regression is significant, in other words R Square is significantly greater than zero. Since significance is lower than 0.05, that is 0.000, and the value of R Square is 55.8% significant it can be concluded that the overall regression model was statistically significant and the independent variables (predictors) are very well able to account for a significant amount of variance in determining the debt collection management of financial institutions in the Kingdom of Bahrain and.

Table 3: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.071	3	6.690	45.501	0.000a
	Residual	15.880	108	0.147		
	Total	35.951	111			

a. Predictors: (Constant), Mean Strategies, Mean Resources, Mean Competency

b. Dependent Variable: Mean Debt Collection

The F statistic is significant with 45.5 value with the probability of 5%. This result shows that the researcher null hypotheses is rejected. This implies further that staff competency, resources and strategies have significant effect in debt collection management

Table 4: Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
	(Constant)	0.095	0.455		0.208	0.836		
1	Competency	0.501	0.072	0.527	6.985	0.000	0.720	1.389
2	Resources	0.265	0.101	0.180	2.616	0.010	0.863	1.158
3	Strategies	0.252	0.080	0.227	3.150	0.002	0.786	1.272

a. Dependent Variable: Debt collection management

Table 4 shows for staff competency is statistically significant with p-value = 0.000 and beta =0.50, so this variable has a statistically significant impact on the outcome variable that is the debt collection management. The other p-values associated with resources and strategies it can be seen also are significant with p-values=0.010 and 0.002respectively, since they are below 0.05 it can be considered also statistically significant contribution in the debt collection management variable. The Beta in unstandardized coefficients is 0.501 and tells that for one unit of change of staff competences there will be changes for 0.501 in debt collection management, so one additional point in staff competency is associated with 0.501 increases in debt collection management. Similar changes are expected in resources and strategies that is for one unit of change in resources and strategies, 0.265 and 0.252 will increase the debt collection management. In terms of standard deviation, the standardized coefficients for one unit increase in each independent variables, the dependent variable increases as well, that is for one unit increase in staff competency, 0.527 increases the debt collection management, for one unit increase in resources, 0.180 increases the debt collection management and for one unit increase in strategies 0.227 increases the debt collection management.

The t statistics are very predictable and positive values and together with significant that are below 0.05 determine that the null hypothesis is rejected in this research. In the case of collinearity statistics, the value of the VIF of the variable has a range from 0 to 1. If the VIF of the variable value is close to one, it indicates the independence; and if the VIF value is close to zero, the variables are multicollinear (Akinwande et al, 2015). Thus, the above VIFs are at acceptable levels, so in this case, there is no multicollinearity. As such, there is no need to drop any of the independent variables. The main objectives of this study were to analyze the effect between staff competency, collection's resources as well as collection strategies and the debt collection management and to identify the most determinant that affect the debt collection management. As per the three objectives of the study which were to analyze the relationship effect between staff competency, resources and strategies and the debt collection management in different financial institutions in the kingdom of Bahrain.

The researcher hypothesized that that staff competency, resources and strategies have no significant effect on the debt collection management. The given variables were modeled using multiple regression model with staff competency, resources and strategies as the independent variables and debt collection management as the dependent variable. Refereeing to the Regression model results in table 4.6, The value of R (correlation coefficient) expressed a very strong correlation between independent and dependent variable which is 74.7% (0.747) , and that 55.8%(0.558)of the variance of Debt Collection Management of Financial institutions in the Kingdom of Bahrain is explained by the three variables

provided in the research as stated by the Adjusted R Square .Since significance 0.000 is lower than p value 0.05 and the F statistic is significant with 45.5 value with the probability of 5% as the ANOVA results shows in table 3, this means the three independent variables of the test are significant, the regression is statically significant, and this result implies that objectives achieved, and the null hypotheses were rejected.

Refereeing to the Regression model results in table 4.6, The value of R (correlation coefficient) expressed a very strong correlation between independent and dependent variable which is 74.7% (0.747) , and that 55.8%(0.558)of the variance of Debt Collection Management of Financial institutions in the Kingdom of Bahrain is explained by the three variables provided in the research as stated by the Adjusted R Square .Since significance 0.000 is lower than p value 0.05 and the F statistic is significant with 45.5 value with the probability of 5% as the ANOVA results shows in table 4.7, this means the three independent variables of the test are significant, the regression is statically significant, and this result implies that objectives achieved, and the null hypotheses were rejected. The Coefficient table 4 looks at each of the of variables individually, whether a given variable is significant on its own. As the results shows , all independent variables, competency, resources, and strategies for debt collection are statistically significant for determining the debt collection management of financial institutions in the Kingdom of Bahrain with the p value of less than 0.05, that is .000, .010 and .002.

The beta standardized coefficients shows that have strong factor in explaining the determinants debt collection of financial institutions in the Kingdom of Bahrain, that is for one unit increase in staff competency, the debt collection will increase by 52.7%; for one unit increase in resources, the debt collection will increase by 18% and for one unit increase in strategies in debt collection, the debt collection would increase by 22.7%. In general, all independent items of variables explain a unique variance in debt collection management in financial institutions in the Kingdom of Bahrain. Based on the exploration of the available literature on the determinant of effective debt collection by the different financial institutions and the findings of this research, its revealed that in terms of staff competency, according to Diaz & Rhodes, (2018) competence is integral in the prediction of workplace performance over a wide range of setting which includes the banking sector and procurement sector. It is also related to the suggestion of Dhyani (2018) the "Four stages of learning any new skill" that awareness of the lack of skill and the desire to fill the knowledge gap is necessary to move to the next stage of learning . This only means that the competence of the workers is very important to effectively perform their function such as the debt collection function.

Additionally, the result of this thesis related to the resources factor affect the effectiveness and efficiency of debt collection management. Similar findings are obtained by Uphill (2016) that the capacity building and productivity of the employees has a positive correlation with the performance of any organization. Additionally, De Vos and Cambré, (2017) discovered that the best form of competitive advantage of any firm lies with the competitive nature of the employees. The finding of the strategies factor relates to the study of Oxelheim and Forssbaeck, (2015), show a direct link between the skills or training to the success in the implementation of debt collection strategies. The research is in line with the finding of Kalanidhi (2017) that the expanding the power of the web systems and a concentrated money related framework, Digitized Collection Strategies are the accompanying parts of the advanced gathering the executives programming go far in the simplicity of business. As stated in the study of Zafer (2015), client interaction is crucial in debt collection procedures, starting from client's situation analysis to a continuous timely and frequent contact all through the loan period.

CONCLUSION AND RECOMMENDATIONS

From the findings of the study, it is concluded that the null hypotheses are rejected. These further implies that there is no enough evidence to support the researcher's null hypotheses that staff competency, resources and strategies have no significant effect in debt collection management. Thus, all three factors were concluded to have significant effect in the debt collection management. The results show that the knowledge of job duties have a great influence on the competency of the employees in performing their jobs. The results show that staff competency is crucial part in debt collection management and the financial institutions in Bahrain should ensure learning of job duties is an ongoing process to enhance the quality and quantity of work, providing training course for all employees to be oriented and line up with the changing needs of the market, staff competency also can be enhanced by appraisal programs as it will help both parties to be in the same track. Resources are positively impacting the staff's performance and correspondingly the debt collection management , as the study pursued the resources availability in the bank to staff to use is an integral part to manage the debt collection , the banks' should keep providing all required vehicles for staff to carry out their duties and invest heavily in technological aspect for smoother and up to date work flow , one of the important resources is the employees themselves , so the financial institutions should ensures having enough number of the staff in the collection department to carry out the work and remunerated well .The debt collection strategies are no less important than the other determinates above, and the debt collection management should be aligned to the plans of the overall bank and

specifically the internal departmental strategies. That is why the strategy should be adequate, covering all aspects of the debt collection and updated continually to meet the challenges in the market as the study found out earlier.

The researcher would like to recommend the following:

- Financial institution should ensure the skills and competency of their employees are regularly enhanced through trainings, workshop, seminars . Also, they should ensure that employees are properly equipped with knowledge, skills and competency in order to perform their functions effectively and efficiently.
- Conduct regular performance appraisal to carefully determine the training needs of the employees, this will also draw awareness on the employee's weaknesses area that they need to improve.
- In terms of resources, financial institutions should ensure the staff are appreciated & motivated enough through monetary and non-monetary rewards so that they will be inspired to carry out their duties such as applying a commission scheme. The financial institution must also make sure that the necessary resources needed to perform the collection function is well-provided to the employees.
- They should invest highly on technological resources like the information systems to be compatible in the banks competitive environment.
- The financial institution should make sure that they regularly review and update their debt policies and all employees are responsible for the implementation of the collection strategies to stay abreast of changes imposed by the government such as the CBB and ensure that the debt collection policy is robust that covers all aspect of extending credits and imposing penalties for those clients who made default of their payments.
- It is also recommended that debt collection management strategies should be applicable to all types of debtors and circumstances and be flexible enough to accommodate with the changes in the economy.
- The regulation & policies implemented by CBB should ensure the rights of both parties and those policies should be followed by the financial institutions to avoid any legal arguments with the government and aim to have a specific debt collection practice to cover the debt procedure used in the financial institution here in Bahrain.
- Management should ensure that the debt collection system is communicated to all employees across the financial institution. This helps the staff at different levels that deals with customers and the employee-client relations to result in the debtors paying up on time due to high quality services offered to them.

REFERNCES

Akinwande, M. O., Dikko, H. G., & Samson, A. (2015). Variance inflation factor: as a condition for the inclusion of suppressor variable (s) in regression analysis. Open Journal of Statistics, 5(07), 754.

Amann, W., &Kruckeberg, K. (2017). Advanced Leadership Insights : How to Lead People and Organizations to Ultimate Success. Charlotte, North Carolina: Information Age Publishing.

Andersen, T. J. (2017). The Responsive Global Organization : New Insights from Global Strategy and International Business. [N.p.]: Emerald Publishing Limited.

Berman. (2014). Fitzgerald and the Idea of Society. The F. Scott Fitzgerald Review, 12(1), 32.

Bridger, E. (2014). Employee Engagement. London: Kogan Page. Retrieved from http://search.ebscohost.com/login.aspx?direct=true&db=nlebk&AN=879853&site=eds-live

Burtles, J., & Noakes-Fry, K. (2016). Principles and Practice of Business Continuity : Tools and Techniques Second Edition (Vol. Second edition). *Brookfield, Connecticut, USA: Rothstein Publishing.*

Consumer Financial Protection Bureau (CFPB) (2018). *Debt Collection Activities Study. Washington, DC.*

Danesh Sani, K., Safania, A. M., &Poursoltani, H. (2017). Identification and Prioritization of Factors Affecting Neuromarketing in Sport Based on Analytical Hierarchy Process (AHP). *The Neuroscience Journal of Shefaye Khatam*, *5*(3), 35-43.

De Vos, A., &Cambré, B. (2017). Career Management in High-Performing Organizations: A Set-Theoretic Approach. Human Resource Management, 56(3), 501–518. https://doi.org/10.1002/hrm.21786

Dhyani, A. (2018). Employees' Perspective Towards Competencies: An Empirical Study on Employees in Hotels of Haridwar and Rishikesh. AVAHAN: A Journal on Hospitality &Tourism, 6(1), 1–10.

Diaz, L., & Rhodes, R. (2018). Job Satisfaction : Influencing Factors, Gender Differences, and Improvement Strategies. New York: Nova Science Publishers, Inc.

Folgueiras Bertomeu, P., & Ramirez, C. (2017). Data collection strategies in mixed methods designs: An example of research in service-learning.

Gallo, A. (2018). How to Respond When Someone Takes Credit for Your Work. Retrieved from https://hbrascend.org/topics/how-to-respond-when-someone-takes-credit-for-your-work/

Hansen-Turton, T., & Torres, N. D. (2014). Social Innovation and Impact in Nonprofit Leadership. New York: Springer Publishing Company.

Hines, S., & Matteson, M. L. (2017). Emotion in the Library Workplace (Vol. First edition). Bingley, UK: Emerald Publishing Limited.

Howell, M. P., Reames, E. H., & Andrzejewski, C. E. (2014). Educational Leadership Program Faculty as Technology Leaders: What Support Will They Need? New Waves - Educational Research & Development, 17(1), 31.

Code of practice for information security management. (2014). Information security management.

Jena, L. K., Pradhan, S., & Panigrahy, N. P. (2018). Pursuit of organizational trust: Role of employee engagement, psychological well-being, and transformational leadership. Asia Pacific Management Review, 23(3), 227–234

Joseph Mbatha (2013). Effectiveness of debt Collection Strategies at Standard Chartered Bank Kenya Limited, A Research Project submitted in partial fulfillment of the requirements for the award of the degree of Master of Business Administration , School of Business , University of Nairobi .

Joseph M. Putti. (2015). Human Resource Management : A Dynamic Approach. [Place of publication not identified]: Laxmi Publications Pvt Ltd.

Kalanidhi, G. (2017). Latest Trends in the Debt Collection Process. Retrieved from https://habiletechnologies.com/blog/loan-collection-trends/

Kaleb, J. (2014). Effective Strategies to manage debtors. Retrieved from https://switzer.com.au/the-experts/joe-kaleb/effective-strategies-to-manage-debtors/

Kitonga, S. (2014). Determinants of effective debt collection in financial institutions in Kenya, United States International University, a research project submitted to the chandaria school of business in partial fulfillment of the requirement for the degree of Master of Business Administration (MBA).

Livshits, I. (2015). Recent Developments in Consumer Credit and Default Literature. Journal of Economic Surveys, 29(4), 594.

Lobão, J. (2016). Behavioral Corporate Finance. Newcastle upon Tyne: Cambridge Scholars Publishing.

Loughran M, (2015). Auditing for dummies : The easy way to master the art of auditing , 1st edition

Malik, P. (2015). The Fractal Organization : Creating Enterprises of Tomorrow. New Delhi: Sage Publications Pvt. Ltd.

Majaski, Ch. (2019). Delinquent. Retrieved from https://www.investopedia.com/terms/d/delinquent.asp

Mika Fukada. (2018). Nursing Competency: Definition, Structure, and Development. Yonago Acta Medica, 61(1), 1.

Mohamed, H. Sh. (2017). Factors Affecting Debt Recovery in Financial institutions In Kenya a Case Study at Equity Bank Kenya Limited. Imperial Journal of Interdisciplinary Research (IJIR), 4(10), 324-343

Muyambo, T. (2016). An Investigation of the Debt Management Practices on the Performance of Premier Service Pharmaceuticals (PSP). This dissertation is submitted in partial fulfillment of the requirements for the award of the Bachelor of Commerce Accounting Honors Degree at Midlands State University Gweru, Zimbabwe.

Nickols, F. (2016) . Strategy: Definitions and meaning. Management Journal 1 (1), 4-7.

Nair, S., Kaushik, A., & Dhoot, H. (2019). Conceptual framework of a skill-based interactive employee engaging system: In the Context of Upskilling the present IT organization. Applied Computing and Informatics.

Oxelheim, L., &Forssbaeck, J. (2015). The Oxford Handbook of Economic and Institutional Transparency. New York, NY: Oxford University Press.

Organization for Economic Co-operation and Development (OECD) (2019). Short-Term Consumer Credit: provision, regulatory coverage and policy responses.

Peterman, D. E. (2018). Socioeconomic Status Discrimination. Virginia Law Review, (Issue 7), 1283. Retrieved from http://search.ebscohost.com/login.aspx?direct=true&db=edshol&AN=edshol.hein.journals.valr104.39&site=eds-live

Polachek, S. W., &Tatsiramos, K. (2014). Factors Affecting Worker Well-Being : The Impact of Change in the Labor Market. Bingley, U.K.: Emerald Group Publishing Limited.

Purushothama, G. (2015). Chapter-04 Sampling and Data Collection. Nursing Research and Statistics, 99-189.

Puzo, A. (2019). 8 Rules for Borrowing Money From Friends and Family. Retrieved from https://www.consumerismcommentary.com/rules-borrowing-money-friends-family/

Pyatigorets, a. S., & Nikolaychuk, k. V. (2017). Ways of improving accounting of the receiver debt. Problemiekonomìki transport, 0(13).

Reed, L., & Csikszentmihalyi, M. (2014). The experience sampling method. In Flow and the Foundations of Positive Psychology: The Collected Works of Mihaly Csikszentmihalyi (pp. 21-34). Springer Netherlands. https://doi.org/10.1007/978-94-017-9088-8_2

Robinson, A., & Schroeder, D. M. (2014). The Idea-Driven Organization : Unlocking the Power in Bottom-Up Ideas. San Francisco: Berrett-Koehler Publishers.

Sabherwal, R., Sabherwal, S., Havakhor, T., & Steelman, Z. (2019). How Does Strategic Alignment Affect Firm Performance? The Roles of Information Technology Investment and Environmental Uncertainty. MIS Quarterly, 43(2), 453–474.

Sekaran, U. and Bougie, R. (2013) Research Methods for Business: A Skill-Building Approach. 6th Edition, Wiley, New York.

Shani, A. B. R., &Noumair, D. A. (2014). Research in Organizational Change and Development. Bradford: Emerald Group Publishing Limited.

Sukhov,M . (2019). Article Bad Debts: Scenarios for banks and companies.

Taherdoost, H. (2016). Sampling methods in research methodology; how to choose a sampling technique for research. International Journal of Academic research. 5(2):18-27.

Teplý, P. (2018). Consumer Lending in Theory and Practice (Vol. First edition). Prague: Charles University in Prague, Karolinum Press.

Trimbath, S. (2015). Lessons Not Learned: 10 Steps to Stable Financial Markets. London: SpiramusPress. Banking in Bahrain | BAB. Retrieved from: www.banksbahrain.org/banking-in-bahrain/

Uphill, K. (2016). Creating Competitive Advantage : How to Be Strategically Ahead in Changing Markets. London, United Kingdom: Kogan Page.

Vincent, C., & Kumar, M. (2014). Business Performance Measurement and Management. Newcastle upon Tyne: Cambridge Scholars Publishing

Wellhausen, R. L., & Locke, R. M. (2014). Production in the Innovation Economy. Cambridge, Massachusetts: The MIT Press.

Wessels, B., &Haentjens, M. (2014). Bank Recovery and Resolution. A Conference Book. Den Haag: Eleven International Publishing.

Wiesenberger, D. (2019). Business Loan Collections Requires the Right Approach. Retrieved from https://www.ibshome.com/business-loan-collections-news.php

Zafer, A. S. (2015). Authentic Customer Centricity : A Journey Towards Sustainable Customer Experience. Charlotte, NC: Information Age Publishing