



IDENTITY PROFILE OF OWNERSHIP MANAGERS AND SMES FUNDING MODES: THE CASE OF CAMEROON SMALL AND MEDIUM SIZE ENTERPRISES

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ABSTRACT

The Small and Medium Size Family Enterprise wants to remain financially independent. However most of them no longer avoid the theory of dependence counting on external funding and sometime losing their specificities emanating from family governance. The objective of the framework of this article is to analyse the development of a new policy of autonomy of personal funds and to show that informal funding constitute a particular model of personal capital funding for Small and Medium Size family Enterprise (SME). The small and medium size family enterprise counts massively on financial circuits otherwise said to be informal funding by means of contribution often favoured by the quality of the identity of the proprietor-director. Today's tendency for these small and medium size family enterprises is to develop internal and informal funding that will be transformed into micro finance, a question of preserving integrity of capital and maintain the interests of family links. A new opportunity in the development service of the growth of the small and medium size family enterprise.

RESUME: La PME familiale cherche à demeurer financièrement indépendante. Pourtant la plupart n'échappent plus à la théorie de la dépendance, en recourant au financement extérieur, perdant parfois leurs spécificités, notamment leur autonomie et partant la gouvernance familiale. L'objectif poursuivi dans le cadre de cet article est d'analyser le développement d'une nouvelle politique d'autonomie des fonds propres et de montrer que les tontines constituent un modèle particulier de financement en capitaux propres pour les PME familiales. Les PME familiales recourent massivement aux circuits de financement dits parallèles c'est-à-dire au financement informel par la voie des tontines, favorisé le plus souvent par la qualité de l'identité du propriétaire dirigeant. La tendance aujourd'hui pour ces PME familiales est de développer une tontine interne qui se transformera en micro finance question de préserver l'intégrité du capital et sauvegarder les intérêts et les liens de la famille. Une opportunité nouvelle au service du développement et de la croissance des PME familiales.

Mots-clés: PME familiales, profils d'identité, propriétaires dirigeants, tontines,

KEYWORDS : family small and medium size enterprise, identity profile, owner managers, group savings

INTRODUCTION

Researches on Family SMEs have in these past years obtained a sensible regain of interest, particularly in the Anglo Saxon literature (Allouche, 1997, Chrisman, JJ. 2013, Gomez-Mejia, L., 2014, Dekker, J; 2015, Michiels, A. 2017.) In fact, the scientific research carried out on this domain has in reality not only developed in Europe until the 1980s (Hirigoyen, 1985 ; Merigot et Hirigoyen, 1987 ; etc.), to find its up spring only in the 90s (Friedman et Friedman, 1994 ; Allouche et Amann, 1997 ; etc.), in the sub saharan Africa in 2000 (Nkakleu, 2001, 2003, Beyina 2009). Meanwhile according to Kenyon-Rouvinez et Ward (2004), Family SMEs play a considerable role in the economy of most of the countries They represent the most expanded forms of enterprises in the private sector and this, whatever the country concerned (Kenyon-Rouvinez et Ward, 2004 ; Di Giuli, A., 2011 ; Kim, Y., & Gao, F., F.Y. 2013). Family SMEs also offer a preveleged field of study for theories of Management sciences, for financial theory in particular, the theory of organisations and the theory of human resources . (Poulain-Rehm Thierry, 2006). To the light of organisational finance, family SMEs fall within the scope of the property rights theories (Alchian et Demsetz, 1972 ; Furubotn et Pejovich, 1972) and of the agency (Jensen et Meckling, 1976 ; Fama, 1980), of which «The influence of the form of ownership on the organisation and the management of the enterprise remains badly defined » (Allouche et Amann, 1997). These different theoretical trends serve as reinforcement to hard questioning, particularly on the adoption of a specific financial behaviour by family SMEs or on the level of their relative financial performance, compared to managerial enterprises. As such the behaviour of Family SMEs in the subject of funding represents a well known domain to its abundant write ups in the subject. But this behaviour remains a little explored at this moment especially concerning parallel funding ; that is to say, by means of thrifts and loans commonly known in the community as 'Njangi' (Rozas, S. & Gauthier, B. 2012). Many studies that are treating the case of Family SMEs have actually relied on the problem of its funding (Allouche et Amann, 1997, Di Giuli, A., Caselli, S., & Gatti, S., 2011, Michiels, A. 2017 etc.) without necessarily solving the controversy surrounding the efficiency of parallel funding of this type. This evidence is equally reinforced by Romano et al. (2000), Lelart M. (2006), Kemayou, L., GuebouTadjuidje, F. & Madiba, M. (2011). That is why the problem statement of this article is posing in

all evidence the problem of an efficient strategy of informal funding of Family SMEs favoured by the identity of the Owner-Manager and which is summarised in the following way : What strategy can we put into place to ensure the efficiency of the informal funding of Cameroonian Family SMEs ? The objective aimed at in the framework of this article is to propose a new approach of autonomy of proper funds and to show that thrifts and loans 'Njangis' constitutes a particular model of funding in own fund for the Family SMEs. To this regard, we have wanted to bring up a contribution to the understanding of this problem statement about funding family SMEs, this one represents a major area of the Cameroonian economy (Nkakleu, 2003, Kemayou, 2011). Otherwise, the development of family SMEs, which is linked to their capacity to have access to new funds, is an important question since it influences the economic growth and the creation of employment opportunities. As some authors (Allouche et Amann, 1997 ; Schulze et al., 2003, Vandemaale, S., 2015) think that it is necessary to consider the family SMEs as a different entity, by their specificities, especially their propensity to conserve their financial autonomy and hence family governance; we have first of all wanted to verify if it seeks help from funding modes so called external, that is to say ; indebtedness ? and if this indebtedness is motivated and facilitated by the identity profile of Owner – managers of family SMEs. Koropp indicates to this effect that, the choice of the type of funding of the firm depends on the strategic conscience of the managers and the whole internal and external composition of the organisation, Koropp (2013). Also, the type of funding is the result of an accurate management decision which the proprietor-entrepreneur of family SMEs are responsible of. Di Giuli, Caselli, S., & Gatti, S., 2011). According to this author, it is the link of dependence between the managers and the type of funding : This individual/organisational link is very present in the typology of entrepreneurs or managers of family SMEs. (Di Giuli et al., 2011). The review and the critics of the existing literature shall intervene and shall help us to revisit the controversy surrounding the behaviour of choice of the types of funding in family SMEs. In order to do this, we shall test our hypothesis on a sample of family SMEs and shall finally propose a new funding mode as a financial strategy suitable for funding family SMEs. At times, family SMEs constitute for the reading of academic works and the realised empiric researches, a set up that is

often ambiguous, of which the definition, in the current development state of the write up, makes no sense of the consensus (Litz, 1995 ; Westhead et Cowling, 1998 ; Brenes, ER. 2011, Chrisman, JJ. 2013, Gomez-Mejia, L., 2014, Dekker, J; 2015, Michiels, A. 2017). The ambivalence and the confusion bring about the lack of conceptual clarity and stains the practical platform of numerous studies, notably comparative, which presuppose a precise and operational definition of these companies ; this is why, in order to circumscribe our field of study, it will appear to us fundamental in the methodology of the empirical framework of our study to properly perceive the concept of Family Small and Medium Size Enterprises.

1 – THE FRAMEWORK OF REFLECTION

1.1. literature review

« The identity designs the set of socio-demographic, cultural, and physical elements which helps to characterise the psycho sociological profile – identity profile – of Directors and especially those of Family SMEs » ; In order to constitute the identity profile of Directors and the relationship with their choice of funding , we drew inspirations from Neo-Hofstedian current (1) and from Neo-Lightian(2) who support the pertinence of the relationship between domestic cultures – and the management of enterprises Family SMEs). For the first ones(1) in the research on SMEs in general, with leader being Emile-Michel Hernandez, the community type of enterprises and the symbols that they communicate justifies on one part, the role of imaginary organizational SMEs which the “family” model and on the other part, the role of “protective father” Directors that adopt a paternalist type of management. Coming next from Alain Henry (1991) who recognises a “management model”, Hernandez (2000) supports the promotion of a paternalist type of management which seems to be much more adapted to a cultural context of family SMEs. This author privileges the existence of community values which play an important role on the behavior and the management decisions of Proprietor-Directors of family SMEs. Also, independent of the characteristic traits of Directors, notably about the level of studies and the social imagination, most of the Directors of family SMEs would adopt a paternalistic management (Chrisman, J.J., 2013 et al. Dekker, J; 2015 et al.), and it is possible that the type of management used and notably the type of induced funding be different. For the second (2), that is to say, the Neo-Lightian current; the current is emerging and is situated in the lign of study realized in the western context on immigrant population who are part of the entrepreneurs in The United States (Litz R.A.1995), and in Canada (Dyer et Ross2000). This second current makes current events in Cameroon especially (Nkakleu, 2003) since it establishes the relationship between cultural, - ethnic, or religious groups – the type of funding and the management of family SMEs. The major works in this second current in the Cameroonian context are those of Brenner et al. (1990), de Kamdem (1991), de Warnier (1993) ou encore de Lelart M. (2006), Kemayou, L., GuebouTadjuidje, F. & Madiba, M. (2011), de Rozas, S. & Gauthier, B. (2012), who attribute discriminating contingent factors from the relativity of managerial practice. The studies of Brenner et al (1990) on thrifts and loans « Njangi » and the creation of SME in Cameroon implicitly admits the pertinence of the concept of ethnic entrepreneur, around the family, and so the proprietor – director of the family SME. All by constituting the individual path of the entrepreneur of the family SME, immigrant population in the town of Douala, authors establish that family SME entrepreneurs who are mostly Bamilekes prefer to go after thrifts and loans 'Njangi' that is to say to the circuits of informal or parallel funding, instead of associating with foreigners who would favour the loss of their enterprises. Their conclusion 'implicitly' underlines the existence in Cameroon an ethnic entrepreneurship constructed around the family. We consider that the conclusion of this second current constitutes a first characterisation of the entrepreneurship of Cameroonian family SMEs. In regards to all these developments, we notice that the reality of SME in Cameroon instead shows many types of directors, at different identity profiles, originating from various ethnics amongst which some would be author-didactic, others certified. Our research is expressed in a multidisciplinary approach in social sciences and in management sciences. The

research in question is to know if there is the existence of a relationship between identity profile of the Directors of Cameroonian family SME with the quality and the volume of funding offer that is to say the type of the chosen fund. The operationalisation of different concepts associated to our aim of study and the underlying questionings is known in the perspective of the contingent theory. This operationalisation takes part in the methodological approach of analysis of eventual links between the identity of family SME directors and the choice of the funding type.

1.2. research hypothesis

Our description about the identity of Proprietor-Directors of family SMEs is similar to the work of Nkakleu, R. (2001,2003), de Kamdem E., (1993) et de Dissake (1993) which treats imaginary representations structuring the target of the individual. These works are of considerable help in the theoretical construction of the identity and our direction of study, that is to say, having a profound analysis of the relationship between the personality of directors, the type of funding, and management. The conclusion of these works reinforces the contingent characteristics of socio demographic cultural factor on the determination of the type of management in a given context. To this regard we can formulate the postulation according to what the identity of an individual would constitute contingent factors susceptible to influence these behaviours and these decisions in the subject of the choice on funding ; and to the subject of funding family SMEs exists enormous write ups (Allouche et Amann, 1997, Di Giuli, A., Caselli, S., & Gatti, S., 2011, Michiels, A. 2017 etc.) and the different works of empirical research do not lead to accurate indicated results and do not help to reach precised theoretical conclusions as well as different approaches and contrasted points of view. On the other hand, the different authors seem to agree on the fact that family SMEs have more and more help from debts and notably short term debts better still in the case of under capitalization (Ang, 1992, Nguena, C.L. 2013, Tsambou, A. et al. 2017). A short term or long term debt must be mastered and a mastered debt is neither excessive nor insufficient (Cieply, 1997 ; Oloua, 2007, Koumetio M., 2016). A mastered debt supposes a proper financial structure and this will be founded on the existence of a balance between own funds and indebtedness. For this reason, it is not enough to simply aim at the highest level of indebtedness. It is important to consider especially the positive impact that the lever of indebtedness can exercise. In this case a level of mastered indebtedness provokes two situations : Either it is equal to the rate of optimal indebtedness defined by the enterprise and which corresponds to the financial structure allowing this one to maximise its net value. That supposes all the same that there is the existence of a financial market and the possibility to have access to it. In such a situation, the optimal rate of indebtedness could be defined as the one that allows enterprises to maintain a financial autonomy and growth without losing profitability (Paranque & Cieply, 1997, Koumetio M., 2016, Djongue, G., 2012), what equally makes the problem of the cost related to indebtedness ; it either corresponds to a capacity of optimal indebtedness ; that is to say, a passive structure from the point which the lender refuses to grant new funds. But all the problems of Bank indebtedness of family SMEs resides in its composition. While waiting that another argument in favour of bank indebtedness is of its growth being the saturation of this indebtedness that is to say its optimal level, it appears that the quasi-totality of this indebtedness is composed of short term credits and bank overdraft (CBC) not allowing for risky and lengthy investments, and notably the financing of investments. We have been able to observe the importance in volume of these forms of bank indebtedness in the report of family SMEs, but it can prove to be inefficient in the financing of investment. If the thesis in favour of renewing short term credit for the financing of investment projects can escape the (short) deadline obstacle, it will appear to ignore the negative impact of high financial cost which generates on the expected performance to be realised. Thus the problem of capital begins: for, the lack of lengthy bank financing in the Cameroonian context or the insufficiency in the financial structure of family SMEs does not allow the family SMEs to benefit from the positive lever of the bank indebtedness. All these analysis bring us to the first

hypothesis (H1.) of this study such as : « Bank indebtedness adapted to the needs of family SME and well mastered by its managers can allow family SME to finance and realise its investments with some impacts on the commercial, financial, economic, social and organisational plan. » these analysis raise two types of problems in the bank indebtedness of family SME : the problem of volume and that of quality. Whereas, one of our objectives is to show that the actual characteristics of bank indebtedness in the Cameroonian context in terms of volume and quality does not facilitate the realisation and the financing of investment and leaving some performances in family SMEs ; in other words, from the point of view of volume and of quality, the bank indebtedness of family SME does not allow this one to develop, realise, and finance its investments, this is why the influence of the identity of managers with the financial environment could explain the amelioration, the importance, quality and volume, on the first sub hypothesis (H1.1.) coming next « The quality of bank offer not motivated by the identity of the Proprietor Director about Cameroonian family SMEs can be an obstacle in the realisation of the investments of these enterprises. » In fact the conditions of bank offer reveals the quality of bank indebtedness of family SMEs. We can observe an inadequate matter between the need of funding expressed by family SMEs notably in the framework of investments and an accurately obtained funding. This inadequacy is equally observed between the level (volume) of solicited funding by family SMEs and the level of funding offered by the bank. Otherwise, family SMEs are badly financed by the bank and so are badly indebted (Koumetio M., et al. 2016, Tsambou, A., et al. 2017). Because banks only grant short-term loans and scarcely under the proportion and conditions desired by the family SMEs. For which the Proprietor Director of family SMEs with regards to the guarantee conferred by his identity, can modify the types of bank offer granted. This bad indebtedness which the problem of quality is raising can not really allow family SMEs to realise expected performances ; about the second sub hypothesis (H1.2.) coming next : « The low level of bank indebtedness of Cameroonian family SMEs leads to low performances in the said SMEs and can be a handicap to the funding of their investments. » In fact, the report of Cameroonian SME rarely presents short and long-term bank loans. And when the case arises, they are just debts of low amounts. Also, the level of long and medium term bank indebtedness of family SMEs remains relatively low. The consequences are such that the family SME cannot really benefit from the lever of financial profitability. All the same, at the global level, the fact that the bank indebtedness of family SMEs is low will have an unfavourable impact on investments on investment projects, on the growth of activities, the amelioration of revenues and the mastery of charges, under every evidence, this raises the question on finding a funding strategy adapted to Cameroonian family SMEs ; hence the importance of the second hypothesis (H2.) of our study in question : « The funding strategy based on the appropriate modality of funding (of the types regarding thrifts and loans, 'Njangi' or thrifts and loans risk capital) and marked by the identity of Proprietor-Directors can contribute to the performance of the Cameroonian family SMEs. » The two hypothesis and the sub hypothesis that have been evoked form the centre of gravity of our study. Elaborated from the pre-investigation (Beyina, 2009) and the documentary research (Lelart M. 2006, Kemayou, L., GuebouTa djudje, F. & Madiba, M. 2011, Rozas, S. & Gauthier, B. 2012), this body of hypotheses highlights the main objectives of the research and constitutes the core of the systematic inquiry whose results will be presented.

1.3.the methodology of the empirical framework of our study

The sampling unit of our empirical study being the family SME, we are going to first of all define the concept of family SME put into evidence here and in the Cameroonian context in order to finally consecrate ourselves to the empirical framework of our study.

1.3.1.definition of family small and medium size enterprise (familySME)

The family SME is traditionally defined as an enterprise in which a family controls almost or if not the total sum of the three elements of

capital – shares, direction and administrative counsel on many generations (Floren 2007). According to Westhead and Coling (1998), the family SME is an organisation inside which one or many members of the family have effective control of the property, the control or at least an influence on the management and the intention to transmit the enterprise to the next generation. The family SME is a particular enterprise. A family SME is then after all a family that has come together around a entrepreneurship project. The absence of a unique and harmonious definition does not facilitate any identification exercise of Family SME in Cameroon. However, on the bases of the understood criteria in the usual definition of SME and of the possibility of easily getting access to relative information to these criteria, we have considered as Family SME in our study, the satisfying units to the following conditions : to be managed by nationals, to be the property of nationals constituting a family and around a family project ; having an enrollment of 150 people and more ; having a business capital of less than 1000 millions FCFA, being 1.524.490 euros ,although not having any precised sampling framework responding to the profile of Family SMEs chosen for our study, we have been able to obtain directories and annuals of some professional syndicates such as 'GICAM (Groupement Interpatronal du Cameroun)' 'SYNDUSTRICAM (Syndicat des industriels du Cameroun), Pro-PME (Organisme Canadien des PME au Cameroun)' pertinent information for the constitution of our sampling.

1.3.2.Empirical framework of the study.

To answer to the question of the research at hand, we have carried out an investigation on the Family SMEs in the town of Douala Cameroon. We have chosen as a field of study, the whole Family SMEs, commercials, industrials and services situated in Douala (Cameroon), to which we have submitted a standard questionnaire. The following table traces the division of 60 Family SMEs of our study by sector of activity.

Table 1. Division of 60 family smes in cameroon by sector of activity

SECTOR	1	2	3	4	5	6	7	8	9	10	11	Total
Enterprises(n)	12	16	7	2	7	2	3	3	3	2	3	60
%	20	26,6	11,6	3,4	11,6	3,4	5	5	5	3,4	5	100

Internal source:

1=General Commerce, 2= Agro alimentary Industry, 3= Commercial Services, 4= Chemical Transformation , 5= Paper and carton industry, 6= Textiles and confection, 7= Wood transformation Industry, 8= Metal Industry, 9= Plastic Industry, 10= Material Fabrication, 11= Industrial services.

The four principal sectors in our sample are ; general commerce, Agro alimentary Industry, Commercial services, Carton and paper Industry. These principal sectors represent about 69.8% of the whole Commercial, industrial, and services Family SMEs, of our study. Meanwhile, our sample is lightly underrepresented in the agro alimentary industry, a developed sector, highly competitive. The interest of studying Family SMEs localised in the town of Douala is tripple (Nkaleu, 2001; NdongNtah, 2004) : the first advantage is related to the fact that the study concerns the town of Douala. Factually talking about the economic capital of Cameroon regrouping the principal Ports Activities, railways and airways of the country. The second advantage flows from the heavy density of Family SMEs in this town ; also the analysis of identity problems, culture, potentials, effectively helps to validate or invalidate the relationship between the identity profile of the managers of family SMEs and the type of funding ; help from some modes of financing that is to say help from Family SMEs to the indebtedness in general. Finally, the choice of the town of Douala as the field of analysis helps to better understand the behaviour of the managers of the Family SMEs towards indebtedness. Totally, we have censured a list of Family SMEs, which constitutes the mother population of our investigation. The mother population is made up of 180 Industrial and commercial Family SMEs adhering to employers' organisations

Promote, Cretès, and Pro-PME which is a Canadian organism from the promotion of SME in Cameroon. On the bases of this mother population, we have constituted a sample of 70 Family SMEs of commercial, services and industrial activities assimilated amongst which (60) Family SMEs have responded to our questionnaire. Conscious to the difficulties related to prudence of the managers of the Family SMEs in regards to the questionnaire and, as most of them do not have enough time, we exclusively recruited our own investigators among the students of the third cycle who have already effectuated investigation with questionnaires. Their role in our work consisted to meet the managers of Family SMEs to submit our questionnaires to them at the same time giving themselves up to them for further precisions, information, and explanations which they may be in need of; It should equally be noted that at this level that any administrative operation of questionnaires were under our direct supervision in order for us to be ensured of its viability. Moreover, after the administration of questionnaires, the investigators assisted us in the statistical analysis. This statistical analysis of questionnaires has been realised thanks to the use of a software program known as SPHINX. This allowed us; to arrive at a certain number of results thanks to flat sorts; to cross sorts, to association tests, and the categorical regression. The categorical regression through the influence relationship and of the dependence of variables helped us to explain the choice of the funding mode from the determinant of the identity profile.

2.IDENTITY OF MANAGERS OF FAMILY SMEs AND FUNDING MODES OF OUR STUDY

2.1.the principal characteristics and the principal profiles of identity of owner managers of family SMEs

The collection of information was realised about the owner Managers of Family SMEs. The sectorial distribution of our validated samples of questionnaires extends to all the branches of activities in which Family SMEs such as we have defined are present in the Douala metropolis regrouping approximately 80% of Family SMEs in Cameroon. (Gouthier, 1995). All the same it seems difficult to agree that the sectorial proportion used correctly reflects the actual national reality, for the statistics available in this domain still dates from the year 1992 (Ndongntah, 2003), of which the landscape of Family SMEs have very much developed since then from the facts on the text of the liberalisation of the decade of the 1990. The synoptic approach of the principal characteristics of Family SMEs investigated (generation of the enterprise, the sector of activity of the enterprise, salary effectiveness) is proposed by the following table.

Table 2: The principal characteristics of family smes (%)
GENERATION OF THE ENTERPRISE

Generation of the enterprise	First Generation (creation before 2000)	Second Generation (2000 – 2010)	Third Generation (2010 – 2015)
En %	10	60	30

SECTOR OF THE ACTIVITY OF THE ENTERPRISE

Sector of activity of the enterprise	Chemical Industry	Agro alimentary Industry	Wood industry	Carton and paper industry	Services industry	Others
En %	12,5	40	10	15	10	12,5

SALARY EFFECTIVENESS

Salary effectiveness	Less than 10 salary earners	From 10 to 50 salary earners	More than 50 salary earners
En %	12,5	75	12,5

HEIRARCHICAL LEVEL

Heirarchical Level	One level (owner managers)	Two levels
En %	50	50

Internal source

The analysis bring out the following points: all the family SMEs have been created since at least four years before by the time we carried out the investigations; the majority are among the second generation. 60% of family SMEs from the sample are small size enterprises SE against 12.5% which are the Very small Enterprises VSE and 12.5% are Medium Size Enterprises MSE. There after, we have divided the samples in two classes: enterprises having the enrollment of less than 20 salary earners (ENTER 1) and enterprises possessing at least 20 salary earners (ENTER 2). Finally, 40% of Family SMEs are in the agro alimentary sector which in Cameroon represents traditional activities. the share of the other sectors are technological and are less than 13%. 75% of the owner managers are at least 40 years old among which more than 57% belong to the age group between 40 and 50 years old. On the other hand; proprietor managers have 20% among them are having a training level of the secondary school qualification, and for only 7.5% have training of the primary school level. And again, more than 72% are through the University training level. Most of the managers have a very high level of experience and belong to the bameleke ethnic group (see the table below). It can also be noted that the majority of the Family SMEs are from the second generation (2000-2010) and are managed by Highly qualified entrepreneurs within the age groups of 40 to 50 years.

Table 3: The principal identity profiles of proprietor managers of family SMEs (in %) and their ethnic origins (H1).

AGE

Age	Below 40 years	From 40 to 50 years	From 51 to 60 years	Above 60 years
In %	15	57,5	17,5	10

LEVEL OF EDUCATION

Level of Education	Primary	Secondary	HND	Engineers	University	School of commerce	Accountancy expert
In %	7,5	20	7,5	22,5	20	17,5	5

LEVEL OF EXPERIENCE

Level of experience	Low	High
In %	14	86

ETHNIC ORIGIN OF PROPRIETOR MANAGERS

Ethnic origin of Proprietor Managers	Bamiléké	Douala	Haoussa	Others (1)
In %	70	10	7,5	12,5

RATIONALITY

Rationality¹⁸: Bamilékés: Optimistic rationality and or exploratory; Haoussa: Optimistic rationality; Douala and other: Exploratory rationality

Internal source

For the realisation of determinants of Cameroonian Family SME; many funding modes exist and are open to opportunities of this, and notably for the managers of Family SMEs whose ethnic group is more representative in the studied sample.

2.2.MODE OF FAMILY SME FINANCING

The Family SMEs in Cameroon seek help from many funding modes; but some modes are greatly permanently solicited as indicated on the below.

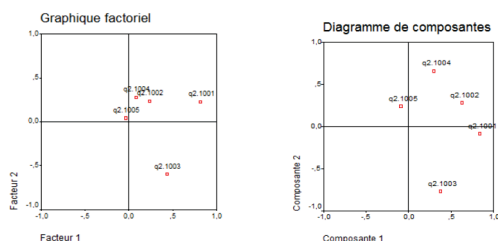
Table 4: Modes of financing of 60% of SMEs

	NR	Not at all	A bit	average	Many	Total
Auto financing (q2.1004)	5,00	31,67	26,67	16,67	20,00	100
Savings (q2.1003)	3,33	33,33	38,33	20,00	5,00	100
Family thrift and loans 'Njangi' (q2.1001)	8,33	10,00	11,67	46,67	23,33	100
Associations and others (q2.1005)	16,67	41,67	25,00	15,00	1,67	100

Borrowings (q2.1002)	6,67	33,33	16,67	23,33	20,00	100
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Internal Source

We can notice that the most solicited mode of financing by family SMEs in Cameroon excluding the equity (Auto financing) are: thrifts and loans and bank loans: 46.67% of SMEs averagely run for thrifts and loans, and 23.33% averagely run for bank loans; 23.33 of these SMEs run much for thrifts and loans and 20% for bank loans. The diagram of elements and the factorial graph as seen below equally confirms.P



Finally the results of the investigation reveal that: q2.1001 and q2.1002 are very close from the x- axis. This notably explains the run of investigated family SMEs in priority to two modes of financing in the case of external financing. First of all, the family thrifts and loans which occupies the most important place: 46, 67% and 23,33% against 20% and 5% for bank loans. Moreover, in terms of importance, bank loans come in the second place very far from

INDEPENDENT VARIABLES	DEPENDENT VARIABLES ²⁰				
	SELF FINANCING	SAVINGS	FAMILY THRIFTS AND LOANS	ASSOCIATIONS AND OTHERS	BANK LOANS
AGE	0,877*** [0,108] (0,000)	0,052 [0,272] (0,850)	0,746*** [0,151] (0,000)	0,236 [0,234] (0,367)	0,458** [0,175] (0,022)
LEVEL OF EDUCATION	-0,856*** [0,113] (0,000)	0,611*** [0,118] (0,000)	0,697*** [0,156] (0,000)	0,374*** [0,121] (0,000)	0,664*** [0,167] (0,008)
LEVEL OF EXPERIENCE	-0,709*** [0,117] (0,000)	-0,369*** [0,159] (0,002)	0,541*** [0,160] (0,007)	-0,272* [0,172] (0,064)	0,495** [0,172] (0,017)
ETHNIC ORIGIN	0,708*** [0,119] (0,000)	0,467* [0,238] (0,053)	0,684*** [0,163] (0,000)	0,307 [0,209] (0,121)	0,568** [0,169] (0,036)
GLOBAL STATISTICS OF THE MODEL	9,034*** (0,000)	11,478*** (0,000)	7,867*** (0,000)	5,660*** (0,000)	7,336*** (0,000)
R2	0,771	0,683	0,656	0,573	0,599
R2 AJUSTE	0,537	0,467	0,509	0,329	0,359

and dependence relation of some variables amongst others is explained through coefficients and determination (R^2) situated in the table above between 0,573 and 0,771 and the degree of significance respectively at the range of 1%, 5% and 10%. Age and the level of education of the Proprietor Managers of the investigated Family SME positively influences the choice of thrifts and loans and bank loans and in a least measure self financing. The level of experience is determinant for thrifts and loans and bank loans, at last ethnic origin has a more important degree of significance for thrifts and loans and relatively less for bank loans, this means that the amelioration from quantity and quality of the financing offer notably concerns thrifts and loans, self financing is partly justified by the ethnic origin, the level of experience, and age. It evidently appears on the reading of the global statistics of the model from the table above that the determinants of the identity profile that is to say the different identity profiles of the Family SME managers in Cameroon play an irrefutable and determinant role in the choice of the funding mode and consequently the induced managerial methods. Moreover, to confirm the hypothesis H1, H1.1, H1.2, there is visibly a connection between the identity of the manager, the formula of financing and the criteria of profitability of investments, all the same the Khi-deux test which shows this (H1,H1.1,H1.2).

thrifts and loans. The low level of bank indebtedness related to thrifts and loans is partly linked to the identity of Owner Managers who facilitates the run for this source of financing (H1.1 et H1.2). Banks generally finance the risk associated with collaterals and the one connected with the whole activity. (Beyina, 2009). The family thrifts and loans (concerning the enterprise) appears first of all as a source of risk management connected with the activity and as a source of cooperation. This one is an activity printed in the attitude of the Bamelekes necessarily constituting the dominant cultural group in the studied Family SMEs (Nkakleu, 2004)(H1.1). this analysis recalls the importance of the identity, the values of solidarity, success, in the management of Family SMEs; after all the importance of the influence of the categorical regression in the choice of the mode of financing on the identity profile of the Proprietor Managers of family SMEs illustrates it and is present in the table 5 below:

Table 5: Categorical regression in the choice of the funding mode on the identity profile of owner managers of family SMEs (H1.1, H1.2;H2)
Internal Source

The categorical regression above justifies the propensity of Owner managers in our investigated family SMEs to run for different funding modes from determining elements from the identity profile notably by age, level of education, level of experience, and ethnic group. This influential

Table 6: Crossed table

			Criteria of investments profitability		Total
			Never (Q1.1001)	Often/always (Q2.1002)	
Financing (Q2.1001 ; Q2.1002)	1	Enrollment	25	16	41
		Theoretical Enrollment	28,7	12,3	41,0
	2	Enrollment	17	2	19
		Theoretical enrollment	13,3	5,7	19,0
Total		Enrollment	42	18	60

Internal Source

Table 7: Khi-deux test (H1,H1.1,H1.2)

	Valeur	ddl	Significance asymptotique (bilatérale)	Significance Exact (bilatérale)	Significance Exact (unilatérale)
Khi-deux de Pearson	5,021	1	,025		

Correction for continuity	3,756	1	,053		
Relationship in resemblance	5,671	1	,017		
Exact test of Fisher				,034	,022
Linear by linear association	4,937	1	,026		
Number of valid observation	60				

a Calculated only for a table 2x2

b 0 column (0%) Have a theoretical enrollment less than 5. The minimum theoretical enrollment is 5,70.

2.3.identity profile of the dominant ethnic group and optimistic rationality of family SMEs

The management styles differ according to countries because of differences in the systems of organisational values, in the history of enterprises and in the characteristics of personalities of the managers. In retaining the internal particularities to the family SME, some authors, Nkakleu, R. (2003, 2004) try to construct the psycho sociological profile of the managers of the family SMEs from the following criteria : sex ; Certificate, age, religion, and ethnic group of managers. The case in the identity of the dominant ethnic group in the investigated family SMEs is recorded in the following table :

Table 8: Identity profile of family SME of the bameleke dominant ethnic group

AGE				
Age	Below 40 years	From 40 to 50 years	From 51 to 60 ans	Above 60 years
In %	16 ²⁴	60 ²⁵	14 ²⁶	10 ²⁷

LEVEL OF EDUCATION

Level of Education	Primary	Second ary	HND	Engine er	Univer sity Gradua te	School of comme rce	Expert Accoun tant
In %	8	22	7	19,5	21	18,5	4

LEVEL OF EXPERIENCE

Level of experience	Low	High
In %	14	86

STRUCTURE DU CAPITAL

Capital Structure	family	External partners and others ²⁸
In %	96	4

RATIONALITIES

Rationalities	optimistic	exploratory
En %	98	2

Internal Source

In the research of the construction of the identity profile and the study on cultures of enterprise and the performance of Cameroonian family SMEs, it is discovered that, the managers in the investigated family SMEs are generally Certificated males and females; they come from many ethnic origins of West of Cameroon such as the Bamelekes and belong to religious confessions associated to their ethnicities. We now know that some socio cultural factors such as sex, the level of education, or again the belonging to different communities practically mold the personality of every individual and determine his or her identity.

3.THE STRATEGY OF FINANCING BASED ON APPROPRIATE FINANCING MODALITIES .(under the type ; thrifts and loans risk capital)

3.1.financing of cameroonian family SMEs and participation in capital.

Two principal modes of financing apart from self financing characterises the financial landscape of the family SMEs in Cameroon: the formal and informal modes of financing. It seems necessary to us, whatever the chosen mode, to find a financing strategy which can help the structures to finance themselves, and to Family SMEs, to minimise the whole risk encountered, and to develop a serious and efficient partnership based on the criteria of success, profitability and development: it is all about a new form of thrifts and loans that is to say a risk capital thrifts and loans of a financial vocation adapted to the realities of the investigated Cameroonian Family SMEs. After all, the view that the investigated Cameroonian Family SMEs have on the participation to their capital, starting from risk capital seems interesting to us. The results of our investigation on this subject that we have carried out on the Cameroonian Family SMEs are established on the following table.

Table 9: Percentage of participation to the capital in the investigated SME.

	NA (%)	YES(%)	NO(%)
participation to the capital	5	73	22
conserver propriété après capital risque Property conserved after risk capital	2	96	2

Internal Source

The figures have revealed that: more than 73% in the investigated Family SMEs are highly interested by this initiative. Most of the investigated Family SMEs will accept to be volunteers to the participation of their enterprise capital (96%) under the form of risk capital. But watch out : the investigated Family SMEs insist on the effective total control of their business on yearly terms of this risk capital, with the intention to transmit the property to the future generation. This is also an important and a very determinant parameter at the moment of choosing the types of financing notably for the Family SMEs accepting external financing constrained by under capitalisation. Despite the cost of indebtedness be it formal or informal, despite the rationality of the credit because of the risk of non reimbursements weighing on the Family SMEs and amplified by the difficulties of undercapitalization, absence of demanded collaterals, the investigated Family SMEs accept to continue to indebt themselves (82%) seeking to preserve their autonomy despite all odds. Meanwhile the investigated SME estimates that the identity of the head of the enterprise and the presented collaterals by the later can be in favour of the volume and quality of the contracted debt (87%). The result of the investigation carried out on 60 Cameroonian Family SMEs is grouped up on the following table clearly illustrated (H2).

TABLE 10: New borrowings envisaged with the influence of the identity of managers (%)

	NA	Yes	No	Total
New borrowings	7	82	11	100
Borrowings motivated by the identity of the manager	5	87	8	100

Internal service

3.2.thrifts and loans risk capital as a new mode of financing (H2)

In order to face the insufficiency of bank credits, other means of financing have been developed. It is notably all about the informal financing through thrifts and loans (Lelart M. 2006,Kemayou, L., GuebouTadjuidje, F. &Madiba, M. 2011, Rozas, S. & Gauthier, B. 2012). The entrepreneur of the Cameroonian family SME is obliged to constitute a previewed savings for the financing of his project. In order to do this, the call for thrifts and loans should be often. This is an informal institution which helps the entrepreneur of the family SME to constitute savings itself. The entrepreneur of the

Cameroonian Family SME in this alternative choice must face risk of financing default. The challenge consist therefore to develop an efficient strategy of financing and one of them concern the run for risk capital in the informal finance or simply thrifts and loans risk capital. The thrifts and loans risk capital is a financing mode of an enterprise, in creating, and at the development stage. It constitutes a start with own fund which implicates the sharing of risks and opportunities between the family SME and the financial partner which is the thrifts and loan. It is found in a long term relationship through which the investor has the objective to realise a plus-value and or achieve some socio-economic objectives. The mechanism of financing by thrifts and loans risk capital helps to reduce the agency problem between the investor and the family SME and by its suppleness, it takes into account the needs of the family SME in connection to its stage of development and the evolution of the level of risk: which in the case of the choice of investment can guarantee the operation and then the decision. The thrifts and loans risk capital is notably accompanied by ad hoc innovations: in decisional, financial, managerial, and organisational plan... This type of new financing is combined with a follow up or with partnership.

CONCLUSION

There is a connection between the profile of managers, the formula of financing choice and profitability. Financing through thrifts and loans assures profitability of the family SME totally assuring the capital integrity and those of external threats, for according to the theory of dependency vis-a-vis resources, the more the dependency vis-a-vis capital resource is high, the more the financial potential will have accrued power and influence in decision-making in the enterprise. The Cameroonian family enterprise therefore looks like a system, which does not limit in the sphere of classical management and shareholding but which also integrates those of family connections. The specificities of this one reside without lack in the rational supplementary network which detains as such, multi dimensional family connections : enrollment, informational, political and financial links. An ethnic group that is capable to impose strict cooperation and helpful norms on its members always have group advantage over other populations, because it is capable to create a network of personalised exchanges originated from reciprocal confidence and therefore the role of businessmen and entrepreneurs is appropriated. Through the investigation study carried out on the field, we are going to take note of the approximate confirmation of the role of thrifts and loans in the creation of enterprises especially the family SMEs and the huge assistance of these SMEs to continue to assure the integrity of their own fund. All the same, through these studies, the need to integrate the ethnic variable to the schemes of entrepreneurship development is resorted, therefore, making the family enterprise. The theoretical construction of the concept of identity is therefore the set of socio demographic, cultural, and rational elements, the imaged representations which structures the path of the individual and therefore that of the Cameroonian Family enterprise.

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