

# POOMS

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We are excited to launch POOMS Entrepreneurship, a journal dedicated to exploring the dynamic world of entrepreneurial thinking and innovation. Our mission is to provide a platform for research that bridges academic insights with the realities of entrepreneurial practice. This inaugural issue features thought-provoking articles on topics such as SMEs, firm performance, and CEO characteristics. We encourage readers to join us in advancing the understanding of entrepreneurship.

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# The Impact of Human Resource Management Practices on Employee and Organizational Performance: The Cases of *Mboppi and Mbingo Baptist Hospitals*.

Maxine Mbong Esoh<sup>1</sup>, Asieh AkhlaghiMofrad<sup>2</sup>

## Abstract

Human resource management practices are significant in the provision of quality health care and organization performance. The study title “The Impact of Human Resource Management Practices On Organizational Performance: The Case of Mboppi Baptist Hospital, Douala and Mbingo Baptist Hospital, Mutengene, Cameroon” was set out to examine the assess of human resource management practices on employee performance in two private Baptist hospitals in Fako and Wouri Division of South West and Littoral Region and to propose possible recommendations. The study's research question focused on fairness and transparency in the hiring and selection processes, as well as employee satisfaction with the organization's training and development program. The hypothesis of the study centered on the idea that human resource management practices and organizational performance have a direct, favorable, and significant relationship. Ability Motivation and Opportunity (AMO) theory was utilized as the model. This study's data was gathered from both primary and secondary sources. To test the hypothesis, both the descriptive statistic and quantitative research method was applied. The results showed that human resource management practices are significantly related to employee performance. The Results also demonstrated that the five variables (recruitment and selection, training, employee welfare services, employee voice, reward and compensation system) remarkably impacts employee performance in the health sector. The study also reveals that the variables highly, averagely or lowly influence employee performance. Based on the research findings, the implementation and sensitization of human resource management practices contingent to the health sector will steer up employee performance.

**Keywords:** Human resource management practices, employee performance, Healthcare Service

## Introduction

The concept of human resource management (HRM) first appeared in the 1990s as proactive, integrative, and value-driven methods of managing human resources became increasingly popular. Businesses were able to boost competitiveness and enhance managerial effectiveness and efficiency by utilizing employee performance within the company thanks to HRM (Schuler, 2007). This development was influenced by the pursuit of sources of sustained competitive advantage that followed the global competition. It is the managerial duty of strategic human resource management to ensure that human resources are utilized to help achieve organizational goals and objectives. The field of human resource management is defined by Dessler (2013) as addressing a broad range of issues, including aligning HR practices with organizational strategic goals, integrating HRM into organizational strategic management, allowing HR personnel to participate in senior management teams, assigning line managers to supervise HR procedures, and putting in place a strategic approach to hiring, selection, employee education and training, pay and reward, performance-based compensation, employee voice mechanisms, welfare policies, performance evaluation, and the role that HR personnel play in the overall performance of the organization.

In HRM, ongoing analysis typically looked at how HR impacted organizational and employee performance as well as added strategic value. An organization must decide on its long-term objectives, take action, and allot the resources required to meet these objectives, according to strategy (Armstrong, 2009). According to Oladipo (2011), organizations and stakeholders are now impacted by the intense competition in the global business environment.

Kabene et al. (2006) claim that health workers in developing countries are incredibly unhappy, underpaid, and unmotivated. Kabene et al. (2006) assert that providing high-quality healthcare requires efficient human resource management. In agreement, Weldon (2005) points out that effective HRM practices lead to reduced death rates and better medical treatment. To determine which HRM practices have the biggest effects on service quality, Patterson (2015) suggests conducting more empirical research.

## Problem Statement

It has long been acknowledged that the health sector's ability to create, deliver, and manage services depends on its human resource base (WHO, 2013). In Cameroon, health is one of the most important basic needs, and it is crucial to achieving the Millennium Development Goals, among other objectives, Vision 2035 (Health Sector, Human Resource Strategy, 2014–2018). The nation places a high premium on health services, and its medical workforce is its lifeblood. The vital duties that must be completed in order for the health sector to fulfill its goals in a decentralized government are listed and summarized in the health policy vision 2035. Decisions within the sector will benefit from this. Several noteworthy challenges impede hospital staff from realizing their full potential: a scarcity of qualified healthcare professionals; persistent employee dissatisfaction; high employee turnover; unfair skill matching; low staffing levels; a lack of HR development; inadequate infrastructure; and a shortage of supplies and equipment as stated in the Human Resources Strategic Plan for 2014–2017.

Like in other developing nations, Cameroon's public and private sectors are placing an increasing emphasis on offering top-notch healthcare services. In order to achieve its vision of "a nation where equal access to quality health services is guaranteed for all social classes by 2035 with the full participation of communities," Cameroon is putting various health initiatives into action, such as the Health Sector Strategy (HSS) 2016–2027. In Cameroon, there were "2.19 health facilities per 10,000 indigenes" as of 2016, according to a report published in 2018 by the public health ministry. Devolved governance's impact on the health sector's performance was thus examined by Muchomba (2013) using leadership style, technology, devolved procurement, and regulatory framework as variables. The study focused on General Hospital Yaounde. The study comes to the conclusion that a careful strategy is needed for the successful devolution of healthcare if we are to gain from the new form of government. The efficient and effective delivery of medical services can result from effective HRM (Elarabi & Johari, 2014). Anecdotal evidence indicates that efficient human resource management is necessary to deliver high-quality healthcare (Kabene et al., 2006). However, it appears that HRM is a concern for the healthcare industry in Cameroon. Therefore, there may be human resource

management strategies that can defy these trends by concentrating on how these organizations handle the hiring, training, pay, and output of health workers. Thus, the study's goal was to ascertain how HRM practices impacted the two private hospitals in Cameroon's Littoral and South West regions in terms of organizational performance.

### **Research Questions**

A research question can be defined as an observation regarding a topic of interest, a circumstance that needs to be improved, an issue that needs to be resolved, or a troubling question that arises in academic literature, theory, or practice and necessitates careful study and meaningful comprehension (Collin, 2004 p 65). To conduct in-depth research on this topic of interest, reflections will be guided by the following research questions.

The following questions will be addressed by the research:

- Is there fairness and transparency in the hiring and selection processes?
- Are employees satisfied with your organization's training and development program?
- What anticipate employees from performance reviews?

### **General Objective of the Study:**

The main objective of the study is to investigate how employee performance is affected by HRM practices in private healthcare facilities in Cameroon's South West and Littoral Region.

### **Specific Objectives**

- To ascertain how hiring and selection practices affect workers' performance in the healthcare industry.
- To determine how employee performance in the health sector is related to training and development.
- To find out how much employee performance is impacted by human resource management practices.

- To propose possible recommendations.

### **Significance of the Research**

This research will be helpful to the healthcare industry as a whole because it will offer more information on how to effectively handle the difficulties associated with human resource management in Cameroon's health system. In addition, the study intends to highlight areas of emphasis and priority, as well as compare the HR practices of two private healthcare systems from the standpoint of employee performance in order to share best practices. The major objective of the Cameroonian government's reform program is to satisfy patients and clients while simultaneously raising the caliber of human resource healthcare services. Additionally, it will support the development of Cameroonian health policies and increase awareness of the need for providing high-quality HR. As a result, hospital management and staff will be able to focus on which specific characteristics of the human resource service to improve quality. Similarly, private hospitals must understand their customers' needs and satisfy and retain them. This study will broaden the corpus of information already known in the field. However, studies on "Human Resource, employee performance, training and development" are limited in Cameroon.

## **Literature Review & Hypothesis Development**

### **Human Resource Management Practices and Employee Performance**

#### **Human Resource Management Practices**

Human resource management practices are those that are intentionally created, implemented, and carried out using an organization as a strategic link (Huselid, 2007). "Strategic human resource management" makes the argument that in order to carry out organizational strategy, workers must be treated as valuable organizational assets and given the best care possible. Oluoch et al. (2013) state that



strategic HRM practices are flexible, quick to react to changes in the global business environment, and supportive of employee initiatives aimed at boosting output. Human resource management (HRM) practices, such as hiring and firing, training and development, employee relations, and rewards, may be closely associated with a company's strategy when operationalized, claims Natule (2011).

It was made possible to implement strategies with proficiency by institutionalizing policies and procedures. Teams were used to develop and maintain corporate culture-supportive strategies by utilizing cross-functional expertise and competencies, learning organizations, and change management techniques. These measures were taken to support continuous adoption, use, ownership, and internal fit. The strategies included voice mechanisms, team-based compensation, welfare policies, hiring and selection processes, merit pay, long-term incentives, incentive plans, and increased HR involvement in strategy development, execution, and supervision (Huselid, 2007).

### **Training and Development**

Employee development programs have the power to drastically alter a business by equipping staff members with new abilities that increase output, safety, and job satisfaction, all of which contribute to improved corporate performance. Another crucial element of worthwhile training is situational training, which equips staff members with the knowledge and abilities necessary to act quickly and decisively in ways that are advantageous to both the company and the client. There are numerous justifications for managers to provide their staff training. These include reduced employee turnover, improved company brand recognition, an increased ability to adopt new methods and technologies, increased creativity in strategies and products, improved job satisfaction and worker morale, increased employee motivation, improved process efficiencies that result in financial gain, and an increased ability to adopt new methods and technologies.

## **HRM Practice and Employees' Performance Relationship**

### **Recruitment, Selection and Employee performance**

To prevent choosing a human resource based on qualities that were hard to find or impossible to achieve, the company needs to be explicit about the fundamental abilities and credentials it expects from its applicants. It ensured that the right people, with the requisite knowledge and experience, were in the right roles to ensure that they would fit in with the company's environment and culture. As a better indicator of future performance and likelihood of staying with the company, strategic hiring and selection looks for candidates who have the right attitudes, values, and company culture. This is because these traits are more difficult to acquire or change. Cole (2008). Consequently, Sabwami (2014) contended that a critical process that generated profits was strategic hiring and selection. Waiganjo et al. (2013) found that corporate organizations' performance in Kenya's manufacturing sector was impacted by selective resourcing, an important component of recruitment and selection. The researcher also found that employing the top applicants improved worker efficacy and performance and raised employee retention in the business. Conversely, Cole et al. (2008) looked at pre-employment exams as a crucial part of hiring procedures and discovered that, when used, these tests identified applicants who were likely to succeed and stick around the company for a long time.

### **Employee Voice and Employee Performance**

In today's workplace, employee voice is becoming more and more crucial. For organizations and employees alike, having a voice was crucial. One of the elements that increased employee engagement was voice, which had a significant effect on output. Nonetheless, the idea of employee voice is still misunderstood and underutilized in the workplace (Anyango, 2013). Employee voice, as defined by Boxall & Purcell (2011), included a range of opportunities for employees to voice their concerns and have an impact on decisions made at work. Workers in an organization were free to voice their opinions on important matters.

## **Welfare Services and Employee performance**

This concept is wide and encompasses the optimal condition of a worker's moral, emotional, mental, and physical well-being. Welfare services are any kind of support, monetary or otherwise, that an employer provides to an employee or their family (Stratton, 2009). In this broad sense, "employee welfare" refers to all of the resources, services, and advantages that employers provide to their staff. Welfare measures fall into two categories: non-financial and financial. Welfare services offered numerous benefits, such as housing assistance, transportation, health insurance, pension plans, sick days, family leave, canteens, child care programs, and educational services (Iagat et al., 2014). Benefits like health insurance, insurance for workers' compensation, programs for wellness, and client payments. Using these resources, according to Stratton (2009), enhances worker performance. (2009).

## **Empirical Review**

Singh (2004) looked into the relationship between six HRM practices and the performance of Indian companies. 359 businesses were chosen from the Center for Monitoring Indian Economy's (CMIE) database. Eighty-two of these 359 businesses responded favorably to the survey. The study discovered a clear connection between two HR practices—training and compensation—and employee perception, which affects how well employees' companies perform in the marketplace. Multiple regression analysis was used in a study by Waiganjo et al. (2013) to analyze data from 210 organizations in 12 significant industrial subsectors of Kenya's manufacturing sector.

The study set out to determine whether there was any relationship at all between competitive strategies, firm performance, and SHRM in Kenyan corporate organizations. The study concludes that decentralization, teamwork, intensive training, incentives, and information sharing all improve the performance of the manufacturing sector. The relationship between HRM and performance was not moderated by other competitive strategies, such as the cost-lead HR strategy; rather, the relationship was influenced by innovation and the quality-lead HR strategy to learn whether rewards motivated employees, what kind of rewards they felt were most beneficial, and what obstacles managers faced when attempting to apply the AMO Theory in the workplace.

## **Theoretical Framework**

Sabwani (2014) cites Ulrich (2005) as saying that attempts to connect employee performance to HRM are predicated on the idea that improving HRM procedures will inevitably lead to improved performance. This study made clear the connection between employee performance and the use of HRM techniques in the Cameroonian healthcare industry.

### **Human Capital Theory (HCT)**

According to this theory, a person's natural aptitudes, character attributes, and inner strength make up their human capital (1999; Davenport). According to the HC theory, people add value based on their skills, aptitudes, and knowledge. It is necessary to take into account strategies for luring, keeping, and developing human capital. In order to build their intellectual capital, people must produce, retain, and apply knowledge, claims Armstrong (2010). As a result of their interactions, or social capital, which produces institutionalized knowledge that organizations possess, an individual's knowledge is subsequently improved. Per Armstrong (2010), companies that foster employee development witness a boost in productivity, which ultimately benefits the company. According to the human capital theory, which views employees as assets, this is consistent. On the other hand, Block (1990) contended that the Human Capital Theory is unfounded. Since the theory only recognizes capital as a quantitative concept, it can only understand human activity as the exchange of goods. This shows a lack of respect for the fact that capital is a separate social force that uses capital accumulation to create value. Under this defense, human capital is not seen as capital but rather as an abstract form of labor.

## **Methodology**

### **Research Design**

The research design method is described as "the entire process for collecting answers to the study topic" by Polit and Beck (2012:58). Creating coding categories for the purpose of organizing the data was a



necessary step in qualitative data analysis. Finding regularities and patterns in the data according to the relevant topics was a necessary step in developing a coding system. Sorting the descriptive data was accomplished through this exercise. Analytical discussions of the research questions' answers were conducted using qualitative data (De Vos et al 2012:96).

### **Sampling Techniques**

One of the most prestigious hospitals in the Cameroon Baptist Convention (CBC) Health Services is Mboppi Baptist Hospital Douala (MBHD), which opened its doors on October 9, 2000. The Hospital is well known for providing Cameroonian citizens with outstanding services in the vibrant capital city of Douala. In terms of the caliber of services provided, the number of employees, and the facilities, MBHD outperforms other well-known medical facilities in Douala. By August 2020, 479 medical professionals worked there, including 30 general practitioners and 14 specialists, such as 2 general surgeons, 1 cardiologist, 2 gynecologists, 1 pediatrician, 2 ophthalmologists, and 3 dentists. At MBHD, there are 140 hospital beds. Patients from the town of Douala, Gabon, Equatorial Guinea, and other parts of the Littoral Region are served by the hospital.

The primary source materials are the researcher's original source of information. These are field observational data. A systematic sampling technique was employed to administer the questionnaires in the field. This method is better because it can sample at least 85% of the matrix while lowering costs, bias, and sampling times. However, because there are a lot of participants who need to be interviewed, the random sample technique was also used to sample some of them in order to minimize bias, expense, and time. Basic statistical methods such as descriptive statistics and quantitative statistical methods were used to analyze the collected data. The field data was modified, categorized, and subjected to quantitative analysis. Charts were also created to interpret and clarify the factors using data from the participants. Examined were the issues encountered as well as additional adaptation techniques that were created.

## Questionnaire Design

A tool was created and questionnaires were given to participants at the Mboppi Baptist Hospital in Douala and the Mbingo Baptist Hospital in Mutengene in order to collect primary data. There were two main sections to the study's questionnaire. Participants' demographic data, including age, marital status, gender, degree of education, and employment, was gathered in the first section of the questionnaire. Questions evaluating various aspects of employee management and human resources are included in the second section. Two private hospitals were selected for the research because they are the biggest in the area. The results do not translate to other city hospitals.

## Population, Sample Size and Data Collection

Employees at a few chosen private health institutions in the target city made up the current research population. Hospitals were chosen on the basis of two factors: (1) their reputation; and (2) patient accessibility.

The researcher employed Cronbach Alpha Reliability to determine the size of the study. The five independent variables and the dependent variable were subjected to a reliability test using SPSS and the results obtained are shown in table 3.1. The results indicated that all the variables obtained had Cronbach's Alpha greater than 0.7 thereby achieving the recommended 0.7 for internal consistency of data (Mugenda & Mugenda, 2008). To compute the coefficient, the researcher used the formula:

## Finite calculation of Cochran's formula

$$Re = \frac{2r}{r+1}$$

Where Re = reliability of the original test r = reliability of the coefficient resulting from correlating the scores of the odd items with the scores of the even items.

**Table 3.1: Cronbach Alpha Reliability**

Factors	No of Items	Cronbach's Alpha
Recruitment and Selection	9	0.953
Training	11	0.897
Employee Voice	15	0.882
Employee Welfare Services	12	0.746
Reward and Compensation System	11	0.789
Employee Performance	10	0.923

As suggested by Mugenda and Mugenda (2003), the questionnaire is highly reliable, as evidenced by the reliability test results displayed in Table 3.1, which show a Cronbach alpha ( $\alpha$ ) of greater than 0.70. For the factor analysis of each of the aforementioned items, the research employed the principal components extraction method.

200 questionnaires were to be distributed to staff members of the two private Baptist hospitals in the towns of Mutengene and Douala, based on the calculations above. The regional health delegation in Douala and Buea secured authorization at the Ministry of Health to conduct fieldwork and gather data. The two hospitals that were chosen were then given this. The administrators of these hospitals then gave their approval for the data collection to begin. In the months of February and March in 2023, the data was gathered. The employees were chosen based on the following criteria;

- 1) Employees who have been working in the previous 12 months in the hospital.
- 2) Employees who are at least 18 years old and willing to participate in the study

Before beginning any investigation, the researcher had the employees' consent; they had been assured of the confidentiality of their data and had been informed of the study's purpose. Taking into

consideration their genuine experiences with the hospitals' services, the staff members voluntarily consented to fill out the questionnaire as accurately as possible.

## Measures

The study's patient demographics will be assessed using "*gender, age, marital status, level of education, and occupation.*"

The measurements for employee performance and human resource practices came from an Ahmad et al. (2017) study. For the questionnaires, a five-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree," was used to calculate each item.

## Data Analysis and Presentation

The statistical program that was utilized was SPSS (22). Factor analysis, regression analysis, reliability testing, correlation analysis, and descriptive statistics were the five different statistical analyses that were performed on the data. To assess the degree of association between the independent variables and the dependent variable—which relates to employee performance and HRM practices in a specific private health sector in Cameroon correlation analysis was used in this study. This was done by adding the numbers from two distinct data sets together. Correlation analysis is a useful tool for determining whether changes in the values of the numbers in one data set are associated with changes in the values of the numbers in an additional data set. The correlation coefficient varied from (0) zero in the study's equation, indicating no relationship at all, to (-1) minus one in the equation, indicating a perfect relationship between the two data sets.

"*Descriptive statistics*" was used to describe certain aspects of the data that were gathered. The participant's gender, age, marital status, level of education, and occupation were displayed in frequency.

*Reliability and validity:* In the words of Sadiq M. (2003), "Validity is the rate at which that tool evaluates the idea for which it is aimed at measuring," while reliability is the ability to provide a homogenous report of repeated use. There exist multiple methods to measure reliability; in this case,



the researcher utilized the Cronbach alpha, which is commonly employed to evaluate internal consistency between items.

*Correlations:* Finding the degree of relationship between the variables was the aim of the correlation analysis. This study used Pearson's correlation analysis to look at the strength of correlations between variables.

*Regression:* applied to assess the researcher's hypothesis (Sathiyaseelan, T. & Athula, C. (2015). The relationship between the independent and dependent variables is shown through regression analysis. The SPSS software program and both linear and multiple regressions were used to accomplish this.

## Results & Findings

In this chapter, the findings are presented in connection to the goals outlined in the general introduction. To supplement the findings, respondents and key informants in the private hospitals in the South West and Littoral Region were given self-administered questionnaires on human resource and employee performance. When analyzing questionnaires, the questions were converted into themes and assigned related numbers of responses. Utilizing Microsoft Word where necessary, quantitative figures were coded to produce and display results like the pie chart and tables. Tables will be used to summarize the data that were assessed and interpreted after patients' responses to a fully completed questionnaire were received. Tasks completed included testing the study work's hypothesis, gathering descriptive data, and determining the respondents' demographic variable frequencies.

### Response Rate

Out of the 200 questionnaires distributed to the sampled respondents for this study, 185 were filled out and returned. The study selected two (2) private hospitals from which the sample size was computed. In order to choose the two regions from which the two (2) private hospitals were selected, the researcher used basic random sampling. Hospital employees with permanent jobs, employees in middle

and lower management, and general workers made up the research participants. Contract employees were left out of this. Personnel from senior management were interviewed. The questionnaire was completed by middle management, lower management, and general staff. This sample was chosen because it contained individuals from the entire population. Eleven of the returned questionnaires had inaccurate responses, so the analysis that was done did not include them. As a result, 174 were accurately completed, and these were the ones that were utilized in the analysis, yielding an 87% response rate. The investigation proved that the high response rate was caused by the researcher's use of a variety of strategic approaches. To distribute and collect the questionnaires, for instance, the researcher hired two research assistants, who assisted her in scheduling interviews with key informants. Along with meeting senior managers and hospital superintendents during her visits to the study's chosen hospitals, the researcher also got the phone numbers of the managers and contact people.

## Respondents' Socioeconomic Characteristics

### Gender Distribution

Gender distribution of respondents was such that both genders were represented with 59% females and 41% males in the Baptist hospital Mutengene and 61% females and 39% males in Baptist hospital Douala

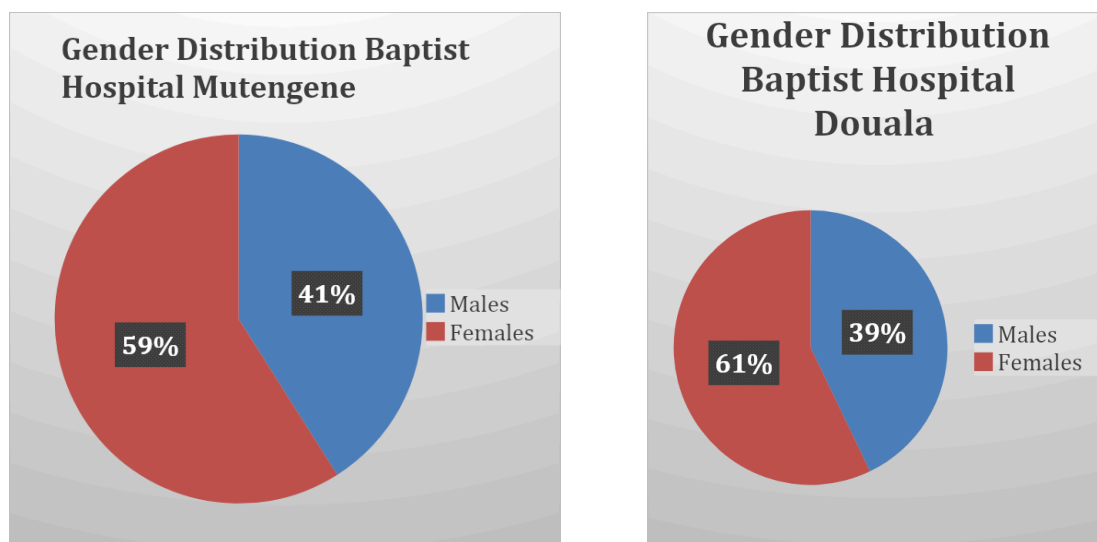


Figure 2: Gender distribution of participants

Source: Field Study, 2023

Figure 2 reveals that 80 of the 174 responders were male staff, making up 45.9% of the entire sample size. Meanwhile, female staff accounted for 54.02 percent of the entire sample size, with 94 individuals. As a result of this discovery, females outnumbered male staff by 8% in our sample. Bodzewan et al (2019) assessed the quality of healthcare delivered in the Bamenda regional hospital and came to similar conclusions. Females have dominated the sample size of several researchers. (Siddiq, A. 2016; Qomariah, N. 2016).

### Age Distribution

*Table 4.2: Age distribution of participants in Baptist private hospitals Mutengene and Douala*

Age distribution	Frequency	Percent (%)	Age distribution	Frequency	Percent (%)
21-30	33	39.3	21-30	33	36.6
31-40	23	27.9	31-40	25	27.7
41-50	17	20.23	41-50	18	20
51- 60	8	9.52	51- 60	10	11.11
Above 61	3	3.6	Above 61	4	4.44
<b>Total</b>	<b>84</b>	<b>100.0</b>	<b>Total</b>	<b>90</b>	<b>100.0</b>

#### Mutengene

#### Douala

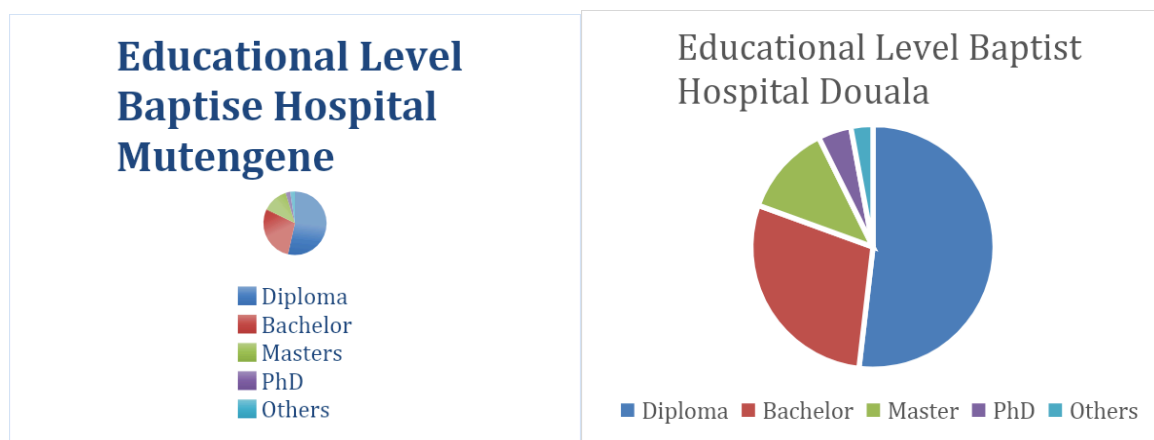
Source: Field Study, 2023

According to table 4.1, 66 of the respondents were from the age of 21-30, accounting for 37.93 percent of the total sample size. A total of 48 persons (27.6%) were between the ages of 31 and 40. The 35

participants (20.11 percent) ranged in age from 41 to 50 years old. There were 18 participants in the 51-60 age group, with a proportion of 10.34 percent. 7 (4.02%) of the participants were over the age of 60. This finding indicates that people between the ages of 21 and 30 are more active hospital services providers than persons of other ages.

### **Educational level:**

The research findings indicate that the participants at the Baptiste hospital located in Mutengene, 45 (53.6%) had a diploma as their highest level of education, 24 (28.6%) had completed their bachelor's degree, 11 (13.09%) were pursuing or had completed their master's degree, and 2 (2.4%) had completed their doctorate. Two (2.4%) of the respondents were illiterate or came from a different educational background. While working at the Baptist Hospital Douala, more than half of the sample had at least a diploma. Of the respondents, 47 (52.22%) had a diploma as their highest level of education, 26 (28.9%) had a bachelor's degree, 11 (12.22%) held a master's degree or were enrolled in one, and 4 (4.44%) had a doctorate. A different educational background was held by 2 (2.22%) of the respondents. Over 50% of the individuals in our sample had completed at least their high school education. As illustrated in Figure 3 below, the highest level of education held by 92 respondents (52.9%) was a diploma; 50 respondents (28.73%) had completed a bachelor's degree; 22 respondents (12.64%) were enrolled in or had completed a master's degree; and 6 respondents (3.44%) had completed a doctorate. A different educational background was held by 4 respondents (2.3%).





### Figure 3: Educational Level of Respondents

Source: Field Study, 2023

#### 2.2.4 Job Title of Respondents

**Table 4.3: Respondents job title in Baptist hospital Douala and Baptist hospital Mutengene**

Job Title	Frequency	Percentage
Pharmacist	4	2.3
Lab assistant	17	9.8
Physiotherapist	3	1.72
Nurse	69	39.65
Doctor	37	21.27
Clinical officer	11	6.32
Support staff	14	8.04
Administrative assistant	8	4.6
IT officer	3	1.72
Paramedic	8	4.6
<b>Total</b>	<b>174</b>	<b>100.0</b>

Based on the data presented in Table 4.5, the majority of respondents—39.65%—were employed as nurses in hospitals, with the lowest percentages being physiotherapists and IT officers. This demonstrates the significance of nurses, who work in all divisions or departments. Health care providers are the lifeblood of Cameroon's healthcare system. These professionals include, among others, doctors, nurses, clinical officers, lab technicians, radiologists, radiographers, pharmacists, dietitians, nutritionists, dentists, and officers and technicians working in the public health sector.

Patients will have access to the necessary diagnostic, therapeutic, and preventive services thanks to the health workforce.

Positive patient outcomes have been shown to be strongly correlated with having an adequate number of nurses on staff. It is well known that nurses, who make up the majority of front-line staff in most health systems, are essential to delivering safe and efficient care. The real heart of healthcare could be said to be nurses. A competent nurse is a huge assistance to the doctors and patients she serves, and they play many different roles in their work every day. Physicians overseeing each patient are the ones that a nurse works under. When it comes to medicine and treatments, she complies with his instructions and assists with specific tasks. That's why she makes sure every patient gets a thorough examination. Every time the nurse works on a patient, they conduct a comprehensive assessment in accordance with hospital policy at prearranged intervals.

Nursing requires a lot of teaching, but most people think that nursing is just a medical field. The nurse has to evaluate the patient and record any changes in addition to keeping a close eye on him. She tells the patient about their condition, the medications and treatments they are receiving, and any at-home instructions they might have. She is available to assist the patient with anything they may not understand and to respond to any questions they may have. A significant portion of a nurse's job in healthcare is teaching.

### **Correlation Analysis**

Table 4.10 displays the correlation analysis's findings. The results showed that worker performance in Cameroon's health sector was positively and significantly correlated with recruitment and selection processes. At the 0.05 level of significance, the Pearson correlation coefficient,  $r = 0.684$ , with a p-value  $< 0.05$ , was considered significant. This demonstrates how better hiring and selection practices lead to better employee performance. EP and T had a solid, uplifting bond. At the 0.01 level of significance,

the Pearson correlation coefficient ( $r=0.485$ ) with a p-value  $<0.01$  was considered significant. This suggests that workers perform better as a result of receiving more training.

EV and EP had a solid, peaceful relationship. The Pearson correlation coefficient of  $r=0.891$  showed statistical significance at the 0.05 level of significance with a p-value of less than 0.05. This suggests that giving workers more voice has a direct impact on how well they work. There was a strong and statistically significant positive correlation between employee performance and the reward and compensation system. When analyzed at a significance level of 0.05, the p-value  $<0.05$  and the Pearson correlation coefficient ( $r=0.569$ ) both showed statistical significance. This demonstrates how improved incentive and compensation plans encourage employees to perform better. Employee welfare services and performance were positively correlated in a strong, significant, and positive way. At the 0.05 level of significance, the Pearson correlation coefficient was  $r=0.648$ , with a p-value  $<0.05$ . This suggests that higher productivity is a result of using employee welfare services more frequently.

**Table 4.10: Correlation Matrix**

		EP	RS	T	EV	RC	EWS
Employee Performance	Pearson Correlation Sig. (2-tailed)	1					
Recruitment and Selection	Pearson Correlation Sig. (2-tailed)	<b>.684*</b> .036	1				
Training	Pearson Correlation Sig. (2-tailed)	<b>.485**</b> .000	.023 .805	1			
Employee Voice	Pearson Correlation	<b>.891**</b> 0.000	<b>.516**</b> .000	0.14 3	1		

\*\*.

	Sig. (2-tailed)			0.12 3			
Reward and Compensation System	Pearson Correlation Sig. (2-tailed)	<b>.569*</b> .009	.297** .001	.197* .033	.189* .041	1	
Employee Welfare Services	Pearson Correlation Sig. (2-tailed)	<b>.648*</b> .014	.048 .605	.211* .023	.218* .018	.01 5 .87 5	1
Pearson Correlation		<b>.236*</b>	.437**	.346**	.740**	.08 1	.126
<b>N</b>		<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>

Correlation is significant at the 0.01 level (2-tailed).

### Test of Hypotheses

This report section contains information regarding the testing of the research hypotheses. EWS stands for employee welfare services, EV for recruitment and selection, T for training, EP for employee performance, RCS for reward and compensation system, and T for employee voice. Testing the hypothesis at a significance level of 5%.

### Multiple Linear Regression for all variables

**Table 4.12: ANOVA Table**

Model	Sum Squares	of df	Mean Square	F	Sig.	R- Squared
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Regression	26.481	5	5.296	3.649	.005	0.379	Dependent Variable: EP
Residual	158.217	10 9	1.452				
Total	184.698	114					

Predictors: (Constant), EWS, RC, EV, RS, T

The ANOVA test is used to determine the model's significance in predicting employee performance. Employee Performance is predicted by the independent variables in this model, which include recruitment and selection, training, employee voice, employee welfare services, reward, and compensation system variable ( $p=0.001<0.05$ ) at the 0.05 level of significance, as indicated by the significance value = 0.005. The ANOVA test determined this.

**Table 4.13: Model coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.239	.886		3.657	.000
RS	.279	.124	.248	2.258	.026
T	.911	.360	.463	2.534	.013
EV	.826	.365	.433	2.265	.025
RC	.199	.133	.140	1.494	.031
EWS	.144	.082	.161	1.755	.032

Table 4.13 presents the research findings, which indicate that recruitment and selection had a significant impact on employee performance in the health sector at Baptist Hospital in Cameroon (t-statistic=2.258, p-value=0.026<0.05). The null hypothesis, according to which recruiting and selection at Baptist Hospital in Cameroon had a positive effect on employee performance in the healthcare sector, was therefore not rejected at the 5% level of significance. Each unit increase in recruitment and selection resulted in a 0.248 increase in employee performance.

As demonstrated in Table 4.13, the study found that training significantly improved worker performance in the medical field at Baptist Hospital in Cameroon (t-statistic=2.258, p-value=0.013<0.05). Consequently, the null hypothesis, which proposed that training enhanced worker performance in the healthcare sector at Baptist Hospital in Cameroon, was not rejected at the 5% level of significance.

Table 4.13 above (statistics=2.265, p-value=0.25<0.05) illustrates the research findings that Employee Welfare Services had a significant impact on workers' work performance in the Baptist Hospital in Cameroon's health sector. At the 5% level of significance, the null hypothesis which maintained that Employee Welfare Services enhanced worker performance in the healthcare industry at Baptist Hospital in Cameroon was not rejected.

Employee voice at Baptist Hospital in Cameroon was found to have a significant impact on worker performance (t-statistic=1.494, p-value=0.013<0.05), as indicated in Table 4.13. Because of this, the null hypothesis was accepted at the 5% significance level asserting that employee voice improved worker performance in the healthcare sector at Baptist Hospital in Cameroon.

The results of the study are displayed in Table 4.24, which demonstrates that the Baptist Hospital in Cameroon's Reward and Compensation System had a significant impact on employee performance (t-statistic=1.755, p-value=0.032<0.05). Therefore, the null hypothesis, which claims that the Reward

and Compensation System improved worker performance at Baptist Hospital in Cameroon, was not rejected at the 5% significance level.

**Table 4.14 Hypothesis testing**

Hypothesis (Null)	Standardized Coefficients	t	P -value	Status
H1: Employee performance in the healthcare sector at Baptist Hospital in Cameroon was positively impacted by recruitment and selection	.248	2.258	.026	Accepted
H2: training improved employee performance in the healthcare industry at Baptist Hospital in Cameroon	.463	2.534	.013	Accepted
H3: Employee Welfare Services improved employee performance in the healthcare industry at Baptist Hospital in Cameroon.	.433	2.265	.025	Accepted
H4: Employee voice improved worker performance in the healthcare industry at Baptist Hospital in Cameroon.	.140	1.494	.031	Accepted

H5: Reward and Compensation System improved worker performance at Baptist Hospital in Cameroon.	.161	1.755	.032	Accepted
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## Discussions

This study compared and examined the relationship between HRM practices and employee performance in two private hospitals: the Baptist hospital in the Littoral Region and the South West Region of Cameroon. This study looked into how worker performance in the healthcare sector was impacted by HRM practices in private hospitals located in the Littoral Region and South West of Cameroon. To provide information and insight into service quality and satisfaction, a variety of descriptive statistical and quantitative techniques were used to collect data. Factor analysis, regression analysis, correlation analysis, and descriptive statistics were used to answer the research questions. Questionnaires to a survey were given out and answered. The researcher conducted the study in private hospitals in two different towns. Although the study concentrated on private hospitals, the researcher's main objective was to gain more insight into how HRM practices affected employee performance in the health sector. The study discovered that HR procedures have an effect on an organization's performance. Reading and rereading the data led to the creation of headings and subheadings. The interviews and questionnaires were conducted in a separate room with participant privacy in mind, and participant names were kept anonymous. According to the survey results, every respondent expressed agreement that worker performance is improved by HRM practices. Five primary themes emerged, specifically:

- Recruitment and selection
- Training

- Employee voice
- Employee welfare services
- Reward and compensations system

### **Recruitment and Selection**

The study's findings demonstrated a positive correlation between recruitment and selection practices and worker performance in the hospitals. It further demonstrated that when hospitals considered the special abilities and character attributes of prospective hires who would fit in with their culture, employee performance—measured by the standard and productivity of the work produced—rose. This is supported by a 2013 Sabwami study on the effects of specific HR practices on successful Kenyan businesses.

The robust positive correlation between staff performance and hospital hiring and selection practices suggests that the health sector requires highly skilled workers who can maintain high performance standards. Talented employees are chosen when the right people with the right qualifications and experience are chosen and are kept on board and turnover is decreased. This demonstrates how business or organizational strategy is inextricably linked to the strategy of human resource management. Paul & Anantharaman (2003), who discovered a connection between high-quality product production and a strategic hiring and selection process, corroborated these findings as well. The majority of study participants concurred that it was critical to raise employee performance in hospitals. The importance of enhancing and fortifying the recruitment policy was underscored, along with the necessity of implementing selection procedures that will draw in potential candidates with the necessary qualifications and help them stay in the industry. Strict hiring and selection procedures enhance employee performance, according to earlier empirical research. Because hiring and selection brought in workers who were compatible with the organization's current human resources and fit in with the interpersonal structure, Mutembei et al. (2014) found that these processes had a positive correlation with employee performance in their study on the staffing process. This ultimately resulted in a reduction in training expenses.

The hospital service boards were responsible for hiring and selecting new hires, replacing retiring staff, and handling internal promotions, as per the study's findings. Performance was positively impacted by skill match, and qualified employees working in the hospitals. To ensure a successful recruitment and selection process, professionals in the same field must evaluate all health-related skills, including doctors, nurses, lab technicians, radiologists, and all other specialized knowledge. Employees at the hospital were also greatly benefited by that internal promotion. The necessity of internal promotion was stressed by the respondents as a means of keeping skilled employees in the hospitals. Staff members advanced up the seniority ladder and their pay increased as a result. An individual's place in the hierarchy will increase with their level of talent. Kelly-Radford (2001) found that internal promotions resulted in a notable shift in an employee's compensation package because they follow a predetermined pattern outlined in the employment bond policy. This, she claimed, motivates the employee and eventually raises performance.

## **Training**

A key component of creating highly skilled human capital is training. Investing in training initiatives fosters a sense of loyalty among staff members and aids in retention. The study found a strong correlation between performance and training. The study distinguished between two types of training: on-the-job training, which occurs at the workplace, and off-the-job training, which occurs at other venues like conferences, seminars, and workshops. They continued by demonstrating how participating in these trainings enhanced staff members' productivity, expertise, and sense of self, all of which had a positive effect on the standard of work produced at the hospital.

Wallen et al. (2013) offered evidence to support this claim, demonstrating how training enhanced people's capacity to pick up new abilities, acquire new information, and finish tasks. Additionally, work training helped a business create a workforce that could adjust to shifting circumstances, meet the ever-higher expectations of clients, and prepare its future leaders. According to those surveyed, hospital staff members were able to uphold standards and enhance their competency through off-the-job training, which translated into better performance. The development of strong, capable, and qualified



workers whose work performance could be felt in both the public and private sectors is one of the primary goals of training methods, according to Hall et al. (2013).

According to the study, staff members who gave their consent scored highest when it came to the training policy being in place. Despite the fact that it was discovered that the policy was merely formal and not implemented. Staff development was another indicator of strategic training, but respondents disagreed, stating that hospitals lacked policies, procedures, or guidelines in this area. One of the metrics examined was the training budget, and the research found that while the hospitals did have a budget, it was being used for purposes other than those for which it was intended.

### **Employee Voice**

One of the things that encourages employee engagement is employee voice, which has a significant effect on performance. Enhancing Employee Voice Leads to Enhancing Employee Performance, according to the Study. Improving hospital employee performance was deemed highly significant by most survey participants. The policy on voice in the hospitals needed to be improved, according to the respondents, because it allowed staff members to voice their complaints. The participants emphasized the importance of using attitude surveys and suggestion boxes. In order for every employee to have access to suggestion boxes, they recommended that they be positioned in strategic locations. The majority of respondents acknowledged that employees participate in hospital decision-making, albeit to a comparatively minor extent. This will enable the worker to contribute completely, which might enhance output.

Mueller (2012) provides support for this viewpoint, stating that employee voice in organizations affects employee productivity and quality and prevents potentially explosive issues. The organization's policy gives greater consideration to employee voice than its reporting collective schemes. A study by Machington et al. (2012) on employee voice behavior suggests that it is critical to identify an employee's voice at work since it is widely thought to affect their performance. This research validates that finding.

## **Employee Welfare Services**

The study findings indicated that employee welfare services had a noteworthy influence on the work performance of hospital staff members. Every increase in welfare service units was accompanied by an increase in worker performance. Most of the participants agreed that welfare services had a great and positive influence on worker performance in the health industry. It was stated that the purpose of welfare services is to assist workers in maintaining optimal moral, emotional, mental, and physical well-being. The participants reached a consensus regarding the existence of an employee-focused policy, which encompassed benefits like health insurance, pension plans, paid time off, family leave, canteens, sick days, and wellness initiatives that monitored work environments.

The proper implementation of these services allowed hospital staff members to perform better at their workstations. Stratton (2009) offered evidence to support this claim, stating that child care programs helped to attract and retain workers with young children, and welfare facilities and services improved worker performance. The Okumbe (2010) study lends further credence to this, suggesting that establishments with on-site child care facilities reduce the stress associated with childrearing and significantly boost employee output. The majority of respondents concurred that one welfare program that enhanced worker performance was medical insurance. Owing to the exorbitant expenses associated with hospital stays, surgeries, and maternity care, it has become imperative to provide employees with medical insurance to protect them from these costs and to ensure that their coverage translates into efficient performance. This assertion is supported by a comparative analysis carried out by Masinde (2011) concerning the effects of social welfare amenities on employee motivation and output at Pan African Paper Mills and Mumias Sugar Company. Workers who received welfare services reported feeling less stressed, according to the study, which also found a relationship between worker performance and welfare services.

## Reward System

According to the study, employee performance in hospitals within the health sector was significantly improved by rewards and compensation plans. Incentives should be offered to employees in a way that satisfies their basic needs; they should be integrated into the system and on par with benefits offered by competitors in the same sector; and they should be distributed fairly and equally among people in comparable positions. A system of rewards and compensation consists of these four elements. As for pay scales in the health sector, the majority of respondents claimed that they were comparable across units and sections and that appealing allowances, rewards, and/or incentives had a positive effect on employee performance. Health workers who received paid allowances, especially hardship allowances, according to the majority of respondents, performed better and were more enthusiastic about their jobs. Some employees opted to work longer hours than usual, and excellent work and services were delivered.

This is supported by Zakaria's (2011) study's results, which demonstrated that a reward and compensation plan raises employee engagement, commitment, and retention—all of which eventually translate into better performance. Ngui (2014) provides support for the claim that performance-related pay is an effective incentive that communicates the expectation and reward for superior performance. Incentives raise people's importance of their work goals, according to an empirical study conducted in 2013 by Hall et al. Maund's (2001) research, which established goals dependent on the quantity of work completed, suggesting that incentives, like pay increases, can be used to improve performance. According to Torrington and Hall (2006), managers should set aside time to meet with and honor staff members who have excelled because doing so has a major positive effect on workers' performance. This statement is further supported by their assertion.

## Conclusions

According to the study, recruitment and selection procedures had an impact on worker performance in the health industry. Transparency was essential when it came to hiring new staff. The hiring and selection process may involve a range of assessments, including behavioral, cognitive, and skill tests in addition to aptitude tests. It was also the responsibility of management to search for signs that could attract and retain qualified new hires. Employee morale could be raised and improved by enhancing internal promotions, especially for qualified staff members. Given how delicately the health sector handled people's lives and health, aptitude and cognitive tests, including behavioral tests, were especially crucial. Employees could be given the chance to grow by being offered study leave, which would be covered by the employer. According to Wallen et al. (2013), training made it possible for people to pick up new information, develop new abilities, and do tasks more effectively than they had in the past.

1. Welfare services had an effect on worker performance in the health sector, according to the study. Welfare services were important because they improved an employee's productivity. Welfare services, such as work-life balance initiatives, should be investigated. These programs acknowledged that workers had significant responsibilities to their families and other commitments outside of the workplace, and that they therefore required some degree of schedule flexibility to balance these demands. Staff members with young children were drawn to and kept on board by child care programs. Establishing child care centers on their property reduced the amount of stress associated with raising children. According to Okumbe (2010), productivity was also greatly enhanced. Employee performance increased as a result of the worker feeling secure at work.

2. Lastly, the research revealed that competent employees were more likely to stay with a robust reward system. The performance of every employee was considered when determining bonuses and incentives. But some employees, like physicians and nurses, put in long hours without receiving any

kind of compensation or incentive. It is imperative that bonus payments be allocated proportionally to the work performance of individual employees.

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# Working Women and Challenges of Modern Employment: A Case Study of *Baron Vegetable Company* in *Anambra State, Nigeria*.

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## Abstract

This research paper presents a detailed analysis of the challenges that working women in Nigeria face in modern employment, a case study of some women in Baron Oil Vegetable Company Anambra State Nigeria. This research was aimed to thoroughly examine the difficulties working women face in the contemporary work environment and also to investigate how gender dynamics, cultural norms and economic constraints interact to shape the lives of Nigerian working women. The main problem is that many Nigerian women still struggle with balancing work and family, dealing with gender discrimination, and having fewer opportunities for career advancement. To understand these issues, interviews were conducted with working women in Baron Vegetable Oil Company in Nigeria. Also this thesis made use of both the primary and secondary data source. The study found that most women face difficulties because of traditional gender roles, lack of support at home, and workplace discrimination. These findings are important because they show the need for policy improvement to promote gender equality, better policies to support working women, such as flexible work hours and anti-discrimination laws.

**Keywords:** working women, challenges, employment, Nigeria, gender discrimination

## Introduction

The role of women in the workforce is critical in today's global climate, and Nigeria is no different. Nigeria, with a population exceeding 200 multitudes of people "The World Bank in the year 2023", is not only Africa's most populous country, but it also has one of the continent's greatest economies (Makama, 2013). Nigeria's labor market has undergone significant transformations due to the



influences of globalization, urbanization, and technological advancements (Aremu & Adekola, 2019; Alkali & Bello, 2018; Adesanya & Olajide, 2019). As Nigeria integrates into the global economy and experiences rapid urban growth, its labor market continues to evolve, presenting both opportunities and challenges for workers and policymakers alike (Adesanya & Olajide, 2019; Ojewumi & Ekundayo, 2019). The nature of work has changed, and traditional gender roles have been called into question. Working women's experiences and challenges have come into sharp focus as a result of this transforming terrain, necessitating a deeper awareness and study. In developing nations like Nigeria, women are rapidly acquiring abilities, equally engaging in the workforce at an unparalleled rate (Klasen and colleagues in 2018). Nevertheless, they persistently encounter challenges stemming from patriarchal structures and norms, both within their households and professional environments (Adisa et al., 2019; Makama, 2013). The incorporation of women within the workforce has long been recognized as an essential component of economic growth and development (World Bank, 2012). Women make up a substantial portion of Nigeria's workforce, contributing significantly to the nation's productivity and economic well-being (World Bank, 2019). As of ( 2022, World bank Gender Data), Nigerian working women constitute approximately (52.1%) of the workforce in the country. This percentage reflects the significant presence and contributions of women to various sectors of the Nigerian economy.

### **Statement of the Problem**

While progress has been made, Nigerian working women continue to face a slew of hurdles in the modern workplace scene. These difficulties vary from systemic gender discrimination and uneven compensation to a contradiction between traditional societal expectations and the demands of modern employment ( Adisa et al. ,2019) & ( Makama, G. A, 2013). Effects of gender discrimination on women workforce development in Bauchi State, Nigeria. *International Journal of Academic Research in Business and Social Sciences*, 3(12), 560-566. Furthermore, rising trends like the gig economy and remote work bring additional challenges for working women. Traditionally, given the nature of

Nigerian' patriarchal society, men have always been assigned the role of the breadwinner in the family while women have played the role of home keepers and child carer (Adejumoke & Olowokere, 2012). The increasing participation of Nigerian women especially in Eastern Nigeria in the economic engagements of formal employment have enabled women to exercise their choice independently. Working women are been subjected to countless obstacles within their environment (Okafor, Fagbemi, & Hassan, 2011), & (Osondu-Oti & Olominu 2018) & (Adisa, R., Adalakun, O. E., & Lawal, T. O, 2019). Women, leadership and development in Nigeria: A critical discourse. *Gender, Work & Organization*, 26(2), 192-206.

As regards these, there is an urgent need to thoroughly explore these difficulties in order to drive evidence-based policies and practices that empower working women and contribute to a more equal workforce.

### **Purpose of the Study**

The purpose of this qualitative narrative study was to:

1. Thoroughly examine the difficulties working women in Nigeria face in contemporary work environments.
2. Investigate how gender dynamics, cultural norms, and economic constraints interact to shape working women's lives.
3. Look into how women's work-life balance is affected by contemporary employment demands such as lengthy working hour.,
4. Explore the impact of gender-based discrimination, cultural expectations, and societal norms on the careers of Nigerian working women.
5. Explore the effectiveness of existing policies and initiatives aimed at promoting gender equality in the Nigerian workplace.
6. Identify areas for policy improvement and propose recommendations for creating more inclusive and equitable work environments for women in Nigeria.

## **Study Assumptions**

Several assumptions were made in this study because the researcher had no control on the trustworthiness of the responses from the ten participants to the interview questions.

The following assumptions were made:

The study assumed that the people taking part would be truthful when talking about their own work experiences. (Lopez-Perez, & Spiegelman, 2013), stated that it is because they know that giving honest answers to interview questions will help the study .

There Are Significant Gender Disparities in Employment Opportunities, Pay, and Career Progression in Nigeria, which Disproportionately Affect Women: Gender Disparities Exist in the Nigerian Workforce. The cultural, social, and economic contexts all have an impact on this inequality.

## **Significance of the Study**

This research holds significant implications for academia, policy formulation, and societal progress. By shedding light on the challenges faced by working women in Nigeria's modern employment landscape, this study contributes to the existing body of knowledge in gender studies, economics, and sociology. Moreover, the findings will inform policymakers, business leaders, and advocacy groups, enabling them to design targeted interventions that foster a more inclusive and equitable work environment. Ultimately, this study strives to play a pivotal role in shaping a future where working women in Nigeria can pursue their professional aspirations unhindered by gender-related barriers, contributing meaningfully to the nation's social and economic advancement.

## Literature Review & Hypothesis Development

### Historical Consideration

African cultural heritage does not only shape the way people live but also influences their futures (Jekayinfa, 1999). And the introduction of modern employment practices brought with it new opportunities as well as new obstacles. Adewale and Adebawale (2018) conducted research on the transition from traditional to modern employment and how this shift has impacted the roles and status of women in the workforce. Somjee (1989) made strong criticisms. She said that in the history of women's studies, which isn't very long, people have used different ways to understand women's issues and find solutions. These ways include looking at how women are seen in different cultures and times, considering their biological roles and what society expects from them, and noticing how their power and status compared to men have changed over time. There's also a focus on making women equal through economic and legal means, treating them as individuals rather than only as caregivers for the family. Okolo (1989) found another problem: there aren't many women in top management positions, so there aren't enough role models for other women. However, once a woman gets into these positions, there isn't much difference between men and women in terms of hierarchy within organizations. This might be because women in these roles have adapted to the male-dominated environment and aren't affected by it as much. When men are in charge of the hierarchy, it can influence the selection of management boards, but its impact isn't very strong overall. Gender-based discrimination remains a pervasive issue in Nigeria's modern workplace. Studies by Oni and Daniel (2019) and Ogundele and Ogundele (2016) reveal that working women face biases in hiring, promotion, and leadership opportunities, often stemming from deep-rooted cultural and societal norms. This underrepresentation of women in leadership roles may stem from the experiences of Nigerian and third-world women (Phendla, 2008).

## **Mentorship**

Studies have found that having a mentor is crucial for people's careers. Mentorship is like a special connection between an expert and someone that's inexperienced, helping the inexperienced person achieve their career goals (Yip & Kram, 2017). It involves things like sharing personal stories, learning from each other, and caring about each other (Janssen et al., 2013). Mentorship programs can help address specific challenges faced by working women in Nigerian workplaces, such as gender discrimination and lack of representation in leadership positions. Mentors can serve as advocates for their mentees, advocating for equal treatment and opportunities within the organization (Osondu-Oti & Olominu, 2018). Mentorship programs tailored to the needs of working women can contribute to their skill development, confidence building, and overall career satisfaction (Fitzgerald & Thompson, 2018). Mentors can offer insights into navigating workplace challenges, accessing opportunities for advancement, and balancing work and personal life responsibilities. However, women often face challenges in finding mentors because of obstacles in social interactions Finseraas et al. (2016); Yip & Kram (2017). The #The MeToo movement has also made some men hesitant to mentor women because they're worried about being misunderstood (Igbunugo and colleagues, 2016; Fakeye and team, 2012).. The problem gets even bigger because there aren't many females in managerial roles. Having women mentors is crucial for women's career growth because they inspire and find solutions to workplace challenges (Fitzsimmons & Callan, 2016). Women who have broken through the glass ceiling can provide valuable support and guidance for fellow women (Hill & Wheat, 2017).

## **Gender Discrimination and Stereotype**

Gender bias makes it tough for women to move up in their jobs. Even when they do, they still have a hard time because people question if they should be in charge or if they have enough respect or "status" (Vial et al., 2016). People think men are better suited to be leaders, so when women become leaders, some people don't think they fit the role. This makes it harder for women leaders, and sometimes they have to be more forceful to show they are in charge. But this can make things worse because people respect them less (Vial et al., 2016).

People's ideas about what leaders should be like affect how they see women in leadership roles. Because of these ideas, women don't get as many chances to be leaders as men do. These ideas are hard to change, and they stop women from reaching leadership roles (Eagly & Karau, 2002; Heilman, 2001).

Many studies have found different reasons why women don't get ahead in their jobs. Some say it's because people think women aren't good leaders, or because there are invisible barriers that keep women from reaching the top. Others say it's because people have wrong ideas about women, or because women don't aim high enough. There are many things that stop women from being leaders, like how they're treated at work, what kind of training they get, and how the organization works ; Cook and Glass from 2014, Eagly and Heilman from 2016, Eagly and Karau from 2002, Hepburn and Simon from 2006, Ismail and Ibrahim from 2007, Judge et al. from 2003, Mordi et al. from 2011, Pai and Vaidya from 2006, Rink et al. from 2012, Ryan et al. from 2006, and Vial et al. from 2016. The majority of these reasons come down to gender bias, gender stereotypes, and how people think men and women should act at work.

### **The Connection between Gender, Ethnicity and Religion**

The mix of race and ethnic background makes things more complicated and contributes to the challenges of working women and underrepresentation in leadership positions (Devnew et al., 2017). The combination of gender, ethnicity, and religion makes the issues women face at work even more difficult. In Nigeria, the dominance of men, many different ethnic groups, and various religious beliefs contribute to these challenges.

### **Methodology Literature**

The research used a qualitative study to investigate the challenges/experiences of Nigerian working women in modern employment. Qualitative research is a method that focuses on exploring and understanding phenomena without using statistical analysis (Cypress, 2015). It is a flexible and inductive process, particularly suitable for social sciences when depth and insight are essential

(Maxwell, 2013; Gill et al., 2008).

In qualitative research, the researcher acts as the main instrument, using their observations and interactions to make sense of the subject. The unique role of the researcher emphasizes the importance of relationships with participants, influencing data collection and requiring adherence to excellent morals by Lawrence-Lightfoot and Davis from 1997, and Tolman and Brydon-Miller from 2001. In qualitative research, analyzing of data should occur at the same time with collection of data, and there are preferred approaches to maintain consistency (Maxwell, 2013; Merriam & Tisdell, 2015). The choice of qualitative research methods depends on the study's purpose, with options such as narrative inquiry, phenomenology, grounded theory, ethnography, and case study. This study opted for narrative inquiry.

In Nigeria, existing literature highlights the impact of socio-cultural traditions on working women. Despite comprising more than 52% of the workforce and possessing the necessary skills, women remain significantly fewer in diplomacy, business, and top management (Gberevbie and Oviasogie, 2013; George and Ogunniyi, 2014; Agbalajobi, 2010).. Qualitative research is deemed suitable for gaining a deeper understanding of the factors contributing to this workplace challenges and finding solutions (Alade and colleagues, 2015; Anigwe, 2014; Fakeye and team, 2012; Lincoln and Adedoyin, 2012; Mordi et al., 2011; Ojinta and Halkias, 2019)

## Methodology

Researchers use three main approaches in their studies: quantitative, qualitative, and mixed methodologies. This research project chose to use qualitative narrative inquiry. According to Merriam (2002), narrative inquiry is effective for understanding deep meaning from individuals and their experiences. Instead of using numbers, this study described participants' experiences using words. Qualitative research aims to let the researcher deeply explore participants' experiences using specific methods such as in-depth interviews, focus groups, observations, content analysis, visual methods, life

histories, or biographies (Hennink et al., 2011). Narrative, phenomenology, grounded theory, ethnography, and case studies are examples of qualitative research methods. Qualitative research is often used in social sciences where a thorough understanding of specific phenomena is needed because it's a continuous, flexible, inductive, and evolving process (Maxwell, 2013), (Gill et al., 2008). Cypress (2015) pointed out that qualitative research investigates, reveals, describes, and understands things that are not well-known. This study was well-suited to qualitative research. Phenomenology is a research approach that focuses on individuals' experiences with a phenomenon (Creswell, 2014). Researchers use phenomenology to interpret the meaning of a central phenomenon for a group of people. It involves conducting interviews with open-ended questions. This study involved talking to people to hear about their experiences. We used open-ended questions in interviews to let them share their stories (Creswell, 2014). In descriptive phenomenological research, we focus on what everyone has in common when they go through something, while interpretive phenomenological research looks at what it means to them (Creswell, 2014).

We also looked at case studies. A case study is when we deeply study one specific thing, like a situation or an event, to understand it better. We do this by collecting data over a long time and looking at it from different angles (Creswell, 2014), (Yin, 2003). Case studies can help us understand real-life situations (Yin, 2003). Sometimes, we use exploratory case studies to learn more about a topic before doing other kinds of research (Yin, 2003).

Narrative inquiry is another way of doing research. It's all about collecting stories from people (Mazur, 2018). People share their own stories, and we use them to understand their experiences (Greener, 2011). By hearing the success stories of the women in our study, we learned about the challenges they face at work. Narrative inquiry helps us understand how people see and make sense of their experiences. Listening to their stories helped us understand what helps or hinders their careers. The aim was to craft a narrative that illustrated their firsthand experiences.



## Sampling Method

The reason for choosing these women was to see how they balance their work and personal lives. Having enough people in a qualitative study helps researchers look deeply into each case, which helps understand their experiences better (Sandelowski, 1995, p. 179). Qualitative research looks at data by understanding what it means, while quantitative research uses numbers (Neuman, 2011). Guetterman (2015) says researchers should carefully pick who they study in qualitative research, while Maxwell (2013) says having a lot of information and describing what's being studied is important. Creswell (2013) suggests using just one or two cases for storytelling research, unless making a story about a group. This study needed the right number of people that met these guidelines.. Participants were 10 women, 5 married and 5 single, some of them are senior executive officers, some middle executives and others, of a private Vegetable oil company operating in Anambra State, Nigeria. Baron Vegetable Oil is one of the best food products processing companies in Anambra State, Nigeria. The participants were called to schedule individual interviews at a time that worked for both of us.

## Data Collection

A study using a narrative inquiry was carried out to understand how women tackle today's challenges of modern employment in Nigeria. This type of research design helps tell the stories of participants and their experiences as women in a challenging work environment. The interview consisted of 20 items on various aspects of the study. Data was collected using the personal contact approach. 10 women were interviewed using an open-ended format. The participants were interacted with and interviewed through phone calls. Questions were asked in a natural way to gather detailed information from the participants' stories. The aim was to let them share their experiences freely without feeling pressured. Each of the telephone discussions lasted between 45mins to 1hr. Some related questions were asked of them and the answers noted down. The interview consisted of 20 open ended questions to meet the objectives of the study. The items in the interview questions included Nigerian working

women challenges related key parameters like discrimination based on gender, promotion issues, work life balance, safety and security issues, workplace discrimination and prejudices, sexual and mental harassment etc. After all the results, an errors check took place. All results were double checked to lower any changes of error whereas there was an opportunity for the participants to review the analysis and provided feedback where needed.

All necessary permissions and ethical approvals were obtained before starting data collection. Gratitude was shown to the respondents after the interview and all documents were safely stored.

### **Method and Data Analysis**

Data analysis involves interpreting the information gathered to address the research questions. According to Merriam and Tisdell (2015), it's important to collect and analyze data at the same time. They suggest that data analysis is a critical part of qualitative research and should be approached in a specific way. Analyzing data as it's collected helps prevent feeling overwhelmed later on and makes the process more concise and insightful. Mazur (2018) also points out that there isn't a single method for conducting narrative research; it can be done through various analytical frameworks. Thematic analysis is a methodical approach to analyzing data that focuses on identifying themes or patterns in the collected information. Mills et al. (2012) describe thematic analysis as involving coding and classifying textual data based on themes, and interpreting these themes to uncover commonalities and overarching patterns. Thematic analysis was chosen over computer-assisted qualitative data analysis software (CAQDAS) for this study. Ibrahim (2012) argues that thematic analysis is effective in identifying variables that influence participants' issues and behaviors, providing appropriate explanations. Thematic analysis acknowledges the impact of socio-cultural backgrounds on participants' interpretations of their experiences, which is crucial for understanding decision patterns. Additionally, the lack of expertise in CAQDAS may have led to the omission of relevant cultural information. Despite initial challenges, thematic analysis ultimately resulted in a deeper understanding of the collected data.

The important terms and expressions from the interviews and research questions reviewed. Codes were

made to understand and organize the information. By finding similarities and patterns in the codes, they were grouped into themes. This helped to easily spot important comments from participants that influenced their career growth. Analyzing the gathered information in this study helped to learn what the participants saw as positive things that helped their careers and the difficulties they face at work. The main themes were analyses under three sections which are Opportunities, Challenges and Workplace experiences.

## Results & Findings

The results of this study offer a detailed understanding about the challenges faced by working women in Nigeria within the context of modern employment. Through a qualitative interview, several key findings emerged, shedding light on various dimensions of these challenges. Here are some common opportunities and challenges faced by working women as gathered from the interview:

### **Opportunities the women get from their jobs**

It was gathered that many organizations now recognize the value of diversity and inclusion, creating opportunities for women to advance in their careers. Initiatives like mentorship programs and leadership training help women to develop the skills needed for higher-level roles. Networking opportunity is helping women to build professional relationships, and gain exposure to new career paths. Women's networks and affinity groups within organizations provide a supportive community.

Women when interviewed were further asked about the benefits of being on their jobs and they talked about the opportunities of their jobs under three themes: Personal development, Financial Independence, and partial respect from the society.

### **Personal and Career Development through Skills and Networking**

The company had invested in the continuous education and skill development of their employees,

although not equally for each gender (as discussed in section 4.2), women interviewed have seen the training programmes as an opportunity to enhance their knowledge and stay competitive in the workforce.

*Skill development and networking helped me to build relationships with colleagues and industry professionals (Int2)*

*Sales Representation*

*Through my job I have met some professionals in this industry and I have gained financial independence and skill development (Int7)*

*Financial and Administrative Officer*

## **Financial Independence and Security**

Like interview 7, financial independence was another opportunity mentioned by women interviewed. Women felt security through financial independence.

*Financial independence has reduced the dependence I have on others, including family members or my partner. This independence has also shifted my power dynamics and contribute to a perception of strength and my self-sufficiency, (Int1)*

*Brand Manager*

*My job has offered me financial independence and career growth. (Int1)*

*Human Resource Manager*

*I have become financially independent through my job which has given me some level*

*of security. This job has given me the opportunity to invest in my personal and professional life. (Int8)*

*Marketer*

Additionally, some women stated that achieving financial independence at some points are even more challenging due to systemic barriers, such as wage gaps and limited access to educational and economic opportunities

### **Respect from Society**

Some women agreed that financial independence earns them the needed respect in the society, others said respect alone cannot earn them the needed respect.

Financial independence can contribute to greater respect for women in society, although the relationship between financial independence and societal respect is complex and can be influenced by various factors, including cultural norms, individual beliefs, and systemic structures.

Some ways in which financial independence has impacted the respect women receive:

#### **1. Autonomy and Decision-Making Power:**

Financial independence provides women with a sense of autonomy and decision-making power over their lives. This has given the women the ability to make choices about their education, career, and personal life based on their financial resources, they are often accorded greater respect for their independence and agency.

#### **2. Professional Achievements:**

Women who achieved financial success through their careers or entrepreneurial endeavors gained respect for their professional achievements. This in one way or the other challenges traditional gender

stereotypes and demonstrates that women are capable and competent contributors to various fields.

### **3. Positive Role Modeling:**

Financially independent women now serve as positive role models, inspiring others to pursue their goals and aspirations. This is contributing to changing societal attitudes towards women's capabilities and the value of their contributions.

### **4. Contribution to Household and Community:**

Many financially independent women often make significant contributions not only to their households but also to their communities. Whether through philanthropy, community projects, or other initiatives, their financial stability is enabling them to have a positive impact beyond their immediate circles.

### **5. Empowerment and Confidence:**

Financial independence is closely tied to a sense of empowerment and confidence and women who feel secure in their financial standing are more likely to assert themselves and thus gives them the respect they deserve in various aspects of life.

However, it's essential to acknowledge that the correlation between financial independence and societal respect is not universal, and challenges persist according to some of the interviewed women. Societal norms (character wise) and expectations, as well as gender biases, still influence how women are perceived and respected regardless of their financial status and while financial independence seems to be a significant factor in gaining respect, broader efforts to challenge gender norms, promote equality, and address systemic barriers are crucial for fostering a more inclusive and respectful society for women.

*Yes financial independence brings me respect from the society in one or the other,(Int7)  
Finance and Administration Officer*

*Financial independence does not guarantee women entire respect from the society, the  
society also requires that you portray good character with your money in other to gain  
respect,(Int3)Product Manager*

*Yes many people today worship money so once you are financial independent and  
contribute to the society they respect you,(Int8)Marketer*

*Financial independence has helped in giving some respect especially from my family  
and society at large. It has helped to have a stand notwithstanding my gender,(Int 10)  
Store Manager*

*My husband and his family gives me my due respect because of my financial  
independence,(Int2)Sales Rep*

### **Workplace experiences.**

Despite the above mentioned opportunities of being in an employment for women, the experiences of the workplace of these women showed that the discrimination practices were common.

#### **1. Unequal pay:**

During the interview,it was stated that gender pay gap persists in Nigeria, with women often earning less than their male counterparts for similar work. Also economic disparities impact the financial stability of working women. Though there has been increased awareness about gender pay gaps and this has led to initiatives aimed at achieving equal pay for equal work. Organizations are

implementing policies to promote gender equality, ensuring a fair and inclusive work environment. In all these, the implementation of the policies by mostly private sectors is the real problem as they do not adhere to the government policies( participants).

*Not really at this job but from my formal job I was once discriminated because of my gender by getting unequal pay with my male colleague,(Int7)*

*Yes am not getting the same pay with some of my male colleagues of same work experience,(Int6)*

*The challenge I have now has to do with gender discrimination because not not getting equal salary with my male colleague of same job(Int4)*

*I first changed work because of gender discrimination. I was getting lower salary than my male colleague for past three years and when I found out and nothing was done then I resigned from the job(Int3)*

## 2. Gender Bias and Discrimination:

Stereotypes and biases still affect hiring decisions, promotions and overall treatment of women in the workplace.

Discrimination manifests in subtle ways, such as being excluded from important meetings or not being given credit for their contributions. From the interview, women stated that gender bias manifests in various forms, including, limited access to career advancement opportunities, and that their contributions are undervalued or that they face additional hurdles compared to their male counterparts( participants).

*I was denied opportunity for promotion while my male colleague got*



*promoted,(Int9)*

*I had limited access to career opportunity so I took to be discrimination(Int5)*

*We all knew that it is not easy for working women in Nigeria so for me to get this position I faced many discrimination which example was denial of opportunity for skill development and training and bias promotion(Int9)*

*I changed from my previous job because of delayed promotion especially it was done in the act of gender selection(Int1)*

### 3. Maternity Discrimination:

This discrimination related to pregnancy and maternity leave can be an issue because some women said that they fear negative consequences or biases related to taking maternity leave or returning to work after childbirth. Returning to work after maternity leave poses challenges in terms of career continuity and advancement for them. Also, poor maternity leave policies and the lack of support for family planning has impacted their career trajectories( participants).

*I changed from my previous job because of poor maternity treatment,(Int2)*

*This job offers me poor maternity leave and healthcare,(Int5)*

*This job has no pension plan and there is poor healthcare,(Int10)*

### 4. Denial of opportunities due to gender:

Most of the interviewed women said that they continue to face instances where they are denied

opportunities solely because of their gender. Some of the women agreed about the encounter bias during the hiring process, with employers making decisions based on traditional gender stereotypes rather than evaluating qualifications and skills. Also barriers to career progression persist, with women often having fewer opportunities for promotions and leadership roles compared to their male counterparts. One very outdated mindset hampering a woman's ability to be marked for promotion is that some simply find it hard to see a woman as a leader. This is because the qualities stereo-typically associated with being a strong leader such as assertiveness or ambition are also usually associated with men.

From the interview it was gathered that it takes women longer to get promoted in comparison to their male counterparts.

According to the “women in the workplace”\_study, for every hundred men hired or promoted to a higher position , only 72 women are promoted and hired for the same role.

A study by Frontiers in Psychology shows that when it comes to getting promoted, men just need to show potential, while women have to prove performance.

While 46% of the entry-level workforce are typically women, women are just 37% of the cohort by the relatively early point of promotion to junior manager. The numbers only decline from there because; promotions in the workplace are supposed to be based on merit, but often rely less on talent than opportunity. The women expressed their feelings about the often underrepresented in leadership positions towards them because of denial of promotion or delay in promotion. The women stated that this under representation helps to perpetuate stereotypes and hinder career progression for them and this underrepresentation contributes to a sense of isolation and hinder career progression. The women also stated that they experience unequal access to high-profile projects, and training opportunities and this hinder their career growth. Networking biases and informal channels of communication disadvantages women in terms of access to crucial information and opportunities. The women without hesitation stated they often work as much as their male counterparts and contribute significantly to the workforce in various industries and professions, demonstrating dedication, skills,

and commitment comparable to their male colleagues. We equally work the same hours with our male counterparts as there's no policy stating different working hours for women.

*Working women in Nigeria are underrepresented because of promotion issues.*

*In some companies is not common to see women in leadership positions(Int1)*

*I can do all tasks assigned to me but most times high profile jobs are being assigned to my male colleagues, (Int2)*

*Yes, though not from this company men are often preferred to be selected especially if you are married, your chances are limited(Int7)*

*In some cases more better assignments are given to men than women (Int8)*

*I work same hours with my male colleagues but sometimes am given less profile tasks which limits my growth while male take high tasks(Int5)*

*Delay in my promotion because I am due for promotion but for some reasons I do not know it is being delayed and it is a sign of discrimination,(Int2)*

*Yes,because I have limited access to career advancement opportunity unlike the male colleagues they mostly select them more than women(Int10)*

*I have limited access to training even though sometimes is not just only about the male counterparts, women too are also the problem while this issue of discrimination keep existing in the workplace because of jealousy,gossip and competition,(Int6)*

## 5. Sexual harassment and other forms of abuse

According to the interviewed women; sexual harassment remains a significant issue in many workplaces. This can include unwanted advances, comments, or any other unwelcome conduct of a sexual nature. It creates an uncomfortable and hostile work environment for women. Also bullying and Intimidation from colleagues or superiors. This involves verbal abuse, humiliation, or other forms of mistreatment that create a hostile atmosphere too.

Additionally, there was an expression that women who speak out against abuse or harassment likely face retaliation. This could include being marginalized, denied promotions, or subjected to other negative consequences for reporting inappropriate behavior. And this, has made so many women to either not speak out or quit the job which basically leads to depression and losing commitment from their jobs.

*As a marketer, I do encounter sexual harassment from customers and sometimes verbal abuse from male colleagues,(Int6)*

*Yes, sexual harassment and verbal abuse from my formal boss,(Int3)*

*Honestly because of the way the society flaw at sexual harassment most times they tend to blame the women so I decided to the job so I didn't pursue the case further,(Int3)*

*Yes verbal abuse from a colleague,(Int2)*

*Verbal harassment from a colleagues from colleague and sexual harassment from prospective customers,(Int8)*

Above all, there is optional advice from the women towards the victims. Some said the victims should always speak out and follow due process to get justice while some suggested not to talk as the society mostly blames the women and equally quit the job.

Few of the interviewed women who stated that they spoke out of their own experiences expressed their feelings that appropriate measures were not taken.

## Discussions

There are various suggestions from the interviewed women on more convenient ways to reduce the issue of harassment based on gender discrimination.

Providing comprehensive training on diversity, inclusion, and gender sensitivity for all employees to raise awareness about what constitutes harassment and discrimination. Implementing workshops to educate employees about respectful behavior, communication, and the importance of a diverse and inclusive workplace(participants).

### **1. Clear Policies and Reporting Procedures:**

Develop and communicate clear policies on harassment and discrimination, including specific details on reporting procedures.

Ensure that employees are aware of the reporting channels and encourage them to report any incidents without fear of retaliation.

### **2. Support Systems:**

Establish support systems within the organization, such as counseling services or employee assistance programs, to assist those who have experienced harassment within the firm, such as counseling services or employee assistance programs, to help those who have been harassed. Make sure victims have access to information and support as they go through the reporting process.

**3. Commitment to Leadership:**

Show strong leadership commitment to fostering a culture of respect and equality. Leaders should set an example by creating an inclusive environment and responding quickly to any incidences of harassment.

**4. Monitoring and evaluation on a regular basis:**

Monitor workplace dynamics on a regular basis using surveys, feedback channels, and confidential reporting to uncover potential difficulties. Policy and procedural efficacy should be evaluated on a regular basis.

**5. Diversity & Inclusion Promotion:**

Promote diversity and inclusion actively in hiring, promotion, and decision-making processes. Create an inclusive workplace culture that values and respects people from all walks of life.

**6. Legal Obligation:**

Ensure that the organization complies with local and national laws regarding gender discrimination and harassment. Stay informed about changes in legislation and update policies accordingly.

**7. Swift and Transparent Investigations:**

Conduct thorough and impartial investigations into reported incidents of harassment. Communicate transparently with all parties involved, ensuring confidentiality is maintained as appropriate.

**8. Community and Industry Involvement:**

Engage with community organizations and industry groups that focus on gender equality. Participate in initiatives that promote diversity and share best practices with other organizations.

## 9. **Crisis Communication Plan:**

Develop a communication plan to address incidents promptly and transparently. Communicate the organization's commitment to addressing and preventing harassment. By implementing these measures, organizations can create a more inclusive and respectful workplace that actively works to prevent and address gender discrimination and harassment.

Additionally, fostering a culture of openness and continuous improvement is essential for creating lasting change.

### **Women getting maximum or poor support from their Bosses/Colleagues**

Many women stated that they receive positive support from their colleagues which foster a collaborative and inclusive work environment. Also, peer relationships contribute to a sense of camaraderie and shared goals. They also stated that they often find support through mentorship and networking opportunities with their colleagues. This to say that informal relationships provide valuable guidance and career advice. Same way, some women stated that they experience less support from their colleagues in the workplace due to implicit biases, stereotypes of gender-based expectations.

On another hand the participants explained that the level of support women get from bosses varies, with some demonstrating strong advocacy for women's advancement and some not. Some said that they have supportive leaders that actively promote gender equality and create opportunities for their career growth and some bosses invest in their professional development, providing training and resources to enhance their skills while some women said otherwise that their bosses are not approachable and less supportive. 50% of the women agreed that they have supportive bosses that offer flexibility to accommodate women's work-life balance and that these bosses recognize the importance of personal well-being. Some women experience strong backing from their bosses in terms of recognition for achievements and consideration for promotions. Despite the positive instances, 50% of the women said that gender bias still affects the level of support they receive from their bosses.

Some women encounter challenges related to stereotypes or preconceived notions about their capabilities and in some cases, women perceive a lack of advocacy from their bosses, and this hindering their professional growth as stated. A lack of visible support from leadership can impact the overall workplace culture. These women said that they don't have equal access to opportunities for skill development, high-profile projects, or promotions stating that unequal distribution of opportunities contribute to disparities in career trajectories. In some cases, women perceive a lack of advocacy from their bosses, hindering their professional growth.

A lack of visible support from leadership can impact the overall workplace culture.

*50% of the women said they get excellent support from their colleagues and bosses.*

*20% stated average support from boss and colleagues while 30% get less support from colleagues and bosses.*

### **Traditional Gender Roles**

Traditional gender roles pose a significant challenge for working women in Nigeria, impacting their professional aspirations, work-life balance, and overall well-being. In many Nigerian societies, Traditional gender roles often perpetuate stereotypes about the roles and capabilities of men and women. These stereotypes can influence how women are perceived in the workplace, affecting their chances of being considered for leadership positions and challenging assignments. Traditional gender roles have historically assigned specific responsibilities to men and women. While these roles are evolving, there are existing expectations about women primarily taking care of domestic responsibilities. Also religious Influences play a significant role in shaping attitudes towards women in the workplace. Some religious practices support or challenge women's participation in certain professions.

Working women in Nigeria, like in many parts of the world, face a range of challenges related to



balancing their family and professional lives. These challenges are influenced by cultural, societal, and economic factors. And balancing career responsibilities with family obligations according to most women is challenging, especially for women with care-giving responsibilities. The expectation to conform to traditional gender roles mainly affect women's ability to prioritize personal and professional pursuits.

This expectation keeps limiting the women's access to professional opportunities, making it challenging for them to advance in their chosen fields. Nigerian culture places a strong emphasis on the family unit, and women are traditionally expected to be the primary caregivers and homemakers. This cultural expectation also led to societal pressure on women to prioritize family obligations over their professional ambitions and this has made working women in Nigeria to often juggle multiple roles, including being primary caregivers, homemakers, and professionals. This unequal distribution of responsibilities results in an overwhelming workload for women, hindering their ability to focus on their careers and personal development. Traditional gender roles play the most vital role to discriminatory practices in the workplace. Some employers hold biased views about the capabilities of women, affecting hiring, promotions, and equal pay. This discrimination further reinforces gender disparities in the professional sphere. Even in some regions of Nigeria, traditional gender roles interfere with girls' choice of study as well as limiting their' access to education. When women are not given equal educational opportunities, it becomes challenging for them to pursue and excel in professional careers.

Women face barriers to education and limited access to employment opportunities and this affects their ability to pursue careers and achieve financial independence. Additionally, some workplaces lack policies that support work-life balance, such as flexible working hours, parental leave, or childcare facilities. This can make it challenging for women to manage their professional and family responsibilities and access to affordable and reliable childcare services are limited, making it difficult for working mothers to balance their professional commitments with childcare responsibilities.

## Work-life balance

Most of the women, especially if they have children, talked about having difficulties in balancing work and care responsibilities.

*It is a very difficult tasks to handle, trying to balance family and work professionally-especially when children are involved, (Int8) Marketer*

*Yes is very tasking to manage family and work, (Int5) Front Desk Officer*

*Balancing family, personal life and work is a huge task and especially for someone like me without a helper,(Int1) HRM*

While for some it was less challenging as they received help from the other family members.

*Yes initially at the beginning of my career but now everything is balanced with the help of my family, (Int3) Product Manager*

*Not really challenging for me because I have house help who takes care of my children and house chores, (Int2)Sales Representative*

The society's perceptions about women taking the responsibility of household chores and care were shown as the main reason for the continuation of the traditional gender roles and women not getting support at home.

*Society does not give working women full support they need towards their personal life. The demand is really pressuring as you are expected to work, earn to contribute to the family and most times handle the traditional roles alone,(Int7) Finance and*

*Administrative Officer*

*Though things are really towards traditional gender role expectations but it depends which part of Nigeria, because in some parts there are still strict measures about gender roles where you expected to handle all the house chores notwithstanding your professional life(Int10)Store Manager*

*Some men are now embracing modern lifestyle by participating in house chores by not fully regarding society expectations,(Int9) Brand Manager*

### **Traditional gender role, family expectations, and societal expectations serving as determining factors towards girls' choice of career**

Family and society expectations interfere with girls' choice of career. Most of the women, despite being happy to work in their current jobs, have talked about what they wanted to be and how they were unable to reach their career choices as they could not find support from their families. These jobs were mostly considered as men's jobs including mechanical engineering, civil engineering or football.

*Actually I wanted to study mechanical engineer but my mother never supported me, she suggested that I should focus more on how to get my own family and settle down,(Int7) Finance and Administration Officer*

*Becoming a civil engineer was my thing. I got admission and we were only 2 females in the department, after the first semester I wasn't really getting enough support and help so I couldn't cope and I assumed that civil engineering was meant for guys so I dropped out,(Int) Brand Manager*

*My goal in life was to become a footballer because as a child I was a good footballer but my father never saw anything good in me becoming a woman. As he said would never achieve any meaningful thing through it and that moreover football is good for male and he discouraged me until that dream died and today I am a Marketer,(Int8)*

Some others were not supported as some occupations were not considered as not reputable and would affect their prospects of marriage.

*My desire was to become a lawyer but it didn't come through because my family was not in support of me. They reason like lawyers don't have good reputation and as a married it would make it difficult for me getting married,,(Int6)Marketer*

*I wanted to become an actress but my parents and siblings didn't give me the needed support, they suggested I choose a job that will give me a corporate lifestyle and time to train my children when I get married, (Int10) Store Manager*

For interviewee 1, who was a HR manager, the trends were changing and women were entering in male-dominated fields despite challenges and stereotypes, and they needed the family support.

*Encourage women to go into Male-Dominated Fields, although women working in traditionally male-dominated fields face challenges or stereotypes, however, attitudes are changing, and more women are likely entering various professions and continuous support should be given both from family and society,(Int1) HRM*

### **Working women getting less/maximum support from their spouses considering the traits of traditional gender roles in Nigeria**

According to the respondents the level of support working women in Nigeria receive from their partners regarding domestic responsibilities can vary widely based on factors such as cultural norms, individual beliefs, socioeconomic status, and education. Nigeria is a diverse country with various ethnic groups, each with its own cultural practices and expectations regarding gender roles.

The information stated that in many traditional settings in Nigeria, there has been a historical expectation for women to take on a significant portion of domestic responsibilities. However, as societal attitudes evolve and more women pursue education and careers, there is a growing awareness of the need for equitable sharing of domestic duties between partners. Nevertheless, many modern Nigerian families are now recognizing the importance of both partners contributing to both the professional and domestic spheres.

The respondents still stated that there are some factors that determine the level of support working women receive from their partners towards domestic responsibilities, below are the considerable factors;

#### **Educational Attainment:**

Women with higher levels of education are more likely to have partners who support them in their careers and share domestic responsibilities.

#### **Cultural and Regional Variations**

Cultural expectations regarding gender roles differ significantly across Nigeria. Some communities hold more traditional views, while others are more progressive.

#### **Employment Status of Partners**

The employment status of a woman's partner influences the level of support she receives. Partners who

are also working understand more the demands of a career and likely share responsibilities accordingly.

### **Family Values and Upbringing**

Individual values and upbringing play a role in shaping attitudes towards gender roles. Partners who were raised in families that encouraged gender equality more likely share domestic responsibilities.

### **Communication and Mutual Agreement**

Open communication between partners is crucial. Couples who discuss and agree upon how to share domestic responsibilities mostly have a balanced and supportive approach.

With all these being said, It's important to note that while progress is being made towards traditional gender responsibilities many women still face challenges, and not all working women in Nigeria experience equal support in domestic responsibilities therefore efforts to promote gender equality, both at the societal and individual levels, are essential for creating an environment where women can thrive in both their professional and personal lives.

And addressing these challenges requires a combination of supportive policies at the organizational level, changes in societal attitudes, and efforts to break down gender stereotypes. Encouraging gender equality, promoting work-life balance, and providing opportunities for professional development are essential steps toward creating a more inclusive and supportive environment for working women in Nigeria.

***I don't really get enough support,(Int1) HRM***

***Yes sometimes he helps,(Int2) Sales Rep***

***Yes I get significant support from my partner,(Int3) Product Manager***

*Not really, the help I get is more like nothing,(Int5) Front Desk Officer*

*Yes my partner helps whenever he could,(Int7) Finance and Adm Officer*

### **Suggestions from the respondents about the societal expectations on Nigerian working women that will help in providing solution that will help minimize these challenges**

To help minimize the challenges faced by Nigerian working women on societal expectations, the following suggestions are to be considered:

#### **1. Educational Campaigns:**

Implement educational campaigns to raise awareness about the importance of gender equality and challenge traditional stereotypes. This can be done through schools, community events, and media. It was noted there is a growing recognition of the importance of education for women, and many families now support the idea of women pursuing higher education and professional careers though in some places especially in rural places women are still not getting education as the male.

#### **2. Promote Positive Role Models:**

Highlight successful women in various fields as positive role models. Sharing their stories can inspire other women and challenge societal expectations about gender roles.

#### **3. Advocate for Equal Opportunities:**

Encourage and support policies that promote equal opportunities for men and women in education and the workforce. This includes advocating for gender-neutral hiring practices and promotions.

**4. Parental and Family Support:**

Promote the idea of shared responsibilities in families. Encourage fathers to take an active role in childcare and household chores, creating a more supportive environment for women pursuing careers.

**5. Flexible Work Arrangements:**

Advocate for and implement flexible work arrangements, such as part-time work, remote work options, and flexible hours. This can help women balance work and family responsibilities.

**6. Leadership Training for Women:**

Provide training programs and mentorship opportunities specifically designed to empower women in leadership roles. This can help bridge the gender gap in managerial and executive positions.

**7. Community Engagement:**

Engage with community leaders, religious institutions, and local influencers to promote gender equality. Community support is crucial in challenging and changing societal expectations.

**8. Supportive Workplace Policies:**

Encourage workplaces to adopt policies that support work-life balance, maternity leave, and breastfeeding facilities. This helps create an inclusive and supportive work environment for women.

**9. Legal Advocacy:**

Advocate for and enforce laws that protect women's rights in the workplace. Ensure that legal frameworks are robust and that there are mechanisms for reporting and addressing gender-based discrimination.

**10. Networking Opportunities:**

Facilitate networking opportunities for women in various industries. Building professional



connections can provide support, mentorship, and opportunities for career growth.

#### **11. Financial Literacy Programs:**

Provide financial literacy programs to empower women economically. This can include training on budgeting, savings, and investment, giving women greater financial independence.

#### **12. Promote STEM Education for Girls:**

Encourage girls to pursue education and careers in science, technology, engineering, and mathematics (STEM) fields. Addressing the gender gap in these areas can contribute to broader societal changes. Collaboration and ongoing efforts are essential to challenge and reshape societal expectations, fostering an environment where Nigerian working women can thrive.”

*These suggestions are interconnected, and a holistic approach involving multiple stakeholders—government, communities, employers, and individuals—is necessary for meaningful change(Int2). Sales Rep*

Even with all existing policies the women still show big concerns about poor implementations

*We have laws and policies in Nigeria but the enforcement is the biggest challenge especially in private sector,(Int7)*

*Not really strong , I mean the enforcement and practices because if it does my case would have been treated with urgency,(Int3*

*There are a lot of policies in place to protect working women so Government should be serious with the implementation,(Int6)*

## Conclusions

The journey of working women in Nigeria in the context of modern employment is shaped by resilience, determination, and enduring challenges. As we conclude this research thesis, it becomes clear that, while significant progress has been made in promoting gender equality and women's labor force participation, there remain multifaceted challenges that require urgent attention from policymakers, employers, and society at large. This study's analysis has put light on numerous crucial areas of the issues encountered by working women in Nigeria. From gender-based discrimination in many facets of the workplace to the persisting gender pay gap, it is obvious that systemic inequities exist and impede women's professional advancement. Furthermore, the demands of modern employment, which include extended work hours, technology expectations, and the developing gig economy, collide with conventional gender norms, making it increasingly difficult for women to achieve a healthy work-life balance.

Despite these disadvantages, Nigerian women are strong and resourceful. They handle these complexities with tenacity, and they frequently achieve great accomplishment. However, it is critical to understand that their triumphs are frequently accomplished in spite of, rather than because of the current circumstances. There is a wealth of untapped potential in the female workforce that, when fully realized, has the potential to greatly contribute to Nigeria's economic and social progress.

This thesis also looked at the role of policies and efforts in Nigeria aimed at empowering working women. While progress has been made in this area, the effectiveness of these initiatives remains varied. This highlights the importance of a comprehensive approach that addresses not just the legal and structural factors, but also the deeply embedded cultural and societal norms that perpetuate gender inequities.

In conclusion, it is evident that Nigeria stands at a critical juncture. The nation's progress in the 21st

century is intricately linked to its ability to harness the talents, skills, and potential of its working women. To this end, the following key conclusions can be drawn:

1. **Gender Equality is Required:** Achieving gender equality in the workplace is not only an issue of fairness, but also a strategic requirement for Nigeria's economic growth and development.
2. **Comprehensive Policy Reforms:** Policymakers must concentrate on developing and executing comprehensive policy reforms that address the underlying causes of gender disparity, such as discriminatory behaviors and unequal pay.
3. **Cultural Shift and Education:** It is critical to address deeply rooted cultural norms and expectations about gender roles. Education and awareness campaigns are critical for influencing societal attitudes.
4. **Work-Life Balance Support:** Employers should take an active part in encouraging work-life balance for women, such as flexible work arrangements, cheap childcare, and parental leave policies.
5. **Empowerment and Leadership:** Women's empowerment programs should go beyond entry-level positions to equip women with avenues to leadership and board positions.
6. **Data and Research:** Ongoing research and data gathering on the experiences of Nigerian working women are critical for informing evidence-based policies and tactics.

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# The Effect of Taxation on the Cameroonian Economy: Case of *Small and Medium Scale Enterprises*.

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## Abstract

This study aims to assess the causes and effects of taxation on Small and Medium-Scale Enterprises (SMEs) and the national economy of Cameroon. The study will examine the perception of SMEs regarding taxation and government spending, the level of awareness and compliance to taxation among SMEs, and the perception of SMEs on the effect of taxation on the economy of Cameroon. The study area is the south-western region of Cameroon, and a total of 250 respondents were selected from various SMEs using a purposive sampling method. The data was collected using a structured online questionnaire. Three hypotheses were tested, indicating a no significant difference in the perception of taxation and government spending among SMEs, no significant difference in the level of awareness and compliance to taxation among SMEs, and no significant difference in the perception of the effect of taxation on the economy of Cameroon among SMEs. The study is expected to be helpful to tax administrators, policy makers, and other stakeholders, as it will provide insight into the impact of taxes and its scheme on the development of Cameroon.

**Keywords:** Corporate Reputation, taxation, government spending, performance of SMEs

## Introduction

It is vital to state how vital taxation is to a country's financial health. Certainly, tax revenues are the primary means through which a government may fund national expenditures and population services (Lamantia & Pezzino, 2017). Taxes, on the other hand, are a significant component that impacts the fiscal decisions of every home and business. Yet, a tax is a difficult subject for tax officials in most nations and has been around for a long time. According to Akdede (2006), taxation is the imposition of forced fees on individuals or businesses by governments in nearly every country throughout the world. He goes on to suggest that people would naturally prefer to avoid paying taxes if they could. To develop effective strategies and tools for tax enforcement, it is essential for the majority to instill

comprehensive grasp of the various elements contributing to these challenges. Tax compliance can be hindered by taxpayer-related factors such as low fiscal morale and high compliance costs, as well as tax administration factors such as ineffective collection and enforcement mechanisms and limited monitoring and verification capabilities (Khanal, 2019).

Taxation revenues are a significant source of money for governments. Tax revenues used to fund public facilities and services are vital for economic expansion and development. In recent years, rising economies have failed to produce the necessary tax revenues to fund spending (Fuest & Riedel, 2009). The conventional wisdom holds that raising tax rates will boost the scope of the shadow economy. One of the most significant difficulties confronting the Cameroon tax system nowadays is the issue of taxes, a phenomenon that might impact development and productivity (Mukah & Fossung, 2019). Often, this occurs when people intentionally conceal their income from the tax office in order to decrease their tax burden (Devarajappa, 2017). As a result of these observations, this study will investigate the various effects of taxation on a nation's economy.

### **Statement of the Problem**

The tax structures themselves are undoubtedly skewed by the realities of taxation. Existing studies have considered the identification of the motivations for taxation (Alm, 2012), effect of taxation (Onyeka & Nwankwo, 2016). There has been a dearth in the assessment of the impact made by SMEs on the economy of Cameroon which has also led to a lack in literature regarding the level of taxation among SMEs in Cameroon. Also, there is no study that has conducted an assessment of the reasons and the effect of taxation among SMEs in Cameroon, hence this study.

### **Research Questions**

It is vital to draw a clear path for each study, in this work we attempted to provide meaningful answers to the subsequent questions;

What is the perception of SMEs regarding taxation and government spending?

What is the level of awareness and compliance to taxation among SMEs?

What is the perception of SMEs on the effect of taxation on Cameroon's economy?

### **Aim and Objectives of the Study**

This study is aimed at the assessment of the causes and the effect of taxation among macro-enterprises and its effect on the national economy of Cameroon.

#### **The specific objectives are to**

Examine the perception of SMEs regarding taxation and government spending;

Examine the level of awareness and compliance to taxation among SMEs; and

Assess the perception of SMEs on the effect of taxation on Cameroon's economy.

#### **Significance of the study**

The study will be useful to tax managers and other stakeholders since it educates them about the influence taxes and their schemes have on the development of a nation by the government. Policymakers would benefit from the study's results and recommendations in terms of enhancing tax administration tactics and policies in Cameroon. Researchers performing similar research in the study area might refer to this research for more research.

## **Literature Review & Hypothesis Development**

### **Taxation**

The amount of tax revenue collected has a significant impact on the economic growth and prosperity of a country. Taxation is a vital tool for governments in both emerging and developed countries to manage their national finances, especially in the context of widespread tax evasion (Gangl et al., 2014; Schneider et al., 2010). As Hanlon et al. (2015) note, taxation also influences government budgetary decisions. Taxes are the primary source of revenue for developmental engagements (infrastructure) in an economy as well as communal finance/service provision. They are essential according to Gangl et al. (2014), for socioeconomic as well as progress across developing and advanced economies. In this

regard, acquiescence in respect to the tax, is crucial for governments the world over (Alon & Hageman, 2013). Tax evasion has a number of negative consequences, including decreased tax revenues, increased inequality, reduced company productivity, and impediments to economic growth. It also leads to increased costs for the government, as it must invest resources to detect and prosecute tax evaders (Alm, 2012; Nur-Tegin, 2008; Alm, 2014; Johnson et al., 2000).

Ultimately, it influences the accuracy of macroeconomic statistics. In general, understanding the entire consequences of taxation is impossible without accounting for tax fraud. In this light, increasing acquiescence (compliance) is a key problem facing administrations, given that taxes fund a large portion of government spending (Chung & Trivedi, 2023). Consequently, politicians as well as academics' have accorded the issue regarding tax evasion considerable attention (Lee, 2018).

### **Taxation among SMEs**

Most nation's economies rely heavily on small and medium-sized companies (SMEs) as contended by (Atawodi & Ojeke, 2012). They constitute a lion's share of transitional economies' vibrant firms (Akimova, 2002). Authentically, effective SMEs have an outstanding role in both emerging as well as developed economies based on (Magableh et al., 2011). the propensity of increasing exports have been demonstrated by Ghana's SMEs as well as supply of extra-terrestrial currencies. Jones (2016) Its role in provision of services cannot be overlooked, as a result, SMEs contribute to growth in Ghana's economy (Saymeh & Sabba, 2014).

Assessing SMEs' tax obligation has piqued the interest of various research for the reasons indicated below. First, according to Akinboade (2015), SMEs are believed to have lesser tax responsibilities than large enterprises. Similarly, SMEs have been perceived as lifeblood for growth as well as expansion of the majority of nations (Maseko, 2014). ). In the same light, SMEs provide taxes for the government (Akinboade, 2015), because of this, the capacity to realize socioeconomic aspirations of governments rest on SMEs tax acquiescence (Akinboade, 2015).

## Theories of tax compliance

As stated by Zikmund, Babin, Carr, and Griffin (2013), a comprehensive and verifiable account of specific events is essential in understanding the interactions between objects. In the light of preceding studies, voluntary tax acquiescence is subjective to multiple factors (Damayanti, 2012; Ross & McGee, 2012). Therefore, relying solely on a few factors may not suffice to fully capture the complexities of tax compliance, and depending solely on a single theory may be inadequate in explaining the various phenomena associated with tax acquiescence (compliance) (Ayuba et al., 2006). In this regard, understanding tax acquiescence entails acknowledging the multiple factor contributors which motivate tax behavior: such elements are capable of extending further than traditional economic or crime methods to incorporate social as well as psychological theories regarding conduct.

Tax compliance issues, based on Kasipillai & Abdul (2006), relates a range constituting multiple professions viz; accounting together with psychology, political science as well as public administration including economics. Al-Taffi & Abdul (2015), suggested economic as well as socio physiological theories to might fairly elucidate complicated nature regarding tax acquiescence. Andreoni et al., (1998) noted how critical it is to integrate economic theory with social psychology theory. Moreover, Sapiei et al., (2014), insisted behavioral as well as economic methods to have enormously eased comprehension, clarifying tax acquiescence conduct. While learning theory is based on scientific principles such as sociology and psychology, economic schemes rest on economic efficacy.

In regard to the financial approach, traditionally, the most typical method for promoting tax compliance has been intimidation (Frey, 2023) economic crime model in reality produces economic research regarding tax evasion; utilization of this model inclines towards curtailing illegal activities. As a result, a fundamental premise was put forth as a preventive measure to curb crime resulting from illegal actions. Becker (1968) suggested some behavioral patterns regarding tax payers; each taxpayer is assumed to maximize the expected utility of the tax noncompliance risk, evaluating the advantages of successful tax noncompliance in respect to reviews as well as punishment. There is evidence in this submission since payers pay taxes because he or she is afraid of being caught and penalized if he or she does not (Alm, 2012).

Building on Becker's (1968) crime model, Allingham and Sandmo (1972) proposed the first theoretical model of tax evasion. This model, also known as the deterrence theory model or the anticipated utility maximization model, is the most widely accepted paradigm for understanding tax evasion. It is based on the assumption that the tax system can deter tax evasion through penalties and audits. In other words, the model posits that taxpayers weigh the expected benefits of tax evasion against the expected costs, such as fines and imprisonment, when deciding whether to evade taxes.

Tax review (audit) describes likelihood of experts (tax authority) to identify payers that fail to adhere with tax rules via reviews (auditing programs) nevertheless, penalties or tax punishments are not ruled out from those who fail to make tax payments. Its evasion is clearly regarded as a financial crime, with penalties being levied on the guilty as apt punishment (Isa, 2012). Underlying purpose of preventing noncompliance is generally to instill panic as well as emphasize the severity regarding punishment as well as increase in number tax audits (Forest & Sheffrin, 2002). Moreover, constraining (deterrent) strategy assumes that external pressure compels individual to settle tax payments complying with the law (Ariel, 2012)

The deterrence strategy assumes that "external pressures" encourage taxpayers to comply with the law (Ariel, 2012).

As a result, the deterrence theory provides evidence for the expected relationship amid; higher preemption (deterrence) productivity as well as preempt (deterred) conduct thus, a drop in deterrent activities would impair compliance (Verboon & Dijke, 2012). Dwenger, Kleven, Rasul, and Rincke (2014), on the other hand, discovered that deterrence had a little impact on the intrinsic motive for tax compliance while having a big impact on the motivational factors in respect to tax compliance.

From Wenzel (2004) perspective, these precautionary dealings are directed towards tax payers' void of morals regarding tax payments. Furthermore, the fear of deterrence undoubtedly raises tax requirements, but it seldom secures complete responsibility (Brockmann et al., 2015). In addition, Feld & frey (2007), discovered stating that deterrent strategy regarding tax noncompliance falls short of raising tax acquiescence rate unless combined with other strategies. But, by relying solely on deterrence,

the penalty may appear ineffective and even detrimental at times (Leonardo, 2011). Even if the amount of deterrent is too minimal in many nations, tax compliance is high (Torgler, 2007).

As a result, experts propose that non-economic elements can aid in the resolution of this problem appropriately (Torgler & Scheider, 2009). Nevertheless, the strategy however, is not reliable since it contradicts evidence arising from empirical verdicts. Submissions regarding this issue incline towards the inference that psychological inclination to economic resolution stands out as appropriate technique to enforcing tax acquiescence (Frey, 2003)

### **Taxation effect on economic development**

It cannot be overlooked that both advanced and developing economies' major sources regarding government revenue rest on taxation. In order to boost their economies, nations significantly rely on direct and indirect taxes (Torgler & Schneider, 2009). Individuals are required by law to abide by tax regulations, regardless of whether they are self-employed or hired by a firm. Therefore, even when some people opt not to comply with tax laws, everyone has an obligation to do so (Kirchler, et al., 2006). Tax authorities have serious concerns about this non-compliance, which is manifested via tax evasion by both firms and individuals. Research was done by NurTegin (2008) to determine the root reasons of tax evasion in Egyptian society, paying particular attention to these issues. Presuppositions arise inclining towards insufficient transparency regarding governments' expenditure as paramount to tax evasion. Taxpayers in Syria lack morality and are hesitant to pay their taxes, and they have faith in the administration. Additionally, government goods and amenities were disproportionately huge in relation to its total realization (tax payments) resulting in friction amid payers and the government.

Alm et al., (2018) examined the data on tax evasion and concluded that the tax agency had substantial operational and structural deficiencies leading to suspicion from taxpayers said in respect to relevance embedded within tax goals, leading to uninterrupted evasions. The subject of tax evasion was also a call for concern as investigated by Torgler (2011), He observed that evasion is becoming more common within Jordan, and that it is an intentional and planned activity. Taxpayers were also found to have paid significant amounts of cash to tax professionals in order to avoid paying taxes. Al- Bakri (2010)

investigated factors influencing business tax evasion using questionnaires distributed to a hundred and seventy three auditors, the resultant indicated penalties including tax rates as well as firm size to have substantial affirmative wave regarding income tax evasion.

### **Role of Tax Compliance as a Moderator**

According to Khasawneh et al. (2008), a tax is a required payment paid by individuals based on their wealth that is used to satisfy government commitments. Affirming levies on specificities such as wages, including profits, some things are excluded from taxes as a way for tax authorities to promote particular behaviors (Payne & Raiborn, 2018). Undoubtedly, tax compliance is important for a nation's development. Fischer et al. (1992) noted the lack of widely agreed criteria for tax compliance and non-compliance, despite the fact that research regarding tax compliance goes back to the early 70s (Alm & Torgler, 2011).

Tax compliance is defined as the timely and accurate filing of tax returns and the payment of all taxes owed in accordance with the applicable laws, regulations, and court rulings (Roth et al., 1989; Jackson & Milliron, 1986) acquiescence from sales tax perspective entails on time filling in respect to returns as well as the accurate reporting of sales including taxes together with payment of owed in accordance with the relevant laws and regulations (Zainal et al., 2017)

Tax non acquiescence (compliance) in contrast to tax acquiescence, entails the ability of a taxpayer to satisfy his or her tax reporting duties (Abdul & Pope, 2008). This term includes both inadvertent and purposeful noncompliance. However, inferring from Sikka's (2013) perspective, tax evasion could be described as any questionable including dishonest or intentional conduct not in concord with established legal framework to increase discounts, hide chargeable incomes, or lower the right tax payable. Payne and Raiborn (2018) define tax avoidance (or tax mitigation) as the practice of using permissible means to reduce the amount of tax owed based on stated provisions in the tax laws. Yet, there has been no agreement from numerous literature submissions on specific meaning of tax acquiescence (compliance).



## Methodology

### Study Design

The goal of the study was to investigate how taxes and SMEs' companies affected the Cameroonian economy. The south-western region of Cameroon was chosen as the research location for practical reasons. SME employees from all throughout south-west Cameroon were chosen for the research, including both low-level and top-level management professionals. For the purpose of gathering information from chosen respondents, the study used a survey methodology. The many tasks that were completed in this study are presented in detail in the sections that follow.

### Study Location

Western Africa's Cameroon, located in the south-west of the continent, is the subject of this study (Kouega, 2007). Equatorial Guinea, Gabon, and the Republic of Congo border Cameroon to the south, along with Nigeria to the west, Chad to the northeast, Central African Republic to the east, and Nigeria to the west. According to the National Climatic Data Center (2012), the nation has a coastline along the Bight of Biafra, which is a portion of both the Atlantic Ocean and the Gulf of Guinea. More than 10 ethnic groups, including those who practice Christianity, Islam, and traditional faiths, make up the varied nation of Cameroon.

### Study's Population

Embarking on any crucial endeavor as well as realizing its essence require comprehension of significant elements as regard the endeavor. Population is one of such crucial elements within a research undertaking, it can be viewed in simple parlance as an all-inclusive group in which an inquisitive being (researcher) seeks to draw inference about. Various small and medium scale enterprises (SMEs) which are located across south-west Cameroon constituted the population for this work.

## **Sampling Size and Method.**

In this study, a total of 250 respondents were selected from various small and medium scale enterprises (SMEs) which are located across south-west Cameroon. The sample consists of the members of the top-level, mid-level and low-level management positions working in the selected SMEs. The respondents were selected using a non- random sampling method that is a purposive technique for the purpose of suiting the research endeavor.. Following which the link that was required for assessing the questionnaire was sent to their respective email.

## **Method of Data Collection**

A structured online questionnaire was used to collect the data that was required for this study. The questionnaire was distributed across the respondents using various online messaging tools. The questionnaire was designed with the use of Google Docs application called Google Form<sup>®</sup>. Figure 3.1 shows a screenshot of a view of the form which can be retrieved online via the URL <https://forms.gle/aCbsDm2kXsxmbZC8A>. The structured questionnaire was composed of four (4) sections, namely: socio-demographic information, SME perception of taxation and government spending, SME awareness and compliance to taxation and SME perception of the effect of taxation on the economy of Cameroon.

Appropriate utilization of questionnaire sections to collect information regarding the socio-demographic information of selected respondents considered in this study. The information collected include: gender, age group, marital status, highest level of education, size of SME, as well as years of experience in SME. Year of establishment of SME as well as their roles at the said SME. The respondents were required to select one of the options that best describes the respondent. This section will also be required in the assessment of the variation in the opinion of responses during the assessment of the other sections of the questionnaire.

Section B of the questionnaire was used to collect information regarding the SME perception of taxation and Government spending. This section was required for assessing the knowledge of SMEs regarding the purpose of taxation, compliance and tax regulation and laws. The section was also used

to assess the perception of SMEs about how well the government is putting tax money into use in the provision of services, utilities and infrastructure. The section was presented as a set of items which were assessed using a 5-point Likert scale. The respondents were required to select any of the responses that describes their level of agreement to each item listed. In total, 10 items were used to assess information regarding the perception of SMEs regarding taxation and Government spending.

Section C of the questionnaire was used to collect information regarding the SME awareness and compliance to taxation. This section was required for assessing the awareness of the SMEs of complying with taxation and the level of their participation in compliance with taxation. The section was presented as a set of items which were assessed using a 5-point Likert scale. The respondents were required to select any of the responses that describes their level of agreement to each item listed. In total, 8 items were used to assess information regarding the perception of SMEs regarding taxation and Government spending.

Section D of the questionnaire was used to collect information regarding the perception of SMEs regarding the effect of taxation on the economy of Cameroon. This section was required for assessing from SMEs the impact of taxation on the economy of Cameroon. The section was presented as a set of items which were assessed using a 5-point Likert scale. The respondents were required to select any of the responses that describes their level of agreement to each item listed. In total, 6 items were used to assess information regarding the perception of SMEs regarding taxation and Government spending.

### **Method of Data Analysis**

The data provided by the respondents was stored online via Google Sheets®. Figure 3.2 shows a screenshot of the online sheet that was used to collect the data containing the responses provided by the respondents selected for this study. Afterwards, the data was downloaded and stored as a spreadsheet file which contained the responses provided by the respondents. The study made use of standard software that is; statistical (SPSS-v20) in view of breaking down (analyzing) data collected. The information collected using the questionnaire was coded and stored in electronic format using the SPSS software. The reliability of the questionnaire was assessed using Cronbach's alpha reliability test.

The study performed some descriptive analysis of the responses provided by the respondents for the first section using frequency distribution tables and bar charts where necessary. The responses provided in the remaining three sections were assessed by determining the mean and standard deviation of responses for each item and the overall scale. Inferential statistics was used to analyze any significant difference in responses provided by the respondents using the analysis of variance (ANOVA).

## Results, Findings & Discussions

Following data collection, it was observed that the response rate of the distributed questionnaire among the respondents selected for this study was 82%. The results revealed that the majority of the respondents were single and married, within the age-group of 26 to 40 years and 41 to 60 years, with university first degree and postgraduate degrees. Also, the majority of the respondents worked on SMEs with staff force below 10 staff, with less than 5 years working experience, who worked as either entry-level or operations staff who had been working in SMEs that had been established for less than 5 years.

The results of participants' opinion regarding the perception of taxation and government spending among SMEs revealed that the respondents agree that the proceeds from taxation have not been put into good use by the government. The respondents agree that the government has no justification for the tax charged SMEs as the money generated is not being used in providing appropriate public service. The respondents agree that those in government are corrupt and as a result squander tax payers' money since no benefit is derived from the payment of taxes to the government. The results of the opinion of the respondents regarding the perception of the awareness and compliance of SMEs with taxation revealed that they are indifferent.

The respondents agree that SMEs are aware of tax and levies in the state, the approved channels for tax collection and attempts by tax officials in approaching the SMEs to confirm payment of tax. However, they are indifferent about SMEs not paying taxes, SMEs being forced to pay tax, consideration of tax payment in monthly accounts and payment of penalty for defaulting in payment of tax. The results of

the opinion of the respondents regarding the effect of taxation on the economy revealed that they are indifferent about the positive impacts of taxation. The respondents disagree with the impact on the redistribution of income, reduction in inflation rate, reduction in the rate of corruption and increase in the country's reputation. However, the respondents agree that taxation leads to an increase in the costs of products and services provided to clients. The results of the hypothesis testing regarding the difference in opinion of the respondents concerning the perception of taxation and government spending among SMEs across their socio-demographic information revealed a number of observations. It was revealed that there was a significant difference in the opinion of the respondents who had university first degree and those who had postgraduate degree. The results of the hypothesis testing regarding the difference in opinion of the respondents concerning the perception of awareness of taxation and compliance with taxation among SMEs across their socio-demographic information revealed a number of observations. Drawing from our findings; there was revelation of no significance variance on participants' socio-demographic information.

The results of the hypothesis testing regarding the difference in opinion of the respondents concerning the effect of taxation on the economy across their socio-demographic information revealed a number of observations. It was revealed that there was a significant difference in the opinion of respondents who were above 60 years and those that were either below 25 years and those that were between 25 and 40 years. It was revealed that there was a significant difference in the opinion of respondents who were single and those that were married. It was revealed that there was a significant difference in the opinion of the respondents who had university first degree and those who had postgraduate degree. The study showed that there was significant difference in the opinion of respondents who worked as members of the board of directors and those who either worked in operations or low management level.

## Conclusions

The study concluded that SMEs in Cameroon do not trust the Government with taxpayers' money due to the lack of appropriate use of funds generated from taxing SMEs in Cameroon. It was believed that many tax officers in Cameroon are not trustworthy and are rather focused on enriching the pockets of greedy tax workers. The study concluded that SMEs are aware of tax laws however some feel reluctant about paying taxes to the government hence why SMEs are indifferent about tax compliance to the Government. Also, SMEs feel indifferent about the effect of taxation on the Cameroonian economy and this is likely on one part due to the lack of confidence that the SMEs have in the government in putting the funds into good use and on another part due to the level of corruption among tax officers.

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# CEO Characteristics and firm performance: Evidence from the *Industrial sector in Nigeria*

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## Abstract

The CEO is the highly ranked individual of a firm, and he/she carries the face of the firm to all the stakeholders and the public. The study aims to investigate how CEO characteristics like education, ownership, origin and age of a chairman's duality impacts on the organizational performance. The research conducted a systematic review that reviewed evidence from various literary scholars based on the industrial sector in Nigeria. The inference drawn from the systemic review suggested that with regards to firm performance in the Nigerian context education and having CEO that comes from within the organization generally is consistent with positively impacting on the company's performance. However, gender, ownership, duality of the CEO role with that of the chairman, have been shown by Nigerian studies to impact adversely on the company's performance. It is imperative to note that the body of evidence is mostly inconsistent with regards to the impact of traits of the head of an organization on performance of an establishment. The current body of literature with respect to the influence of CEO attributes on organizations performance is inadequate particularly in Nigerian corporations. The study recommends that there is a need for further research. Additionally, the majority of the current body of literature primarily studies publicly-listed organizations, which denotes that there is a literature gap that requires it to be filled. There is a need to evaluate the impact CEO characteristics in privately held companies.

**Keywords:** CEO Characteristics, entrepreneurial ecosystems, performance, upper echelons theory

## Introduction

The Chief Executive Officer (CEO) is the head of an organization with the primary differences between the CEO and other senior managers are usually the following. First, the CEO is responsible for the activities of the entire corporation. Secondly, it submits only to the owners of the companies and their representatives. Unlike other managers, he has more authority in making decisions, which is

accompanied by a higher degree of responsibility (Lin, 2008). The CEO represents the interests of the owner in relations with employees, partners, consumers and the state. Thus, it can be debated whether the position that the CEO holds in a company is significant. In this research paper the Chief executive officer will be considered under the terms "top manager", "manager", "head of organization" (Lin, 2008)

The CEO typically embodies the organization and is accountable for the failures and successes of an establishment. The CEO is also perceived as the face of the corporation, which usually portrays the robustness of a company to the public in cases of a company's stands, decisions, and even values. Therefore, one can be intellectually curious to understand whether the unique attributes of the head of an organization plays a significant role with respect to the performance of a corporation. Performance of an organization, particularly financial performance is the bottom line for any establishment. Firms' performance, especially in Africa, is a significant challenge, and that is why it is currently a debate. Many factors affect firm performance, but CEO attributes may play a considerable part in accounting for the divergent performance of corporations in similar industries.

The board of executives, with respect to corporate governance, includes both executive and non-executive members who can further be classified as being independent or dependent. Whichever the case, the members of the board are bestowed with the fundamental role of overseeing and monitoring the activities of the CEO to ensure the requirements of the respective shareholders have been met. This is in response to the call of corporate governance oversight, which brings to the fore the need to harness the skills and expertise of the parties involved in the quest for excellent corporate leadership. In the same latitude, corporate governance has gained notable attention for many years courtesy of the numerous policy agendas campaigns being fronted in most developed countries as an economic benchmark tool which is deemed the basis of investor priorities. As such, various global economic crises whose roots can be traced to Africa have dominated. In this regard; sound structural corporate frameworks are the key to Africa's position in the global corporate leadership scene. The focus of the current report is on the typical characteristics of CEOs in Nigeria and its correlation to the performance with a focus on financials.

Certainly, the organizational structure and the CEO have an essential impact which influences the capacity of the organization to react to outside factors impacting on its overall performance. A study of the CEO traits and patterns of corporate governance within the Nigerian enterprise region offer invaluable insights useful facts to top policymakers and aid the on-going restructuring of the Nigerian company sector (Akpan, and Amran, 2014).

Thus, the aim of study is to determine whether CEO characteristics have a significant influence on an organization's performance in Nigeria.

### **Research Objectives**

- To determine the impact of a CEO Education on organizational performance in the Nigerian Industrial Sector
- To determine how CEO's Ownership affects organizational performance in the Nigerian Industrial Sector
- To determine how CEO's Origin affect organizational performance in the Nigerian Industrial Sector
- To determine how CEO's Age affect organizational performance in the Nigerian Industrial Sector
- To determine how CEO-Chairman's Duality affect organizational performance in the Nigerian Industrial Sector

The head of the organization and his or her influence on performance of an organization have been a deliberated theme in the academic field. Evidence submits that the attributes of a CEO have a significant impact on performance of the organization. The CEO engages in a significant role in portraying the image of the organization. An organization's perpetuity is dependent on how well the CEO steers the company towards the organizational objectives. Organizational performance has a wholesale central position and is a significant concern in either public and privately managed organizations since it indicates whether a company is progressing properly or retrogressing. In recent

times, particularly for public firms, efficiency, productivity, and total quality have become essential characteristics for the publicity of an organization. Viewing the issue from an international perspective, organizational performance becomes a more critical issue due to competitiveness because of globalization. It is vital to understand that CEOs tend to set the agenda, have an effect on the culture, and even the long-term efficiency of a given company (Iqbal et al., 2015). Management of performance in an organization follows three stages that include goal setting and motivation, encouragement and rewarding as well as consequences of the finished tasks. When appropriately applied, management of performance tends to spur individuals to more significant achievement in their next goal and helps achieve organizational objectives successfully. CEOs tend to set the context where the organizational members often strive to accomplish the goals of the organization (Iqbal et al., 2015). It is evident that CEOs even go on to model the path of the organization when they need to attain commitment and fulfill the utmost standards. Leaders tend to motivate the collective vision, and they have the responsibility of enlisting other people in a shared vision and the process. Therefore, this study is significant in helping policymakers, board members, and organizational executives, as well as stakeholders in determining the characteristics that ensure an organization continues to perform well. Thus, instead of making a snap judgment without empirical evidence, the body of literature has empirical evidence into the characteristics that a CEO should have in order to ensure the company performs well. In recent times, there have been in Africa's corporate governance; this despite the fact that such studies are very few, particularly when one narrows down to Nigeria.

## Literature Review & Hypothesis Development

This chapter reviews literature with regards to CEO characteristics such as educational level, age, CEO succession from within or outside the organization, leadership style, CEO's personality, indigenous vs

expatriate CEO in Nigeria, duality of the CEO's role, CEO incentive payment, tenure and ownership interest, and gender. Agency Theory confers that organizational effectiveness requires the input of the CEO together with the board of directors in attempting to meet the goals of the organization. According to Caers et al. (2006), the attributes of the top manager plays an essential role in safeguarding that the mission of the organization of the goal of the organization is achieved. This is particularly so for non-profit organizations that do not have stakeholders' interest. Agency Theory advances that the board of directors has delegated the daily role of managing an organization to the CEO. Wagner (2013) acknowledges agency theory's emergence as the key to success in the non-profit sector, but further states the need to conceptualize governance as the engagement of multiple actors within the company and also society in general.

### **Educational Level of CEO**

Education has been dubbed as a precursor to the effective management of employees, which results ultimately in improved work performance. In a Chinese study, on the implications of the educational level of the head of the organization on a company's performance, the researchers determined that the educational level of the chief executive officer did not improve the performance of the company financially but it does improve the company in regards to its value (Shan et al. 2017). However, the CEO's education did not have a substantial association profitability in accounting as well as the growth rate of the organization. In contrast, a Kenyan based study by Kokeno and Muturi (2016), which explored CEO attributes on the performance of a company, discovered the education of the CEO had a progressive influence on work performance.

Alternatively, a study by Lindorff and Johnson (2013) highlighted that education had no substantial effect on a company's performance particularly business education, with the study suggesting that acquisition of a master's of business administration MBA is overemphasized. In a study by Bhagat et al. (2010) the head of the company's education level was measured through investigating impact of being an undergraduate in the top 20 tertiary institutions; having an MBA; having MBA from the top 20 institution of higher learning; having a law degree; and having a law degree from the top 20 schools, on

return on asset, performance in the stock market, and Tobin's Q. The study determined that "having an MBA" and as well as "having an MBA from the top 20 schools" had a 10 percent significance level on Tobin's Q and return on assets of the establishment.

Bhagat et al. (2010) notes that CEO educational level particularly having an MBA degree improved performance in the short-term. However, education did not have a long-term influence in the company's performance with respect to return on asset, company's stock market performance, and Tobin's Q. Additionally, the CEO has a background in law the 10 per cent significance in improving stock assets of the company (Bhagat et al. (2010). However, it is vital to note that being in the top 20 schools in law did not significantly shape the company's performance in regard to performance in the stock market, Return of Assets (ROA), and Tobin's Q. A study conducted in Nigeria by Adenikinju et al. (2006) education of the CEO had a significant impact on a 10 percent level with regards to Tobin's Q. This is similar to the research study by Bhagat et al. (2010). However, Adenikinju et al. (2006) found that measures of performance such as return on investment (ROI), ROA and even the stock exchange performance, are not considerably affected by the level of education of the CEO. It is essential also to note, that while their level of education did not broadly impact the CEO's firm's performance, education was significantly linked to choosing or appointing a CEO (Bhagat et al., 2010). In retrospect, the studies examined, the body of literature suggests that educational level does to some extent affect performance with particular reference to Tobin's Q. However the evidence from literature reveals the relationship of the significance of education in the top executive is quite weak.

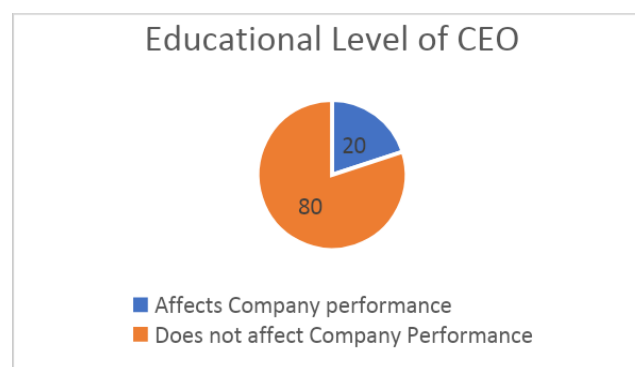


Figure 1 CEO educational level and firm performance

Source: By Author

This, even though the educational background of a CEO is emphasized before being accorded the position. There is a literature gap in regards to determining how the level of educational attainment of the CEO affects other appraisal approaches of organizational performance, such as employee performance and profitability, particularly on a long-term basis.

### **CEO Age**

A CEO's age may have a significant influence on his/her influence on a firm's performance. Generally, CEOs are older compared to the rest of the workforce, but regarding CEOs segment, things are a bit different. Organizations with youthful CEOs have a higher opportunity for growth compared to those with older CEOs. Wang (2014) emphasizes that the age of the head of the organization affects the company's performance with regards to agency and horizon problems. Young CEOs stand to be more competitive and hardworking as they age their passion tends to reduce as well as their fervency for their role.

Additionally, younger CEO's, attend to work towards proving the quality of their management skills as such they tend to engage in less risk-taking behavior as opposed to older CEOs that have a shorter tenure who tend to engage in more risk-taking activities.

Additionally, with regards to perception, young CEOs tend to be dismissed more quickly than older CEOs. Young CEOs are only interested in maintaining their status quo, but they readily accept new ideas. It is tough to find an older CEO bringing up new ideas, which is very common with the younger CEOs. It is the new ideas that yield innovation and competitive advantage and thereby boost the firm's performance. Older CEOs are found to be conservative, very comfortable, and overconfident making them not take advice kindly (Adenikinju, 2012). It is, however, undeniable that they have experience which makes their decisions more informed than the ones of younger CEOs.

Wang (2014) highlights particularly as CEO's approach the retirement age of 65 years; they tend to have fewer regards for career concerns, which makes them manipulate the organizational component to



depict better performance. For instance, funding in the research and development sector is reduced, which then translates to the company being depicted as having more earnings in the short term for their gain. Additionally, a company's performance has been shown to improve significantly towards the CEO's retirement age. Additionally, the CEO's age has been associated with confidence levels with older CEO's tending to be overconfident and less biased, which may affect the firm's performance (Wang, 2014). A study by Yim (2013), which investigated managerial performance with regards to the CEOs age with an outlook on the horizon. The study shows that managers with a shorter horizon, who are the older CEOs tend to have better performance in the short-term compared to CEOs with a longer horizon who are younger (Yim, 2013). In a study by Bhagat et al. (2010), the age of the chief executive officer was measured against three performance variables of a company's financials ROA stock performance, and Tobin's Q. The study's findings revealed that the CEO age only significantly (1 percent level) affected Tobin's q but did not significantly affect the return on assets as well as stock performance.

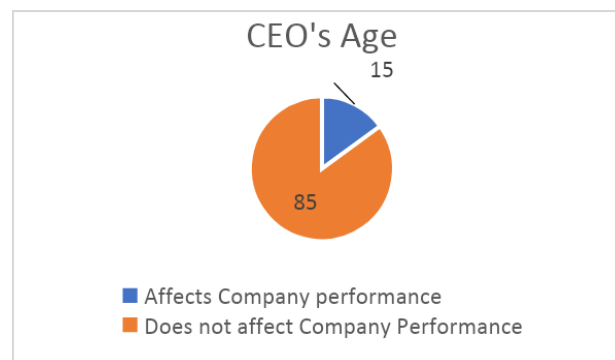


Figure 2 CEO Age and firm performance

Source: By Author

### Insider or Outsider CEO Succession

In most organizations, the majority of CEO successions (75 percent of organizations under S and P 500) are internally filled rather than bringing in an outsider (Lockmer, 2014; Kaplan et al. 2012). The above moves are rationalized by the fact that an insider has intricate information with regards to the

firm's dealings, organizational culture, as well as insightful information on the inner workings of the organization. Additionally, choosing an insider also supports the notion of a smooth transition as well as maintenance of the status quo (Lockmer, 2014). In a study conducted by Lockmer (2014) determined that outside the CEO generally has a progressive influence on the company's performance. However, there are a myriad of factors that complexly integrate to ensure positive outcomes are achieved, some of which fall outside the locus of control of the chief executive officer (Lockmer 2014). Lockmer (2014) cited these factors as circumstances that led to the departure of the previous CEO, how much the fair CEO held their position, and asset availability, under the firm's economic condition. This is in contrast to a study conducted by Kaplan et al. (2012), which supported that CEO's coming from within the company had no difference in performance with the CEO from outside the organization. A study found that there was no significant difference between hiring a CEO from within the organization or even outside, which is consistent with the findings of Kaplan et al. (2012). In the course of the literature analysis, we found only a few works that are relevant to the current study. The uniqueness of these works lies in the fact that the experience of management abroad, rather than the presence or absence of citizenship of another country, was used as an independent variable. In the case of Nigeria, expatriates tend to have international experience, so the presence of foreign nationals signifies positive correlations.

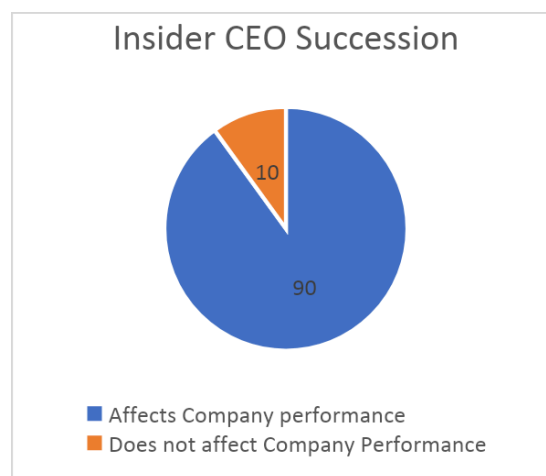


Figure 3 Choice of Insider or Outsider CEO Succession and firm performance

Source: By Author

### CEO Leadership Style

In a study Bandiera et al. (2017), which measured 1114 CEO's from six countries (Brazil, India, France, Germany, the UK and the US) from firms in the industrial sector with a behavioral algorithm that differentiated between "leaders" and "managers." The study differentiated between the high, middle, and low income countries. The study investigated whether CEO's behavioral index could be applied to monitor the outcome of the company's performance. The study found that the CEO behavioral index remains to have a significant statistical significance on the performance of a company. Those institutes that had a leader type as a CEO had significantly more productivity as opposed to companies that had a manager type CEO. The same study reported that characteristics such as holding an MBA or educational background, having studied abroad, the gender, being promoted from within the organization, as well as their age, did not have a weighty impact on the performance of their establishment (Bandiera et al., 2017).



Figure 4 CEO Leadership Style and firm performance

Source: By Author

### CEO's personality

In a similar study conducted by Peterson et al. (2003), which investigated the impact of CEO personality on work performance. The researcher investigated 17 CEO's from leading organisations in

the manufacturing sector. To do this, the researchers investigated how the CEO personality affects how the senior management interacts. The study assumed that senior management interaction had a significant effect on work performance and was significantly affected by the CEO's personality. The study focused on CEO personality characteristics such as extraversion, neuroticism, openness, agreeableness, and conscientiousness. The study confirmed that CEO's conscientiousness significantly resulted in top management being concerned with legalism and exercising control in their environment. Concerning the emotional stability of the CEO, it was significantly related to leadership dominance, team cohesion, intellectual pliancy, as well as intellectual rigidity. The CEO being agreeable was significantly related to power decentralization, legalism concern, as well as team unity. Extraversion of the CEO was significantly correlated to dominance and strength.

Additionally, the openness of the CEO was linked significantly to the team's mental flexibility as well as risk-taking. However, with regards to the neuroticism of the CEO, it was not significantly linked to risk-taking in the management team. The top management team that was characterized by being cohesive, optimistic, intellectually flexible, and decentralized experienced significantly more significant growth in income. Additionally, top management teams that had calculated risk-taking had significantly better income growth (Peterson et al., 2003).

In a study by Kaplan et al. (2012), who is the most investigate which co characteristic mattered concerning performance, hiring, and investment. The study determined that the CEO's skills and Talent were consistently correlated to performance, with execution related skills having more significance on performance and success of the organization in contrast to team related and interpersonal skills. Additionally, a more steadfast and purposeful CEO has improved the firm's performance than good listeners. This is harmonious with the study by Peterson et al. (2003), which showed that control of risk-taking was significantly related to better performance in an organization. The enquiry also determined that team related skills were significantly related to investment and hiring decisions but not correlated with the success and performance of the organization. The study also found organizational performance was not related to CEOs that exhibited modesty through assuming blame for problems within the organization and while giving credit for the performance.

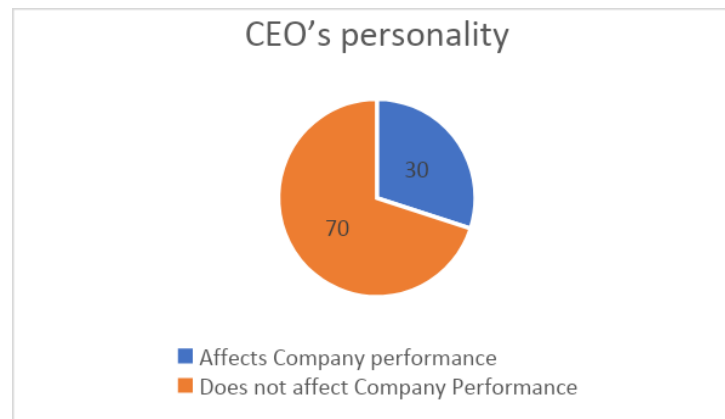


Figure 5 CEO personality and firm performance

Source: By Author

### CEO duality

In turn, independent directors are often heads of other enterprises. In the context of this work, it would be interesting to trace the different influences, that is, to determine how the representation of a manager on the board of directors of other companies can influence his activity, and, consequently, on the performance of a firm. Unfortunately, when searching for literature, it was not possible to find works dedicated to this characteristic (Terjesen et al., 2016). According to the general directors of enterprises, representation in the Board of Directors of other companies contributes to self-realization and gaining professional experience in different segments of the economy. The manager is trained and learns the specifics of other industries. Representation of the head of the organization of other companies helps to establish business contacts at a high professional level, since professionals, as a rule, work in the board of directors. Through business communication at this level, the manager gets the opportunity to acquire new experience and useful communications for the business (Galli, 2011).

Turning to the language of the theory of human capital, one can assume that the experience gained contributes to the accumulation of human capital. Similarly, it is also based on the premise that professional characteristics (in this case, the expansion of business connections and the acquisition of

new experience) affect the company's activities. Therefore, it can be assumed that the representation of the head of the company on the board of directors of other companies has a positive impact on the financial attainment of the company (Almendarez, 2011).

On the contrary, other scholars consider that since the chairman and CEO are the same individuals, the firm will: one, attain sturdy, unequivocal leadership; two, attain internal competencies through unity of understanding; three, eradicate the likelihood for clash between board chair and CEO; and four, evade misperception of having two public spokespeople addressing company shareholders (Davis et al., 1997). There is a strong correlation between CEO-chairman duality and firm performance (Davis et al., 1997). In line with the above research studies, Cannella and Lubatkin (1993) posit a positive relationship between financial performance and a twofold leadership position. Brickley, et al., (1997) reports an adverse performance upon division of the roles of the CEO. A study by Dedman and Lin (2002) found that an organization where both the CEO and the chairman did not perform significantly differently in the financial sense with a company that had separated roles. Further, Simpson and Gleason (1999) establish that firms that enjoin CEO and chairman roles have a reduced likelihood of having a financial crisis. A cursory appraisal of the literature reveals an inconsistency with respect to how dual roles of the head of the organization affects performance.

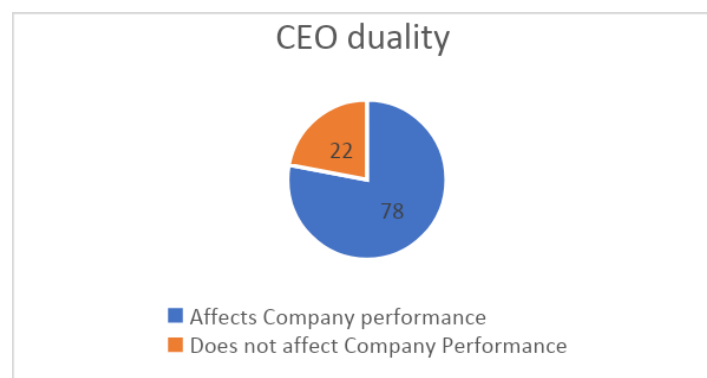


Figure 6 CEO duality and firm performance

Source: By Author

### CEO Incentive Payment

In the workforce, pay is considered an incentive to improve performance. As such, there may be a significant correlation among the payment the head of the organization receives and the performance of an organization. There has been controversy in the CEOs pay as they are controlled and managed by the CEOs themselves. Incentives include salaries and bonuses. Studies conducted among Nigerian firms have shown that for small firms, the pay is sensitive, while large firms pay is not as sensitive (Adenikinju, 2012). For large firms, however, low pay means various things such as they are not as important, presence of political forces, their moves are easily monitored. The inference drawn for the above research is that remuneration of the head of a company has a positive correlation with an establishment's financial performance. It is thereby recommended to apply remuneration as a tool to improve the organizational financial performance (Adenikinju, 2012).

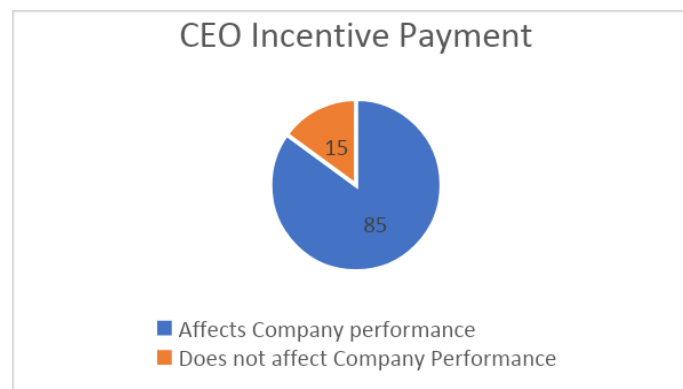


Figure 7 CEO Incentive Payment and firm performance

Source: By Author

### **Tenure and ownership interest**

The CEO's tenure and ownership interest has a bearing on the willingness of a firm to capitalize on projects and various strategies for implementation. Firms' performance is defined by how profitable the firm is. Firm's profitability is highly dependent on the innovations which translate in the firm's growth and survival. Innovations also act as the foundation for a competitive advantage and unique niche of

the company. Innovations can be in terms of a product, incremental, technical, or administrative. CEOs tenure administration has significance on innovation. When the tenure is long, the CEO has more freedom to invest in complex projects because his/her reliance is built on experience. There is also a reduced level of performance when CEOs are not subjected to a high degree of scrutiny, which is linked to when a company has a large board of directors, if the company has a small component of external directors, and when the company has inadequate shareholders. Berger et al. (1997) examine the association amid CEO interactions with capital performance of the firm. The study established inferences that have implications on the company's standards. First, Berger et al. (1997) revealed an insignificant influence on performance in companies that the CEOs have lengthened contract in office and reward.

Work skills acquired in a comparable environment can be quite appreciated since they aid in speeding up strategic decision making. One of the ways to accumulate human capital is to gain experience in a similar industry, which assumes that the manager knows the features of its operation, successful and unsuccessful examples of business models of other companies in the industry, the specifics of interaction with the state, and potential. From this perspective, there is a rationale to accept that work experience in a similar industry can positively influence a company's performance. A good manager needs an in-depth knowledge of the economic sphere in which he will work (Hitt et al., 2016).

Experience in public service can be perceived and recognised as a way to accumulate human capital. In addition to the acquisition of specific skills, the future CEO acquires business connections that can be used in solving the strategic tasks of the company. In the scientific literature, much work is devoted to the study of the influence of political influences of managers on the performance of their companies (Shah, 2007).

As a rule, previous experience in a public office is considered as an indicator of political affiliations particularly in Nigeria. It is inferred that the political connections of the leader have a positive bearing on the activities of the company. In countries with transitional economies like the Nigerian one, where a poorly developed institutional environment generates additional transaction costs, one of the ways to reduce them is to build political connections (Scherer and Palazzo, 2011). Especially the "value" of



such ties increases in countries with significant corruption levels like Nigeria and a weak legal system. It is assumed that a political leader has access to limited resources that provide his company with a competitive advantage. These resources include new sources of financing, reduction of tax payments. Managers with experience in public service are less likely to be dismissed from their posts, as the owners value their contribution through political connections (Shah, 2007). Adenikinju and Ayonrinde (2012) studied the degree to which the structure of tenure impacted performance of Nigerian establishments in the Nigerian stock exchange, which revealed that Nigerian organizations were more likely to be owned by overseas organizations.

On the other hand, having political connections can reduce the incentives of a top manager to look for more effective ways to solve strategic problems. For example, reducing the number of employees is required to optimize operating expenses, but the manager refuses this measure since it is politically unprofitable. Since Nigeria is a country with a transitional economy and a poorly developed institutional environment, it can be assumed that previous experience in a public office has positive consequences on the company. There is no consensus among scholars about how political ties affect a corporation's performance (Scherer et al., 2015).

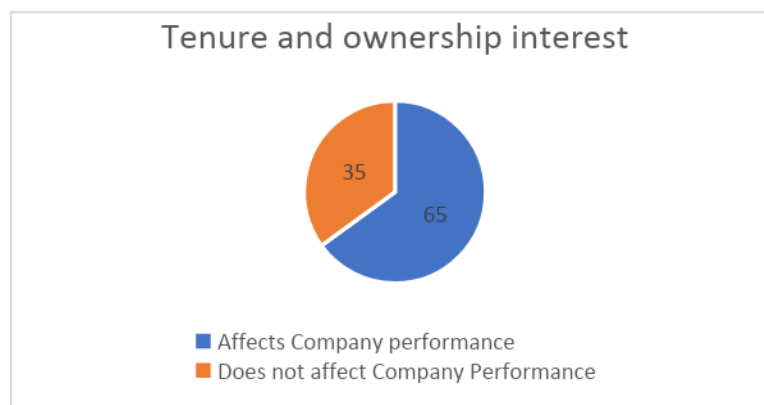


Figure 8 CEO Tenure and ownership interest and firm performance

Source: By Author

## Gender

The Securities Exchange Commission (SEC) of the US directed all publicly listed establishments to uphold diversity in nomination of directors of a company (Upadhyaya and Puthenpurackal, 2013). These moves have remarkably increased the women representation in the board memberships of various corporations. Catalyst (2010) indicates women occupied approximately 3 out of 20 board positions in Fortune 500 corporations by 2010, in addition to holding 2 out of 20 percent of board positions of French firms (Dand and Vo, 2012). Minguez-Vera and Martin (2011) established negative linkage amid women CEOs and company performance based on the ROE metric employing statistics from small and medium enterprises in Spain. Contrastingly, research by Rose (2007) and Marinova et al. (2010) revealed a significant positive relationship amid women and company's financial performance. The risk averse and trustworthy nature of women board members compared to the male board members can immensely bolster board control efficacy. Women involvement in board governance can assist in circumventing high risk projects since women usually are more financially risk-averse in contrast to men (Hillman et al., 2007). Majority firms choose females into boards grounded in the resources that they can bring to the table ranging from prestige to knowledge, skills, and link to external resources.

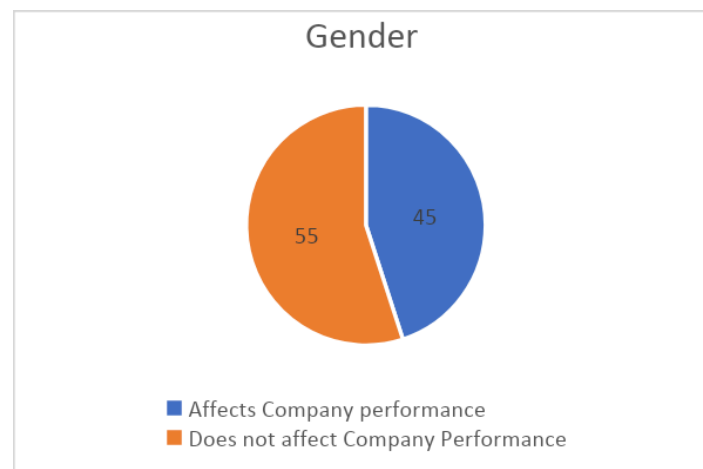


Figure 9 Gender and firm performance

Source: By Author

## Summary

This review of literature examines CEO characteristics as a set of variables to reveal their impact on the performance of establishments. As evidenced by the literature review, several studies have been conducted attempting to link CEO attributes with the corporation's performance on various levels. It is apparent that CEO characteristics are significant on a firm's performance specifically in the financial sense in Nigeria as it is in other nations. Older CEOs cause improved performance. CEOs should have skills in the focus area of the organization as this boosts a concern's performance. The more CEOs compensation is, the higher the corporation's performance. It is evident that the longer the tenure and the interest in ownership, the higher the firm's performance. Finally, females are viewed to be less risk averse compared to males. However, as the studies suggest, there are a lot of differences and characteristics, particularly with regards to firm performance, which limits the comparability of the studies. First, there are minimal quantitative impacts of age, contract in the firm, or executive-level contract. Second, there is a negative impact on education on all performance indices. Third, the CEO background on the working area of the corporation positively influences performance. Also, in-house promotion negatively impacts all instances. Lastly, company governance metric, for example, the ratio of firm's management officials sitting on the board of directors, and if the head of the organization post is merged the chairman of the board's organization's performance is adversely affected.

Additionally, the outcomes of the majority of these studies are not consistent, which means there is a need for increased control over bulls in order to determine whether an actual relationship exists if other compounding variables are controlled. Additionally, most studies cited that there is a limitation with regards to accrue inconsistent data from the organization based on the disclosure of information that they are ordered by the company which makes comparability of various companies challenging. The personality of the CEO of behavioral characteristics of the CEO has been consistently shown in several studies to be linked to performance in an organization. However, there is a need to establish what personality traits have a substantial influence on the performance of an organization. Therefore, this study links CEO traits with firm performance but does not support casualty because of the inconsistency of data and insufficient controls employed by the study's methodology. It is vital to note

the bulk of the research papers in the Nigerian context focused on board characteristics as opposed to being specific on the CEO characteristics, which meant that most of the studies are derived from collective board characteristics, then a particular CEO characteristic was looked at on its own.

Table 1 presents a summary of findings from literature on the effects CEO features listed above on firms performance.

Table 1 Summary of findings on the effects of CEO features and firms performance

	<b>Gender</b>	<b>Educational Level of CEO</b>
<b>Affects Company performance</b>	45%	20%
<b>Does not affect Company Performance</b>	55%	80%
	<b>CEO Age</b>	<b>Insider or Outsider CEO Succession</b>
<b>Affects Company performance</b>	15%	10%
<b>Does not affect Company Performance</b>	85%	90%
	<b>CEO Leadership Style</b>	<b>CEO's personality</b>
<b>Affects Company performance</b>	35%	30%
<b>Does not affect Company Performance</b>	65%	70%
	<b>CEO duality</b>	<b>CEO Incentive Payment</b>
<b>Affects Company performance</b>	22%	15%
<b>Does not affect Company Performance</b>	78%	87%
	<b>Tenure and ownership interest</b>	
<b>Affects Company performance</b>	35%	
<b>Does not affect Company Performance</b>	65%	

## Methodology

In most studies attempting to investigate if CEO traits affect a company's performance, they compare different CEOs of different listed companies within a relatively similar period. Therefore, the studies can be described as primarily cross-sectional. Typically, each study uses different tools to assess or to appraise each characteristic, which is dependent on the nature of the characteristic being measured. For instance, educational background, gender duality of the CEO role are relatively straight forward characteristics that do not need any measurements to determine them. However, to appraise characteristics such as personality and leadership style the researcher requires an additional tool to determine this. The CEO characteristics of many CEOs are regressed against the company's performance, which uses various approaches or measurements of performance to achieve this. The methodology used is a quantitative methodology which primarily involves testing of a pre-set hypothesis.

### Criteria for Inclusion and Exclusion Criteria

According to Khan et al. (2003), literature review studies need to be sufficiently broad in order to ensure that one can get adequate literature for the review. As such, the researcher broadened the scope of the study by not limiting the bounds of the study to specific CEO characteristics. This enables the researcher to be able to investigate a wide range of CEO's characteristics that were studied in Nigeria concerning the firms' performance. Additionally, the researcher did not also limit how a particular study measured the organization's performance since there was a wide range of approaches through which firms measure the company's performance. Case in point, some studies nation performance using ROA the profitability of the firm within a specific period, Tobin's Q, among others. The literature study investigated studies primarily in Nigeria. In order to get relevant literature, the study investigated studies conducted within the last ten years. An inclusion criterion for the studies that included systematic review was research studies published within the last ten years, those that were based in Nigeria, studies that compared particular CEO characteristics with firm performance even

though that was not the primary aim of the study. During the initial literature review, which is presented in the previous chapter, the researcher realized that few studies actually had the primary aim of studying CEO attributes on company's performance.

Consequently, the researcher was forced to rely on other literature that highlighted specific CEO characteristics concerning performance. Being the nature of the study is to examine the casualty of CEO attributes on work performance, the researcher was forced to rely primarily on quantitative studies as opposed to qualitative studies. This is because qualitative studies tend to offer only descriptive information, but they do not offer reliable information on correlation or statistical impact of particular characteristics on the firm's productivity. The researcher also included a wide range of CEO characteristics and firm's performance appraisal approaches. As exclusion criteria, the study also excluded studies that were not based in Nigeria. The study aimed to study how CEO characteristics affected firm performance in the Nigerian context. The study also did not include systematic reviews due to their complexity. It is not easy to compare studies that have a different methodology, a search in order to increase comparability of the study only included primary studies and excluded those that relied on secondary information.

### **Literature Search Strategy**

Being that the study is based in Nigeria, the study conducted searches in databases such as Google Scholar, ProQuest, Scopus (Elsevier), Social Science Research Network (SSRN) and EBSCOhost. The search terms the research employed were “ impact of CEO characteristics on firm performance in Nigeria”, “ executive character on firm performance in Nigeria” “ executive teams” “characteristics performance on performance in Nigeria” “executive leadership on firm performance in Nigeria.” “CEO Education and firm performance in Nigeria” “CEO origin and firm performance in Nigeria” “ CEO ownership and firm performance in Nigeria” “CEO age and firm performance in Nigeria” “ CEO duality and firm performance in Nigeria.” In addition to searching databases, also reviewed references from included studies in order to identify additional information the search process may not have captured.

### **Limitations of the Study**

It is essential to know that regressing a study sufficiently to link performance of a company to the characteristics of the CEO is not satisfactorily achievable. This is because a company's performance is based on a myriad of numerous factors that interact with each other complexly. Therefore search is not easy to associate particular characteristics of the CEO with performance. Additionally, the CEO, as an entity, has various characteristics that cannot be studied exhaustively and their linkage to performance. First, due to the problematic access to data, the time period of most studies is only a few years, which does not allow tracing the long-term effects of top managers on the company's performance. Finally, the characteristics of managers may be dependent on the performance of the company, that is, contain the problem of endogeneity, the struggle with which is difficult, due to the problematic search for instrumental variables. It should be noted that the listed restrictions can be perceived as further directions of research. Additionally, the majority of the studies only study publicly listed organizations because of ease of access to data. This also presents a significant limitation in terms of the extent to which the study can be applied to private companies. It is also important to note that the majority of the studies that were involved only measured performance in regards to finances but did not employ other approaches.

### **Ethics**

Being that a systematic review does not involve directly going into the field and interacting with human subjects, ethical considerations for such a study are minimal because they have potentially no risk to the participants that were involved. Choosing to conduct a systematic review is in itself an ethical consideration because it applies already existing information to gain a better understanding of the objective of the study. This reduces the risk subjected to a human subject by choosing to apply literature that is already available in the public domain.

### **Data Analysis**

If the study had inclusion criteria, the study was subjected to a further analysis of the abstract to

determine whether it was relevant to the objective of the current research. If the researcher determines that the objective of the current research was not met within the abstract, the researcher's father conducts the content review of the study. If still, the studies content ten congruent with the studies in the study were excluded from the study. However, studies that were consistent with the aim of the current study were the shortlisted for the analytical process. Data for the current study were analyzed systematically using themes derived from literature occurring primarily from characteristics of the CEO. The CEO characteristics that were different from the other was classified as a theme, and all literature that pertains to that particular characteristic was consolidated and synthesized to derive inferences (Thomas and Harden, 2008). The findings of this research are presented in the subsequent chapter.

## Research Analysis

### CEO Ownership

A review of 93 firms from a study by Sanda et al. (2005) conducted in Nigeria shows that CEO's in Nigerian companies tend to have considerably large shares of ownership in equities with an average of 13.4 percent equity ownership by the directors. In some Nigerian organizations, equity ownership went as high as 62 per cent. Directors' shareholding negative correlation, which was significant on a 5 percent level on the return on assets, as well as a price-to-earnings ratio. Even though the results indicate there was still a negative correlation between the director's ownership and Return on equity it was not significant. Being that director's ownership has a negative impact on shareholding it is an unexpected result. According to Sanda et al. (2005), there is a propensity of directors to prevent a firm being taken over particularly if they have an ownership stake in the company. Additionally, some company directors tend to their company a significant amount of orphans which eventually turn into bad debts due to the fact that it is challenging to collect them due to the conflict of interest that arises between the shareholders. Sanda et al. (2005) explain that if the firm's director's portfolio of assets is part of the company's shares it might explain why the result shows the negative correlations between



director shareholding and return on asset, return on equity, as well as the price to equity ratio. The findings of these studies are consistent with the finding of the study by Ehikioya (2009) which shows low ownership concentration in Nigerian firms with few board members assuming ownership. Low concentration of equity ownership has been associated with poor performance because there is a lack of incentive by shareholders to monitor the firm and its progress (Ehikioya, 2009). Additionally, having ownership concentration results in a lower valuation of the company. Additionally, the study by Ehikioya (2009) found that having board members coming from the same family tended to have a negative impact particularly in regards to the institutionalization of checks and balances which tend to have a negative outcome on the firm's performance due to the fact that members of the board have better opportunity to manipulate board activities (Ehikioya, 2009).

According to Onali et al. (2016) and Wu et al. (2011), CEO Ownership ranks among the biggest sources of power both hypothetically and essentially. The critical element of agent-principal relationship in the agency theory is company ownership. Based on a revelation by Zhang et al. (2016), CEO ownership is highly linked to crucial board decisions for instance choice of board members and determination of their remunerations, as well as other decisions. A study by Adams et al. (2005) assessed the effect of CEO influence on company's performance inconsistency. The research findings discovered a positive correlation between CEO ownership and firm performance. Bharbra et al. (2003) recounted a positive linkage between firm performance and CEO share ownership. Similarly, Jensen and Murphy (1990) established a positive relationship between CEO share ownership and firm performance. Likewise, Onali et al. (2016) investigated the level of corporate leadership impact on corporate performance of African industrial companies. The research also sought to assess the effect of the power on dividend plans by employing a 9-year panel statistics. The results established that CEO ownership greatly affects firm performance as quantified by market-to-book value and Tobin's Q. On the other hand, some studies offer contrasting results. For example, Fahlenbrach (2009) explored a 10-year statistic scrutinizing the association and recounted that CEO ownership negatively affects firm performance based on Tobin's q measurement. Furthermore, Kaczmarek et al. (2014) assessed the effect of CEO ownership in an effort to demystify the impact of intertwining directorship. The

research studies revealed a substantial negative correlation between CEO ownership and corporate performance. In a similar light, Shukeri et al. (2012) outlined the negative effect of ownership on company performance. Adams and Mehran (2012) highlighted their surprise in reporting such a conclusion since the former works lacked any noteworthy connection. They nonetheless held that the variations may have been triggered by variances in the timeframe for the statistics employed in the analysis. Limbach et al. (2016) established a non-linear but U-shaped association among the power of the CEO and the value of the firm. The nature of the correlation was deemed to be negative. Based on the discrepancies of prior study results, this research perceived it necessary to lengthen the study to a dissimilar framework since practical, customary, and cultural variations exist across diverse environments. Correspondingly, the nature of CEO entitlement varies across trades; therefore, this research takes into consideration data from the industrial sector of a developing nation, in this case, Nigeria. Here, it is hypothesized that CEO ownership significantly influences company performance.

### **CEO's Education**

The paradigm of the resource dependence Theory asserts that the CEO is a strategic resource for the organization (Ujunwa, 2012). Therefore, having a higher education qualification such as a PhD will be a strategic move for the company. An educational qualification such as PhD allows the CEO to have competencies and proficiencies that will aid in executing the company's roles effectively thereby leading to the effective performance of an organization (Ujunwa, 2012). In the study conducted by Ujunwa (2012) the author offers an advisory statement rather than one backed by empirical evidence by advising that see you should have a varied skill set particularly one that is supported by higher educational qualification as well as expert education particularly in the disciplines of public relations, law, and community advocacy.

The CEO, as well as the organizational board, are charged with the duty of monitoring performance and management of an organization. As such, the educational requirement is spelt out by the Nigerian code of corporate governance, which precisely States educational requirements for a company's directors (Akpan and Amran, 2014). Akpan and Amran (2014) cite that educational qualifications are

an important resource, particularly in the decision-making process. The Nigerian based study by Akpan and Amran (2014) of 91 firms listed in the Nigerian Stock Exchange between 2010 and 2012 showed a positive correlation between the qualification of a director and firm performance. Additionally, the findings of the author show firms led by uneducated directors performed poorly compared to firms led by educated directors (Akpan and Amran, 2014). In a study of 73 firms listed in the Nigerian Stock Exchange between 1995 to 1998 Adenikinju et al., (2006) found that educational background had a significant impact on a 10 percent level with respect to Tobin's Q. CEO's level of education has a significant relationship with the firm's performance. The CEO carries the vision of the firm, and therefore, he/she monitors the management on behalf of other stakeholders. Therefore, firms insist on educated CEOs to ensure that investments do not fail. Firms in Nigeria, as well as the Nigerian Corporate Code, stipulate the requirements of the CEO to be educated even if the specific qualifications are not mentioned (Saidu, 2019). The education qualification is what assists the CEO in making great decisions for the firm. There is a positive relationship between CEOs with PhDs and financial firms in Nigeria from firms listed in the Nigerian Stock Exchange. For example, financial firms need CEOs with accounting education. In Nigeria, Demographics show that CEOs do not have an education background in areas their firms are majoring in, but the trend is slowly changing. The key aspect of CEOs characteristics is that they must be educated. According to Dtatta and Datta (2014), education is a significant characteristic of the CEO and other top leadership managers since firms view education as a major factor in the ability for the positions.

Among the antecedents to enhanced managerial efficacy is the achievement of some degree of education. Education is a critical tool for deliberation in staff promotion and even compensation. A considerably high level of education bolsters a manager's prestige and confidence thus optimizing their decision-making capabilities. Different results from various studies appreciate the necessity of education by senior management personnel. Certo (2013) investigates connections between CEOs conducting an all-inclusive set of industry circumstances. Likewise, Kokeno and Muturi (2016) assessed the effect of CEO conduct on company performance based on statistics of companies trading at the Nairobi Securities Exchange. The outcome from the investigation revealed that CEO education

and age had a substantial and positive influence on company performance. Furthermore, the outcomes of the investigation also revealed evidence to enhance the claim that companies suffering from low performance were more probable to hire a CEO with experience in operations as opposed to those from the law, marketing, accounting, or finance background. Ujunwa (2012) stressed that companies ought to emphasize the choice of top management in technical and operations experience if their principal plan for rivalry was an invention in product growth.

More studies conducted have revealed a positive correlation between the credentials of the CEO and company performance. Ujunwa (2012) establishes a positive and substantial linkage between a CEO with a doctorate qualification and a firm's financial performance in Nigeria by analyzing statistics from 122 corporations trading in the Nigerian Stock Exchange between 1991 and 2008. Yermack (2006) derived that share prices react significantly to the CEO's professional credentials, more so in the field of finance and accounting. Haniffa and Cooke (2002) established a positive linkage between accounting qualifications of CEOs and company information disclosure. The hypothesis drawn from previous studies indicates that: H2. CEO education considerably influences company performance.

### **CEO Origin**

A CEO is either recruited internally from the existing workforce of a company or sourced externally. Whichever the case, their entry mode into the position is interpreted in various ways (Pathan, 2009). There is an intrinsic advantage that is enjoyed by a CEO who is promoted to the position compared to his externally-sourced counterparts. In a Nigerian study by Sanda et al. (2005) with a sample of 93 companies of which 63 per cent were run by indigenous Nigerians while 37 per cent of them had foreign chief executive officers. Having an outsider CEO should have a negative correlation with regards to return on asset, return on equity, and price to equity ratio. An outsider CEO, in this case, represents a Nigerian director but coming from outside the organization. With regards to expatriate CEOs, they had a positive impact on the firm's return on equity return on an asset as well as Tobin's Q which is significant at 1 per cent level. With regards to ethnicity, a study by Ujunwa et al. (2012) revealed an insignificant weak positive correlation between the ethnicity of directors and return on

investment. Historically, attracting foreign top managers (expatriates) is considered one of the ways to increase the efficiency of companies in Nigeria. Expatriate CEOs are considered to have a greater knowledge of market economy and business management skills, greater experience in senior positions in market conditions, the possibility of improving corporate governance, the culture of the organization, as well as the presence of contacts and connections abroad. However, attracting foreign managers can be fraught with a certain number of difficulties, among which it is customary to single out the difficulty of adapting to the socio-cultural characteristics of a country and the lack of understanding of the specifics of the Nigerian market. Also, the costs associated with finding, hiring and relocating a foreign manager can be substantial.

In a Nigerian based study conducted by Sanda et al. (2015) which investigated among other things whether an outside CEO performed better than an indigenous CEO. It is important to note that the comparison here is not whether the CEO is coming within the organization or outside the organization, but rather it is whether the CEO is a Nigerian or not. Additionally, the study also investigated whether a CEO emanating from outside the company performed better than a CEO from within the organization. The study's findings show that Expatriate CEOs performed much better than Nigerian CEO's.

### **CEO Age**

Hambrick and Mason (1984) posited that firms with young CEOs attain increased growth compared to their rivals with older CEOs. Youthful CEOs exude the will and enthusiasm to embrace new ideas and explore innovative ways of doing business as opposed to their old counterparts who prefer to maintain status quo (Cheng, Chan and Leung, 2010). There are inadequate studies that assess the relationship between the age of CEO and firm performance. Results of CEO age diversity and firm performance are reported separately. Mahadeo et al. (2012) reported an inverse relationship between CEO age and firm performance. This implies that company performance declined with an increase in the age of the CEO. The youthfulness of a CEO considerably and positively influences corporate performance based on the ROA metric (Dagsson, 2011).

## CEO Gender

In recent years, there has been an increased focus on research touching on the proportion of women in boards of different companies. This concern has even triggered some nations to enact legislation to reserve a set number of positions for women within the boards of publicly traded companies. For example, Sweden and Norway set a gender quota on the boards of listed corporations (Rondoy, Oxelheim and Thomson, 2006).

Many of the CEOs in Nigeria have been men but females have received attention as well. Women are seen to increase a firm's performance as they are strict and can be trusted. They are also risk averse, and therefore, they only approve less risky projects helping the company avoid financial losses. It is quite unfortunate that just like many countries, Nigeria has not fully accepted the idea of women becoming CEOs and holding upper management positions in firms (Kajola, 2008). Most of these women are fit and qualified for the CEO position, but they will not be recruited just because they are female. A study by Ujunwa (2012) of 107 listed organisations showed that Gender diversity, particularly in the board, was associated with the negative performance of a firm. This contrasted in a study conducted by Ujunwa et al. (2012) showed a positive correlation between both gender and the firm's return on assets; however, this relationship was not significant.

Women are fit for the position, especially because of their personality. Men are always overconfident, which makes them take very risky projects leading to financial losses, unlike women who will make calculative moves. Men also are likely to spend heavily unnecessarily, which increases the expenditure, unlike women who are quite risk averse (Alfaro, 2018). Men's compensation is quite different from that of women. Generally, men are paid more than men. Men's payment is performance-based, and therefore, they have less incentive to perform better compared to women and therefore, they need performance incentive payments.

## CEO-Chairman Duality

CEO-chairman division explains a phenomenon where a corporation's CEO doubles up as the chairman of the board of directors. The CEO-chairman duality can be explained using two schools of

thought. Several academics believe that CEO-chairman duality reduces company efficacy and performance since the same individual will be marking his “own examination papers.” Division of duties will result in one, averting of CEO entrenchment; two, rise in board monitoring efficacy; three, accessibility of board chairman to counsel the CEO, and four formations of freedom between corporate management and board of directors (Rechner and Dalton, 1991).

In a Nigerian based study that sought to seek Corporate Governance mechanism among them CEO status (Whether also the CEO doubles as the chairman of the board) and its impact on return on equity as well as profit margins of the organization. The study was performed on 20 Nigerian organizations listed between 2000 and 2006. The findings of the study suggest that a CEO who also occupied the position of the chairman of the board performed significantly better in regards to return on investment as well as profit margins when compared to a CEO that was not the board's chairman. CEO status meant that if the CEO occupied the position of the chair of the board, the firm was more likely to perform better than a firm where the CEO was not the chairman of the board (Kajola et al. 2008).

This is in contrast to a study conducted by Ujunwa et al. (2012) which shows a positive relationship between CEO duality and a company's performance with respect to the return on assets, even though the relationship is not significant. In another Nigerian based study that investigated 93 companies listed in the Nigerian stock exchange, 86 per cent of the CEOs had dual roles with only 14 per cent being co-chairs. Having a CEO who also had another position had a positive impact on return on asset, which was significant at the 10 percent level, as well as a positive impact on return-on-equity which was significant at the other 5 percent level. However, the duality of roles had a negative impact on Tobin's Q as well as the price to equity ratio but it was not significant. In a Nigerian be study conducted by Ehikioya (2009), it investigated 107 organizations listed in the Nigerian Stock exchange between the period of 1998 and 2002. The results of this study show that giving the CEO a dual role particularly that of the chairman of the board had a negative impact on the firm's performance.

Ujunwa (2012) of 107 Nigerian quoted firms between 1991 and 2008 also showed that CEO duality had a negative implication on the performance of the organization. In a study conducted by Ehikioya

(2009) in Nigeria, that investigated corporate board characteristics on the financial performance of 122 Nigerian quoted firms. The study investigated characteristics such as skills, gender, ethnicity, nationality, and gender. The study found that CEO duality negatively affected the organization's performance. The study also found that having a PhD qualification also was positively significantly linked to the firm's performance in large organizations. However, when the study was controlled for size, and small-size firms investigated it was found that the CEO's duality actually positively was linked to better performance in smaller firms. Again, having a CEO with a PhD qualification was negatively linked to performance in smaller firms. This brings in the dynamic that the performance of the CEO is linked to other external factors such as the size of the firm. In a study by Okoro et al., (2018) which determined to find out whether a CEO's role duality had a significant impact on A firm's performance in regards to the profitability of the organization. The study reviewed 22 banks depositing money that was listed in the Nigerian Stock Exchange by March of 2016. The study determined that the duality of the CEO's role resulted in negative outcomes in regards to the bank's profitability. However, when the researchers applied a coefficient determination measure to determine whether the independent variable had an impact on the dependent variable, it was determined that profitability of the banks that deposited money in Nigeria was not significantly related to the duality of the roles of the CEO.

#### 4.7. Nigerian Context versus the World Context

A firm's performance is immensely influenced by various managerial features. The most critical aspects in this context entail the rank of the chief executive (CEO), chairman, and managing director, what is their background in the core business of the companies, and if his selection was the outcome of internal promotion; the board nature, among others. For instance, CEO features and experience to company performance for a huge model of companies traded in the stock exchange. For example table 2 below is a result obtained from a recent study titled CEO characteristics and firm valuation: a quantile regression analysis (Nguyen et al. (2018)).

Table 2 Descriptive statistic of sample gotten from two thousand seven hundred and two(2702) observation of Australia companies between 2001-2011



Source: <https://link.springer.com/content/pdf/10.1007/s10997-017-9383-7.pdf?pdf=button>

	Mean	S.D.	Q25	Q50	Q75	Skew	Kurtosis
Ln (Tobin's Q)	0.4904	0.6841	0.0456	0.3916	0.8442	1.13	6.89
CEO age	51.690	7.4848	46	52	57	0.07	3.13
CEO tenure	3.4058	2.3702	2	3	5	1.06	3.54
CEO duality	0.1077	0.3101	0	0	0	2.53	7.41
Board size	5.7746	2.1595	4	5	7	1.21	5.04
Board independence	0.5689	0.1716	0.5	0.6	0.7143	-0.77	3.54
Board ownership	0.0866	0.1486	0.0013	0.0156	0.1005	2.37	8.54
Firm size	19.065	2.2223	17.481	18.938	20.638	0.18	2.71
Fixed assets	0.2495	0.2316	0.0438	0.1873	0.4098	0.79	2.59
Leverage	0.1650	0.1556	0.0020	0.1524	0.2758	0.57	2.28
Capex	0.0895	0.0991	0.0192	0.0520	0.1211	1.58	4.75

Their research looked into how three prominent CEO traits affected company valuation. They found that CEO age is consistently associated with lower firm valuation using a sample of 2702 data for Australian enterprises between 2001 and 2011. For companies with high-growth potential, CEO tenure is also linked to lower valuation, however this association is stronger in the higher quantiles of firm valuation. Contrarily, CEO duality is only found to be advantageous for businesses with strong growth potential. Their research emphasizes the complex interplay between CEO traits and firm valuation.

### CEO Ownership Implications

In this regard, Nigerian studies have proven that an inverse correlation exists between CEO ownership and agency conflicts between shareholders and managers. Contrastingly, Demsetz and Lehn (1985) find no connection between ownership structure and company performance and affirm that the divergence of interests between shareholders and CEO is weakly supported. Empirically, Morck, Shleifer and Vishny (1988) contrast with the results by Demsetz and Lehn (1985) and in tandem with the constructive impacts of ownership, by stating that company performance initially increases up to 5 per cent level, then declines with a rise in ownership up to 25 per cent and then increases gradually at heightened ownership stages. The outcomes of the study propose the notion that managers tend to apportion the company's resources in their personal interest, even though it may differ from those of investors. A likely clarification for the nonlinearity in the ownership-performance correlation is that CEOs become embedded when controlling an extremely high proportion of ownership. The entrenchment of CEOs results in the reduced efficacy of various substitute governance instruments, for instance, the corporate control market. Meager research has been undertaken regarding the value of ownership concentration in Nigeria. Leech and Leahy (1991) highlight marginal profitability variances between ownership-controlled and management-controlled companies. Such variances are undoubtedly economically insignificant. Furthermore, Canyon and Leech (1994) assess the modifying role of ownership absorption in the pay-for-performance association. They establish a weak correlation between pay and performance, whereas ownership proves to be immaterial in justifying this relationship. Munene and Kibisu (2014) also assessed the impacts of CEO reward system on company performance. Among the most prominent features of modern companies is the separation of entitlement and control. This results in the conflict of interests among shareholders and managers. Whereas the main priority of shareholders remains wealth maximization, managers dwell on individual prosperity and status. To align the welfare of both managers and shareholders, directors are issued with stock options, shares, and rewards. Director equity ownership is a powerful tool for directors to empower them to observe managers efficiently. The agency interest alignment suggests that a company

under the leadership of an owner-manager has a high propensity to success as the leader will channel all his efforts towards attaining the goals of the corporation. Whereas some investigations confirmed the hypothesis, numerous empirical evidence was contrary to the claims.

## **Education**

Divergently, some investigations failed to establish the association between the CEO's education level and company performance. For example, Gotteman and Morey (2010) employed facts from US companies and results specify no substantial association. Nonetheless, Gottessman and Morey (2010) employed only a market-oriented metric- Tobin's q. Moreover, Lindorff and Johnson (2013) examined the effect of CEO commercial studies on company performance. The research reiterated that business studies are only over-stressed. The research nonetheless employed Masters of Business Administration (MBA) as the sole yardstick of CEO training as well as dividend return and share price variations as the performance metric. This study could, therefore, be criticized based on the fact that the MBA is merely one aspect of business studies among many others.

Darmadi (2013) protracted the investigation on CEOs by assessing the effect of CEO training as well as other board members on the company performance of Indonesian companies. The analysis derived results that the learning credentials of board members and the CEO are to a large extent significant. CEOs with degree qualifications from prestigious domestic universities significantly outperform those lacking such credentials. There were efforts to establish the effect of CEO level of education and the company's environmental performance. Based on statistics from 392 companies between 2005 and 2010, Huang (2013) established that environmental performance, quantified by the reliability of Corporate Social Responsibility (CSR) rating, is intensely associated with the learning level of the CEO particularly master's degree, that is, MBA and Masters of Science (MSc.). Koyuncu et al. (2010) assess the role of CEO learning context on company performance based on a model of 437 CEOs of companies listed on S and P 500 companies using statistics for the duration of 1992-2005. The outcomes of their investigation revealed proof in the theory that companies managed by a CEO with a

learning background in operation-oriented subjects for instance engineering had healthier company performance compared to those headed by CEOs with other practical contexts.

### **CEO origin Implications**

Expatriate CEOs can be strongly correlated with international experience. In the works presented above, no significant relationship was found between foreign experience and firm performance. Zhang and Rajagopalan (2010) describe this advantage as the power they possess. Other studies by Adams et al. (2005) perceive it as the existence of the CEO as the sole director on the board hence having controlling powers than other top management executives. Hence, an internally recruited as opposed to being outsourced manager exudes power as he is assumed to possess special advantages and qualities above others.

Evidence-based on research studies by Rhim et al. (2006) has proven that companies with a CEO that is replaced by an insider in most instances exhibited better performance than those with an outsourced CEO. Victoravich et al. (2011) applied the ratio of insider directors on the board of the company as a pointer to diminish the power of the CEO. Statistical analysis findings dictate that particular risks diminish with CEO power. This implies that, the higher the power of the CEO, the higher the level of risk averseness of the company.

Another study on the CEO power was by Adams et al. (2005) who assessed CEO power on the company's performance variability with him being the sole insider board member. The outcome from the investigation reveals a higher level of stock variability with an increase in CEO power. Additionally, Zheng (2010) deduced that the ratio equity-oriented reward of external CEOs escalates during the beginning of his tenure and gradually declines as time relapses. The research also revealed that externally-sourced CEOs have upper and quicker growing rewards based on equity compared to internal CEOs. Similarly, Favaro et al. (2011) believe that enhanced performance pegged on increased shareholder return is accredited to an internal CEO. This study derives the hypothesis CEO insider has a positive effect on company performance.

### **CEO Age Implications**

In a study conducted by Wang (2014), which investigated CEOs' age on return on assets. The age groups of the CEOs were classified as: below 50 years, 50-59 years, 60-64 years, and above 65 years. The studies reported that CEOs below 50 years of age had a negative impact on return on assets when compared to CEOs that were between 50 and 59 years. However, there was no significant difference between the CEO's aged 50 to 59 years and those aged 60 to 64 years on return on assets. Additionally, CEOs aged between 60 and 64 years had better return-on-investment than those aged above 65 years old but only on a 10 percent significance level. Additionally when she used below the age of 50 years were compared to those aged between 60 and 64 years, the older series had a better return on the asset at the 1 percent level of significance. Also, when the CEO's below the age of 50 were compared with the CEOs Above the age of 65, the CEO's above the age of 65 performed significantly better on a 5 percent significance level. The study also compared CEO's between the ages of 50 to 59 years with those above the age of 65 and determined that those between the ages of 50 and 59 years had a better return on assets which was significant at 1 percent level. From the above information, CEOs below the age of 50 had the poorest performance in regards to return on assets compared to two relatively older CEOs. While the study shows, the age between 50 and 59 years to be the optimal age for return on assets (Wang, 2014). Contrastingly, Ararat et al. (2010) derived that the younger the age of the CEO, the substantially higher the return on equity (ROE) based on data from Turkish companies. In contrast, the study by Wang (2014) Kiduff, Angelmar and Mehran (2000) established a positive linkage between CEO youthfulness and firm marketing performance. However, Randoy, Oxelheim and Thomsen (2006) together with Eklund, Palmberg and Wibery (2009) failed to establish any significant impact of age using Tobin's Q. Based on previous research that presence of young CEOs bolsters firm performance.

### **Gender Implications**

The results with regards to gender implications in the Nigeria context are contrasting one showing a negative correlation with another showing no correction. This is similar to other studies in the world.

For instance, in a study of UK companies using statistics from 1996 to 2010, Gregory-Smith et al. (2012) discovered that gender had no significant impact both with Return on Equity and Return on Assets. A study by Durmadi (2011) on 169 Indonesian companies trading in 2007 derived a negative influence of women CEOs on both ROA and Tobin's Q. Bharbra et al. (2003) recounted a positive linkage between firm performance and CEO share ownership. Similarly, Jensen and Murphy (1990) established a positive relationship between CEO share ownership and firm performance.

Various researches have been undertaken to determine the association between women CEOs and firm performance albeit with mixed results. Luckerath-Rover (2011) derived positive significant linkage between women CEOs and company performance. Smith, Smith and Verner (2006) derived the substantial impact of women on company performance whereas Ferreira (2009) established a negative significant correlation. Bar, Niessen, and Ruenzi (2008) also noted that CEO gender and fund returns are negatively related.

## Results, Findings & Discussions

Specific CEO Characteristics such as ownership interests and tenure illuminate, to a large extent, a company's inclination to carry out revolutionary projects and embrace an innovation plan (Schjoedt, 2001). A company's growth, survival, renewal, and eventual profitability are highly pegged on its innovative efforts (Schjoedt, 2001). Moreover, for numerous companies, innovations form a foundation for competitive advantages. Innovations are normally categorized into process/product, administrative/technical, and drastic/ incremental. The CEO contractual period influences innovation. The longer the tenure of the CEO, the greater their freedom to undertake more uncertain projects because a degree of belief in the CEO has been established with time (Van de Ven, 1986). Furthermore, CEO characteristics interactively affect company performance as well as strategic change. Oppen, et al. (2017) established an association between CEO characteristics and strategic transformation as qualified by company performance. Kupangwa and Dubihlela, (2016) believe that

demographic variables of a company influence origination, performance, as well as dissemination of power. Engelen, et al. (2015) formulated an upper tier viewpoint that proves that the demographic features of CEOs influence the strategic decisions made and eventually the firm's performance. In the case of Nigeria, the structure of authority is still developing. Nonetheless, for the majority of listed firms, there is a departure of command between the CEO and the board of director's chairman. The chairman oversees the overall long-term performance of the company, whereas, the CEO overlooks the intra-day management of the company. Circumstantial proof also divulges that CEOs often work their way up the organizational hierarchy through promotions as opposed to a recruitment procedure incorporating external candidates. Nonetheless, a number of scenarios have witnessed external candidates being recruited to run companies. Additionally, the eradication of the Indigenization Decree has culminated in the recruitment of non-Nigerian CEOs.

Corporate governance, ownership structure, and CEO characteristics network with other company level characteristics to establish firm performance. The ownership structure, charters, and laws impact the governance structure. In turn, the framework of governance affects CEO characteristics because the board established the recruitment, remuneration, and termination of the CEO. Accordingly, the CEO has the capacity to sway the board of directors. The CEO plays a critical part in the nomination and retention of external directors, coupled with restraining the influence of external directors. Additionally, a great proportion of external directors are highly rated executives hence, grant the CEO leeway by maintaining their monitoring roles to the minimum. Generally, the internal directors depend on the CEO's influence for their promotions and are highly probable to be more submissive to him. Therefore, there is a strong correlation between a firm's governance structure and its CEO. Corporate governance and CEO characteristics interact in such a manner that they influence performance. A CEO who is a shareholder in the company will tend to concentrate more on its long-run strategic expansion as opposed to short-term financial actions. Conversely, a CEO with limited ownership interests in the company will focus on securing his job.

## Conclusions

The research assesses the effect of CEO ownership, origin, duality, education, age, and gender on company performance. It is important to note that there is an incongruity in regards to various studies in attempting to show a correlation between certain CEO characteristics and an organization's performance. The study majorly employs samples from firms in the industrial sector trading on the Nigerian Stock Exchange. The research also concentrates on ownership since it lays the foundation for the agency theory, and in modern times, the CEO, who is among the major constituents of the model as the principal, engages in the ownership of the commercial. What is generally accepted about the Nigerian context with regards to ownership is that there is low ownership concentration. However, there is an inconsistency in the findings with regards to how ownership impacts on organizational performance. The results reveal that the majority of the studies inclined towards showing a negative implication of co-ownership and company performance. With regards to the source of CEO data is inconsistent with some studies reporting positive correlation, no correlation or negative correlation between choosing to hire an Insider CEO compared to one from outside the organization. This denotes that there may be some compounding variables affecting the origin of the CEO. Additionally, Nigerian multinational corporations tend to hire expatriate CEOs who generally tend to perform better.

The results specify that CEO education enhances profitability. Likewise, there is an advancement in stock performance when the CEO exudes previous experience of the company prior to his nomination as the CEO. Additionally, CEO education is critical as it establishes the basis of networks for the executives. With regards to education in the Nigerian context, studies consistently show that education plays a significant role in improving the performance of an organization. Thus, having an educated CEO works towards improving a company's performance particularly in the financial sense. However, this is not the case in the universal context where results seem to be incongruent with the majority of studies showing little or no correlation between a firm's performance and educational level. It is important to contextualize Nigeria as a third world country where the majority of individuals tend to be not uneducated compared to the rest of the world. As such, education, in the Nigerian context, is



perceived as an advantage or a strategic resource, which is generally not the case in the first world context due to the fact that the educational pool is very wide, and education is basic rather than strategic.

Correspondingly, promoting the senior executive internally to the CEO position is deemed to be healthy for the company; hence, directors should be inspired to give first priority to insiders in CEO appointments. The findings will be valuable to shareholders at arriving at a knowledgeable verdict in picking the correct CEO to manage the company. Additional assessments may contemplate the application of some models in creating the linkage between the CEO potentials and company qualities by exploiting varied prototypes, for instance, the design of the experiment. Additionally, the research depicts a positive correlation between external directors and CEO and company financial performance. However, there seemed to be a negative relationship between CEO shareholding and firm performance. Furthermore, the research discloses a negative relationship between Return on Equity (ROE) and CEO duality, whereas, a strong positive link is observed between Return on Capital Employed (ROCE) and CEO division. Further findings on CEO gender revealed that having a woman CEO at the helm of a company was highly likely to result in a negative substantial impact on firm performance whereas CEO education was likely to result in a positive outcome. When conducting the research, the researcher was not able to find any study that compared the gender of the CEO with regards to firm performance. This is because particularly there is gender inequality in regards to women representation in CEO positions particularly in publicly listed companies in Nigeria. However, there are numerous studies that compared the gender composition of the board with a firm's performance. Majority of the studies were consistent particularly in the Nigeria context that stated that gender diversity tended to have a negative outcome on performance. Were seen as positive as having a positive impact particularly with regards to the firm's value and overall performance.

The investigation of the effect of CEO characteristic on the performance of companies in the Nigerian context and the results were obtained from a practical and scholastic point of view. It was possible to establish in this paper that the gender and age of the general director do not affect the financial performance of a company, while foreign citizenship of a manager may adversely affect a firm's

activities. The results of the work also showed that all the considered characteristics of top managers were significant. As expected, the current position has a non-linear effect on a company's performance, while at the same time, combining positions as a member of the board of directors of other companies has a positive effect. However, some results were unexpected: experience in a similar industry, as well as experience in the public service, can have a negative impact on the financial performance of the company.

The conclusions from this study may be of interest to a wide range of stakeholders since they form a certain idea of the successful leader of the company. The results can also be useful to owners of companies in the search for the CEO. For example, when choosing a potential head of an organization, the owners should not be guided by their gender and age, however, one should pay attention to his citizenship and professional characteristics.

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# The Challenge of Being a Foreign Entrepreneur in the *Turkish Republic of Northern Cyprus*.

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## Abstract

This research encompasses the challenges of being a foreign entrepreneur in the Turkish Republic of Northern Cyprus (TRNC). It aims to understand the underlying dynamisms that being a foreign entrepreneur in the TRNC necessitates. To better comprehend the scope of this study, an inductive approach is applied from general observations cultivated from the participants and a conclusion is derived from their responses. In order to dissect the experiences of the respondents in connection with the subject of entrepreneurship a phenomenological approach was used to conduct semi-structured interviews that allowed the interviewees to possess the capacity to elaborate on certain areas while at the same time restraining it within the paradigm of the subject. A total of six foreign entrepreneurs were reached through snowball sampling techniques. All interviews were recorded and transcribed, and a thematic data analysis is adapted to narrow the responses to a consistent pattern to better interpret the outcomes. From the obtained and analyzed data, the participants reveal several key decisive factors that constitute challenges that impact on their businesses as foreigners in the TRNC. These factors include but are not limited to the lack of adequate infrastructures, grueling governmental red tapes, regulations, and requirements, lack of governmental interventions, substandard information flow, lack of appropriate network, and high taxes. In addition, these factors are likewise crucial in the decision-making process of prospective foreign entrepreneurs. Furthermore, some foreign entrepreneurs' businesses flounder as a result of the lack of adequate planning, the lack of experience in the relevant field, financial issues, lack of knowledge in customer attraction and retention, lack of proper strategy.

**Keywords:** Entrepreneurial ecosystems, TRNC, entrepreneurship, small island nations

## Introduction

The March 14, 2009 edition of The Economist empirically referred to entrepreneurs as ‘heroes.’ Certainly, the capability of taking calculated risks and delving into the business world by starting one’s own business is nothing short of audacious. Numerous factors are taken into consideration before undertaking such ventures. A few of the risks include; market risks, competitive risks, financial risks, technological risks. All things considered; they boldly take the necessary steps to own their own business. Arguably, being an avid entrepreneur and starting a business enables the stimulation of the economy and development of the country. However, previous research conducted on the subject of entrepreneurial endeavors in developing/emerging countries/economies, indicate that an overwhelming majority prefers micro and small enterprises (MSE), furthermore and remarkably, only a handful of these startup companies survive past two years of operation (Naudé, 2010). Interestingly, the majority of these companies in developing countries operate informally and being emerging economies, self-employment is a paramount aspect of entrepreneurship (OECD, 2017).

Living in the TRNC for the past seven years and in that span of time, I have witnessed a lot of businesses launch and inexplicably crash just a few months later. In view of the fact that it’s an island that is legitimately recognized only by the Republic of Turkey in the international scene, there could only be so many jobs. Perhaps, that is a prime determinant that drives individuals into the risks and rigors of entrepreneurship or it potentially could be the enthusiasm of being one’s own boss rather than a mitigating factor. As a foreigner, there is a fascination with what it takes for non-natives to startup businesses with the lack of jobs, the trials and tribulations that come to those who survive and what it takes to prevent failure and collapse. The objective of this research is to shed some light on this area of life in the TRNC.

### **Research Problem Statement**

Being an entrepreneur is a risky venture that comprises utilizing resources to execute a business opportunity (Fatoki, & Patswawairi, 2012). Essentially, there are inherent risks involved in being an

entrepreneur even as it is expected of them to exhaust resources and convert said resources into business enterprises. Being a foreign entrepreneur arguably has more risks associated with it than an entrepreneur in their native country (Saint-Leger, 2019). As Aliaga-Isla, et al (2013) observed, as a result of rapid globalization, immigrant or foreign entrepreneurship has witnessed a rise in research conducted pertaining to this phenomenon. Furthermore, in the case of the TRNC, there is virtually no research that entails the challenges and risks foreign entrepreneurs experience in relation to startup and daily operation. What motivates foreign entrepreneurs to start a business in the TRNC? What are the challenges associated with owning a business in the TRNC as a foreigner? What are some pitfalls that need to be avoided at all cost? What are areas to focus on to be successful?

### **Purpose of the Study**

Curiously, there has been virtually no research thoroughly conducted in this scope or dimension as pertinent to the challenges of foreign entrepreneurs in The Turkish Republic of Northern Cyprus (TRNC). While there exist numerous documentations regarding the guidelines pertaining to operating a business in the TRNC. Dissertations on businesses, however, are latent, much less in-depth analysis of foreign-owned businesses. According to Doing Business (2016), in 191 ranked economies based on the proficiency of starting up a business, the TRNC placed at the dismal position of 172. Factoring the regulations that include the visitation of offices, and lack of transition to a more digitized platform of operation. More so, for foreign entrepreneurs that possess the intention of launching a business, an application has to be made to the ministry of economics Turkish Republic of Northern Cyprus (State Planning Organization, 2018). There are other factors that affect entrepreneurs in the TRNC such as the environment and culture. The TRNC has a prominent collectivist identity that's very important in the society (Howells, 2015). Thus, as a foreigner, any deviation from the customs, culture, belief system of the TRNC citizens, is setting up for more inevitable challenges.



## Significance Of The Research

Joseph Schumpeter's theoretical concept of "creative destruction" is perhaps the most preeminent phrase in business and economics circles. It basically sums up the value of innovative entrepreneurs and accredits them as being a (disruptive) force that stimulates economic growth. Using the TRNC as a microcosm, this research aims to explore entrepreneurship in a foreign country from the perspective of foreign investors. While researches exist in their modicum capacity in the TRNC, they barely cover the intricacies of foreign owned businesses. A couple of the researches cover management, gender issues concerned with entrepreneurship, the political atmosphere, and entrepreneurial tendencies of the locals in general. It is the objective of this research to go one step further, by utilizing this particular segment of being an entrepreneur in a different country.

The significance of business ownership should not be understated. The backbone of most developed countries has business underpinnings. Perhaps the perfect paradigm of this is the United States. America possesses a considerable number of famous entrepreneurs and brands that are globally recognized. McDonalds being a perfect example. It has made the economy of the United States as intransigent and rigid as it presently is. More so, as Global Entrepreneurship Monitor (GEM) suggests, more countries are now perceptive about the benefits of foreign businesses and are creating frameworks to appeal to entrepreneurs.

The complicated position that the TRNC currently finds itself has been sufficiently established, however, does it make it unsuitable to do business for foreigners? If in fact, during the course of this research it is revealed that despite the state of affairs, businesses can flourish, then it would also be the aspiration of this research to attract more focus to this sector. Nevertheless, in the event that the TRNC is inept for foreign business ownership, recommendations and proposals will be presented in order to attract foreigners to invest in the TRNC. Furthermore, another objective this research hopes to accomplish is to encourage and boost interest for more research to be conducted in and out of the

TRNC. To recommence from the end of one research and encompass the other aspects of business ownership.

The significance of this research is to analyze the ownership of businesses by foreigners, to ascertain the practices, successes, and challenges by way of interviews. In addition, this research will delve into the reasons why other businesses floundered or failed.

### **Research Questions**

The study, which aims to explore the challenges faced by foreign entrepreneurs in North Cyprus, answers the following research questions:

What motivates foreign investors to start-up a business in North Cyprus?

What are the challenges that foreign entrepreneurs experience in starting up and operating their businesses?

What role does practicing a particular business strategy perform in customer procurement and retention?

How critical are employees to the operations of the foreign owned business?

How can the TRNC government influence foreign business ownership?

### **Study Limitations**

The foremost and perhaps most paramount limitation as pertinent to conducting this research is the lack of experience. This is in actuality my first detailed research formulated and executed in this magnitude. I acknowledge the reality that some of the procedures and processes could have been done differently and in a more enhanced manner. Additionally, having more interviewees would have

consolidated and strengthened the obtained data and information irrespective of the qualitative nature of the research. Some foreign business owners declined to be interviewed. Some of them cite lack of time and busy schedules as the reasons for their decline. More so, the foreign business owners who agreed to be a part of the interview were encountered during work hours, so, it is within the realm of possibility that their attention was partially divided. The most disruptive limitation is the covid-19 pandemic, which coincided with the period of data collection. As a result of its catastrophic devastation and governmental restrictive measures, meeting other potential respondents was unattainable, especially if consistency in data collection was to be maintained.

## Methodology

This section comprises the introspection, a personal reflection with regards to the scope of the data collecting procedure. It also involves the technique for data collection. Furthermore, it entails the structure as pertinent to the medium of data collection and analysis of the collected data. Also, it consists of the data collection processes, the participants of the interviews, research ethics (ensuring the anonymity of the respondents), and how the data is analyzed.

## Research Design

This research utilized the qualitative method which Hennink et al (2020) describe as an approach designated to extensively delve into individuals' experiences utilizing techniques such as interviews, focus groups, content analysis. The most significant and instrumental aspect of a qualitative study is the ability the researcher possesses to procure insight from the perspective of the participant therefore obtaining better knowledge about the subject matter and its application to a similar group of individuals which is the scope and aim of this study. As stated by Taylor et al (2016) there are two core theoretical perspectives of qualitative methodology. One of which is positivism, which is concerned with the assembly of facts regarding the occurrences of social phenomena that is not based on the subjective nature of the individuals involved. More so, the other perspective is the phenomenological

approach. This approach tends to interpret a phenomenon by trying to deduce a social occurrence from the point of view of the participant. Patton (2015) describes the inductive approach as a detailed observation that leads to a generalized structure. Essentially, the researcher has ideas about the subject matter prior to engagement with a participant and that is likely to be solidified subsequently by way of interview or other means.

More so, the inductive approach from this research will be employed to gather conclusive evidence obtained from frequent thematic elements of the raw data from the course of the research (Thomas, 2003). Thomas asserts some key rudimentary components for the qualitative analysis approach. Firstly, it's a method of collecting text data and making it concise and understandable. Secondly, it vividly connects the aims of the research and the conclusion obtained from the collected raw data in a manner that it is easily explainable and can be defended. Also, thematic analysis is an explanatory form that recognizes patterns from the data obtained from the participants of the research (Smith, 2015). Like expressed, it entails the perception of the common threads from all the participants and making clarification of it.

To ensure maximum veracity, numerous foreign owned businesses will be evaluated and selected. Given the fact that potential foreign business owners have been identified, a snowball sampling method will be employed (Taherdoost, 2016). The snowballing method is a mechanism whereby participants are accessed. It aids the researcher by improving the sample cluster (Noy, 2008). It is essential in situations where there's an interconnection between the participants in the research especially in the case of this research where the participants are likely to have knowledge of other willing participants.

In order to avoid sampling bias, it is fundamental to establish that the sampling frame corroborates the target population and ensure that the sampling is not as a result of convenience, which would alter the collected data (Panzeri et al., 2008).

All personnel referred from the snowball sampling method will be eligible to be participants in the study irrespective of location in the TRNC. The study will be conducted from the beginning of December to the end of February. A minimum of two hours will be devoted to each participant in order to obtain necessary and relevant information regarding foreign business ownership in the TRNC.

The phenomenological approach will be applied to obtain information about the essence of entrepreneurship from the foreign business owners as it is concerned with discerning their subjective reality in addition to understanding their experiences. It is a method to gain an insight into their purview and motivations (Sauro, 2015). Typically, in the TRNC, individuals work either five days in a week or all week with one day off, ergo it is essential to come to terms with the relevant participants with regards to the most conducive day for them. Furthermore, it is of the utmost importance that the timing is flexible to accommodate any last-minute modification (Easwaramoorthy, & Zarinpoush, 2006).

### **Research Method**

A semi-structured interview method employed to give freedom to the interviewees to explore potential issues that are raised Ryan et al (2009) as well as to ensure that there is constraint on the subject matter to enable focus on the significant aspects and eradicate inconsequential frivolities. One interview per participant is adequate to acquire the needed information, as the interview questions will encompass the scope of the study.

### **Data Collection**

The data is obtained by virtue of semi-structured interviews to address the research problems which were recorded using a phone with the explicit permission of the interviewees. As discussed previously, it is a qualitative research method that employs the phenomenological approach. It explores the experiences of the foreign entrepreneurs. There are no time constraints imposed on the participants

during the course of the interview provided their answers are consistent within the paradigm of the interview questions. The aim is to procure quality values and attributes as well as evidence (Kabir, 2016). During the course of the interviews, it is evident that the respondents possess the intellect and awareness of the subject matter. They address the issues in a more than capable fashion, they elaborate in areas that they were zestful about. The length of the interviews varied depending on the interviewee. Most of the foreign business owners were occupied with the operation of their businesses but were accommodating enough to fit the interview into their schedules. Others were conducted at an appropriate, opportune time that wasn't fitted into the interviewee's business schedule. At the inception, a lot more participants were envisioned. However, a qualitative study has less sample size (Dworkin, 2012). After gathering data from the six respondents, the thematic elements were consistent and a saturation point was reached. Furthermore, due to the immense constraints posed by the Covid-19 pandemic, accessibility of other prospective interviewees was restricted.

### **Participants**

The six respondents for the interviews were attained by the snowballing sampling technique. On the account of how small Cyprus is, it is rather unsurprising that foreign business owners have knowledge of other foreign business owners. This knowledge is paramount in obtaining more participants. The participants are exclusively foreign business owners that legally reside and conduct business in the TRNC. Neither the length of their residence nor the duration of their operation is a definitive or paramount factor. Additionally, their location and the type of business they own in the TRNC is not a decisive factor in determining their qualifications to be interviewed.

Despite the fact that I have never conducted qualitative interviews before, it went better than I expected in almost all regards. The participants that were willing to partake in the interview were cordial, pleasant, and polite. Some of the respondents offered me their products like coffee and sandwiches for free. There was mutual respect and eagerness on the part of the interviewees to express

their viewpoints. Majority of the respondents gave the relevant answers and elaborated within the frameworks of the questions.

### **Research Ethics**

The ethical approval was taken from the Business Faculty Ethics Committee before the data collection (see Appendix III). Out of utmost necessity, it was always imperative to secure the privacy of the individuals that participated in the interview. A pseudonym is utilized in lieu of their actual names. The name of their business is obscured as well. Every information obtained was provided voluntarily without any coercion or influence to maintain an unbiased perspective. Participants were afforded the liberty of being excused if they no longer intended to be a part of the interview and the results would be voided if that was the case. The interview questions were straightforward and comprehensive rather than broad and aimlessly vague. All the participants signed the consent form before the interviews (see Appendix I).

### **Data Analysis**

After the collection of the recorded materials, the interviews were transcribed manually. Subsequently, after the arduous transcription process, consistent thematic elements are personally and systematically derived by going through the transcribed materials. The aim was data reduction Folkestad (2008) and containment. Relevant responses are utilized to contextualize a particular scope of the research.

## **Results, Findings & Discussions**

This section aims to discuss the study's findings regarding challenges of becoming a foreign entrepreneur in the Turkish Republic of Northern Cyprus by discussing the findings.

### **What Motivates Foreign Investors to Start-Up a Business in North Cyprus?**

The obtained and analyzed findings suggest that one of the motivations for foreigners starting up or owning a business is the strategic position of the TRNC. It possesses a potential for foreigners to conduct business in view of the fact that the tourism sector constitutes a significant percentage of the GDP of the country, making it a catalyst and driving force of the economy. Furthermore, with regards to half of the participants, there are similarities in their cultures and that of the TRNC. For the others, assimilating into the culture and lifestyle of the TRNC is not only a necessity to them, they are willing to integrate into the society.

### **What are Some of the Barriers Foreign Entrepreneurs Need to Overcome for Their Businesses to Remain Operational?**

As evident from the finding, there are myriad of factors that correlate with the reviewed literature and the research question. As stated by BDC (2016), one of the prominent issues foreign entrepreneurs face is the availability of the necessary capital and financial resources to sustain the business. This entails a positive relationship aggregated from the research conducted in the literature review and the information obtained from the study. Furthermore, Brzozowski (2015) indicated it is useful for a cultural blend or assimilation. The same holds true as pertinent to the finding. It is fundamental for the foreign entrepreneur to see the host country as an extension of their home country. These amongst other factors are challenges and barriers foreign entrepreneurs must transcend to persevere in their various businesses.

### **What Role does Practicing a Particular Business Strategy Perform in Customer Procurement and Retention?**

Tanwar (2013) expanded on Michael Porter's generic strategies and their essentials to businesses. These strategies include; differentiation, cost leadership, and focus. Although a handful of the participants may not have had the familiarity with this concept in the context of their business, in practice, they perform them. As an illustration, participant 5 practices the cost leadership in anticipation of attracting customers. More so, different respondents express distinctive approaches within the confines



of Porter's generic strategies. This corroborates the reviewed literature.

### **How Critical are Employees to the Operation of the Foreign Owned Business?**

From the research conducted by Kanchana, et al (2013), the significance of appropriate employment and retaining of both quality employees is vital to the business enterprise. Their proficiency in handling equipment and dealing with customers can be a deciding element that would either strengthen the business or hamper it. Furthermore, in congruence with the research question, as a result of the small geographical region, many of the subjects have less than 10 employees, in other words, they are small businesses. Majority of the subjects are indeed experts in their various fields of business. They possess the ability to operate the business themselves in the case of employee turnover, however, there is no indication of the roles of student employees in the finding. Therefore, the hypothesis, while mostly in conjunction with the finding, is slightly off base as pertinent with students' roles.

### **How Can the TRNC Government Influences Foreign Business Ownership?**

According to Çilsal, Ö., Kanıdınç, G., & Eren, A. Ö. (2017), business startup only in the TRNC includes 17 processes, and takes 26 days. An entrepreneur is subjected to visit a single government establishment to accomplish different goals. Furthermore, from the accounts of the interviewees, it is obtained that the government simply requires excessive protocols from startups to operation. Case in point, the response obtained from participant 3 indicates that the tax rate is 16%. Similarly, other answers call for the TRNC government to reduce the demanding processes, the tax rate, maintain a particular and consistent currency, and upgrade their infrastructures. This finding indicates a positive relationship with the hypothesis question.

### **Implications for Foreign Entrepreneurs**

From the literature review to the conclusions derived from the data obtained, it is evident that business startup and operation in the TRNC is a daunting endeavor. In the political sphere, the sovereignty of

the TRNC endures being unrecognized, unabated, by all the International communities excluding Turkey. That's the first challenge for prospective foreign entrepreneurs. Turkey maintains a mother-child relationship with the TRNC; therefore, the TRNC is heavily reliant on Turkey for almost all essential resources. The import and exports of goods, everything proceeds from Turkey. For entrepreneurs, obtaining the necessary products for their business is a distressing prospect. More so, for starting up, it is imperative that the foreigner possesses a large amount of capital. Starting a business with a Turkish Cypriot entails the foreigner owning 49% shares of the business regardless if the entire capital is invested by the foreigner or not. That money is 49,000 dollars. And if the foreigner intends to start a business without the need of the Turkish Cypriot, the capital increases to 100,000 dollars. Finding the right partner to start the business with is also an issue. The foreigner would preferably want someone who would be invested in the day to day dealings of the business, not just the incentives it offers. For the daily operation of the business, there are extensive expenses that can be accrued. The rent or leasing of a shop, salaries or wages for employees (insurances, sigorta, work permit). A lot of unforeseen expenses may emerge and such. From the study, we obtain that the government does not necessarily reinforce foreign businesses, so the success or failure of the business rests on the shoulders of the business owner. The infrastructures are not as advanced as most other countries. The population is another factor. Due how small it is, attracting and retaining customers is incredibly essential. As revealed from the interviews, negative reviews can impact a business in enormous ways. Given the limitations of the businesses foreigners are permitted to own, there is immense competition not only with foreign business owners but local businesses as well.

Therefore, potential foreign entrepreneurs need to carefully evaluate and analyze the entire environment before making the decision to start up a business here.

### **Implications for the Government**

Commendably, the TRNC government offers certain incentives for prospective foreign entrepreneurs, they offer full property rights protection. Guaranteeing maximum transparency and making sure there is equality amid the local and foreign entrepreneurs. However, governmental red tapes and regulations

are very demanding for foreign entrepreneurs to accomplish, they can impede the intentions of foreigners to start their businesses in the TRNC. More so, some of these regulations and procedures include visiting one official institution for different reasons, the lack of modification (technologically) of relevant platforms for information (websites are old, some relevant information cannot be found). The centralization of information that encompasses all the organizations is poor. The clarity of the information discovered is another issue. Certain foreign entrepreneurs with similar cultural backgrounds possess the capability of learning the language quicker and assimilate faster, however, for others, there needs to be a clarification of information or better translations. The entire process of starting up a business in the TRNC comprises 17 procedures, and takes a minimum of 26 days. The tax for all businesses for the basic aspect is 10%, 15% net chargeable income tax, so overall 23.5% for income and the average VAT is 16%. Businesses have a lot more expenses pertinent to daily operation, leases, paying employees, and including the tax, it is more difficult for more businesses to break even. These deficiencies make the process much more challenging for the foreign entrepreneurs. Aiding and supporting the foreign business owners is another thing the government can do to attract more foreign investors to start up their businesses. If the government can address the majority of these challenges that foreign business owners encounter, there are bound to be more entrepreneurs that will be enthusiastic to invest in the TRNC economy.

### **Implications for Future Research**

A variety of factors can be rectified in a subsequent study on the challenges foreign entrepreneurs are poised with in TRNC. The first limitation is the sample size, it could be higher to be more representative of the population. Furthermore, there is a deficiency in prior research conducted in the capacity of what is necessary for foreign entrepreneurs to succeed. There are only a few research papers that were conducted generally on businesses in the TRNC, ergo, possible gaps in the literature review as pertinent to businesses in the TRNC. More so, apart from the first participant, the interview questions were altered either prior to and following the interview to fit the type of responses being obtained from the participants. Future researchers should revise the interview method to involve

consistent questions for all interviewees. There is no verifiable way to gauge the answers. A lot of the answers could have been as a result of biases and slights. Some of the foreign business owners declined to be interviewed. Time constraints and the global Covid-19 pandemic are factors that have limited the scope of this research.

## Conclusions

From the collected and analyzed data, it is garnered that the relocation of an entrepreneur from their country of origin to another country with the aim of starting up a business, is influenced by many factors which comprises but is not limited to their ethnic background, way of life, age, education, and experiences. And this corresponds to the participants' responses. From the reviewed literature, it is revealed that one of the primary reasons businesses flop is the deficiency in experience of the entrepreneur. As obtained in the interviews, the majority of the interviewees had some variances of experience before deciding to open their businesses. Furthermore, as conveyed previously, the motivation of many entrepreneurs is important to the successful ownership of a business enterprise. These motives are derivatives from the activities, conditions, occurrences, and background of the entrepreneur. From the respondents, we gain insights that are consistent with this review.

The approach, behaviors, and preferences for a particular business enterprise stimulates entrepreneurial efforts. Basically, as formerly stated, the business acumen of entrepreneurs is an imperative feature irrespective of the means it is acquired. The feedback corroborates this. The participants provide the distinctive reasons they decided to go into a particular type of business. Entrepreneurs are mandated to recognize opportunities in situations where other individuals might see complications. From the information, the interviewees perceived different opportunities in the TRNC and decided to seize them. In continuation, problems, barriers, and challenges are inescapable events with regards to daily business activities. Unfortunately, there are many threats of difficulties and complications that entrepreneurs need to survive. The respondents shared their most prominent obstacles, some of which include capital, regulations. A detailed evaluation of the country the

entrepreneur chooses to execute their business in is extremely important if they are to prevent unforeseen concerns. The clarity of governmental rules and regulations is another problem they need to take into account.

Inadequate infrastructures are an obstacle for entrepreneurs. The lack of proper business knowledge and disorganization are things that produce the impression of imminent failure and cracks in the system. In the TRNC, it is demanding to obtain the significant precise information from a source without the requirement to visit the same office for a different purpose. The foremost, definite inspiration and objective of entrepreneurs' aspiration to begin their own businesses and take chances is for the aim of making profit. To have yields from their principal investments. For foreign business owners, the same holds true. There are two amid other issues that influence foreign business owners; the demand for a product or services and competition from both local and other foreign entrepreneurs are conflicting elements in their attempt for advantage and attracting customers. A recurring theme from the participants' response is the fact that the quality of product and service is one of the most predominant methods of attracting customers. The magnitude of the necessity of maintaining customers is enormous. In business, there are numerous important factors but possibly none are as crucial as attaining customers. The goal being to procure dedicated customers. Analysis of the answers demonstrate what it entails to retain customers. Quality service, friendliness to customers, and so forth are some of the frequent techniques.

The recruitment and retention of valuable employees is an exhausting prospect, yet it is exceptionally obligatory. Ultimately, employees are an intangible asset to the business enterprise. They perform decisive duties in the functions of the business. From the respondents' responses, they indicated that they possess the ability of doing the work themselves, yet stress the importance and value of their employees. The literature review scrutinized the obligations and responsibility of the government in the set up and function of businesses. Certainly, the government has a massive influence in the growth of the business. Additionally, for the foreign entrepreneurs, governmental involvement or the absence

of it is a crucial factor that benefits or impedes their development. The red tapes, bureaucracies, and lack of assistance on the part of the government is a consistent theme shared by the participants. The present foreign business owners in the TRNC have the knowledge and experience pertaining to the essence of owning a business. They have the necessary insight into the intricacies of owning a business and offer recommendations to prospective business owners in the TRNC. A regular thematic element was the need to have sufficient capital, the need for governmental assistance for foreign businesses, and more.

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