# **Entrepreneurship in Family and Non-Family Business: Youth Perceptions** and Poverty Reduction Effects in Cameroon

# Johannes Tabi Atemnkeng<sup>1</sup>, Fomba Emmanuel Mbebeb<sup>2</sup>, Mbu Daniel Tambi<sup>3</sup>

**Abstract:** The current paper attempts to explain productivity performance between Family and Non-family Firms in Cameroon, and also to determine whether the relative contribution to the social and economic development of a country by family firms as opposed to non-family firms is related to differences in production technologies and production efficiency. The study made use of self-explorative survey which was collected using qualitative methods. Based on the qualitative survey, results showed that there exists some similarities between family and non-family firms, and at the same time some significant differences in performance between the two are unveiled in terms of profitability, income generation, job creation and poverty reduction. The paper provides evidence-based policy recommendations to enhance the productivity and competitiveness of family and nonfamily enterprises in Cameroon.

Keywords: Cameroon; Family Ownership; Firm Productivity; Perceptions; Poverty Reduction

**JEL Classification:** I32

#### 1. Introduction

Since the mid-1980s, almost all African countries implemented economic and financial reforms to achieve macroeconomic stability and improve economic governance. In many countries these reforms led to greater macroeconomic stability, improved fiscal and monetary management as well as better, though still unsatisfactory, overall economic performance. The poor growth performance has made it difficult to reduce absolute poverty which constitutes the first, and perhaps the most critical goal among the Millennium Development Goals (MDGs). Therefore, more efforts are needed for the continent to consolidate improvements in the macroeconomic environment and achieve sustainable growth rates commensurate with the MDGs and other development targets. Growth is traditionally considered as the main engine for poverty reduction.

Private sector development is an important channel through which these targets could be reached. There is need for governments to revisit microeconomic (the so called second-generation) reforms needed to stimulate private sector development by improving the business environment and investment climate to facilitate firm entry, growth and survival. These reforms are particularly important given that the benefits from trade liberalization come primarily from new firms and new products. (Fafchamps et al., 2002) Entrepreneurship is thus, a determining factor in economic growth of nations. There has been a growing awareness since the early seventies that small and medium size enterprises (SMEs) are important for economic growth. They are seen as the engines of employment, alleviating poverty and improving equality. (Okpukpara, 2009; Ayyagari et al., 2011) The societal significance of the entrepreneurial process is the creation of job- and wealth-creating organizations

<sup>&</sup>lt;sup>1</sup>University of Buea, Cameroon, E-mail: jtabiatem@yahoo.com.

<sup>&</sup>lt;sup>2</sup> University of Dschang, Cameroon, E-mail: fombaem@yahoo.com

<sup>&</sup>lt;sup>3</sup> University of Dschang, CameroonCorresponding author: tambi2015@ahoo.co.uk.

(Smith, 1776; Schumpeter, 1934; Say, 1816) primarily enacted through the creation of organizations. (Lee, 2006) These earlier works set the foundations for later empirical and theoretical development<sup>1</sup>.

One of the major weaknesses of African Economies and Cameroon in particular could be the absence of a clear understanding of the role of entrepreneurship in the economic development of a nation. Cameroon has been unable to develop a competitive industrial sector especially because of its poor performance in the global economy and lack of an operational potential at the domestic level. This problem is also compounded by distribution of the wealth generated. As a matter of fact, dividends on share capital continue to have an edge over salaries and other social contributions. There is hence a general outcry for strong growth with an equitable distribution of its fallouts. (Government of Cameroon, 2009)

Recent theory predict that changes in productive efficiency is translated into differences in measures of financial performance, and thus the use of productive efficiency or the use of financial measures to test the effect of ownership in performance is irrelevant. If this is the case, then differences in financial performance of firms will reflect the interaction between differences in production efficiency. In fact, in competitive markets (where firms earn a return equal to the cost of capital), the only way overconstrained firms can survive is if they have higher productive efficiency. (Galve-Górriz & Salas-Fumás, 2011) Lastly, in as much as productivity is related to financial performance of firms and productivity growth can raise incomes and reduce poverty and unemployment via increased economic growth<sup>2</sup>, it becomes imperative to compare productivity performance of family firms relative to non-family firms.

Poverty is now considered as an issue of global interest, with halving extreme poverty by 2015 constituting the first, and perhaps the most critical goal among the MDGs. In some countries poverty and unemployment are escalating, and the attainment of the Millennium Development Goals by 2015 is a faraway dream. Small and medium sized enterprises (SMEs) are being targeted as never before for their potential to stimulate growth and create jobs. Moreover, as over 80% of most form of business organization in the world are family-owned or controlled (Lee, 2006), the question of whether family business is an effective business structure in terms of productivity growth remains largely unanswered.

A more productive private sector, in turn, expands employment and contributes taxes necessary for public investment in health, education, and other services. It would be necessary to focus on African institutions and policies related to the business environment that could create inefficiencies or low productivity. High-productivity firms will attract more resources and grow faster thereby generating more jobs. Productivity growth appears to have become one of the surest routes to growth and poverty reduction. The literature provides strong evidence that growth reduces poverty (Tabi & Njong, 2012) and the role of productivity in firm performance is of fundamental importance to this aspect. For instance, approximately 90% of the increase in real per capita output is attributable to the growth of efficiency in the US economy, (Solow, 1957; Palia & Lichtenberg, 1999) and Easterly and Levine (2001) also document that long-term growth of countries is largely driven by productivity growth. Thus, a firm can increase its growth and competitiveness through improvement in their productivity,

<sup>&</sup>lt;sup>1</sup>Infact, the link between SMEs, entrepreneurship and economic wellbeing dates back to the time of Say (1803) and Schumpeter (1934). Schumpeter (1934) established a link between entrepreneurial ventures and economic development.

<sup>2</sup>Solow (1957) finds that around 90 per cent of improvement in real per capita output, in the US economy, is due to the efficiency growth. Easterly and Levine (2001) document that long-term growth of countries is largely driven by productivity growth.

and this situation leads to the development of a country. Crew et al (1971) argue that in the competitive environment, firm's long-run survival seems impossible without increasing productivity.

Secondly, the superior firm hypothesis establishes a positive relationship between productivity and profitability at the firm level. Taking this argument further, Jovanovic (1982), postulates that only efficient firms stay in the market and that less productive firms will eventually exit the market. Moreover, the link between production efficiency and firm valuation is widely recognized. Previous findings based on quantitative analysis confirm the positive relationship between production efficiency and firm performance suggesting that the higher profitability and valuation of family firms is, among other things, caused by their more efficient use of labor and capital resources<sup>1</sup>. We present evidence based on a mixed methods (i.e., combination of qualitative and quantitative data). In addition to determining firm productivity performance, this paper further relates the perceptions of entrepreneurs and youths in family firms compared to non family firms and argue if performance in terms of economic and social development and thus, poverty reduction is related to differences in production technologies and production efficiency explained by the quantitative evidence. To do this, the following objectives are relevant: to estimate firm's production function and efficiency; to examine the effect of family ownership and control on productivity performance and to relate productivity performance to perception based on firm performance in terms of job creation, poverty reduction and economic development;

#### 2. Literature Review

A key challenge for any analysis regarding family firms is the lack of a widely accepted definition<sup>2</sup> of what a family firm is. (Bennedsen et al., 2010) Previous work has shown that the results of empirical studies are highly sensitive to the choice of the family firm definition. (Miller et al., 2007) Dyer (2006) points out that the definition of a family business can vary widely from study to study, but two versions in particular stand out. The first one is subjective, defining a family firm as one whose management is controlled by the family members who own it. In this case, outside persons are not involved in the management and there is strict family ownership/management. The second definition is more objective, considering a firm to be a family business if it meets certain criteria such as the family's ownership percentage or the number of family members holding directorships or filling key management posts.

The objective definition of Dyer fits with Anderson and Reeb (2003) who define family firms as firms where the founder or a member of the founding family is an officer, a director, or the owner of at least 5% of the firm's equity. In Japan, Prowse (1992) shows that most of firms have a block holder like a main bank, mochiai, or keiretsu. Therefore, if we apply the definition of previous studies, many founding families in Japan do not exert influence over the firm as a shareholder, even if they have a stake exceeding 5% in the firm. In terms of management, there are few outside directors and a strict hierarchy within boards in Japanese firms. This structure is needed to assume power as president or chairman for controlling the firm.

The concept of family business and family enterprise are often used interchangeably although the later and the former are closely associated with the Anglo saxon and French traditions respectively. The

<sup>1</sup> See for instance, (Palia & Lichtenberg, 1999; Martikainen et al., 2009).

<sup>&</sup>lt;sup>2</sup> Miller et al. (2007) give a comprehensive review of various definitions of family firms.

concept of family enterprise is also bound to vary considering the fact that they are based on unique socio-cultural realities of a given group of people and institutions. This justifies differences in Western and African based definitions due to predominant practices of nuclear and extended family systems respectively. According to Astrachan and Shanker (2005), experts in the field use many different criteria to distinguish these businesses, such as percentage of ownership, strategic control, involvement of multiple generations, and the intention for the business to remain in the family.

For this reason, a definition of family firms in the Cameroon context becomes imperative. Tchankam (2000) defined family business as a type of enterprise where members of the same family control activities or work and actively participate in the management, and maintain a strong relationship between the family and the enterprise. Such enterprises possess unique characteristics, as compared to those with non-family characteristics, since it relies much on family members and kinsmen that influence the vision, perception and values that determine the structure and functioning of the enterprise. With regard to motives behind this business, family growth, personal occupation, extra family income and containment of jobless family members have usually been observed. In Cameroon, a small-scale family business is generally a sole proprietorship, with many stakeholders (family members and kinsmen), but with just a few paid employees, who are bound by geographical, ideological or psychological factors again, who ensure the day-to-day running of the business. It is virtually managed by the manager-owner, who is generally responsible for both physical and psychological maintenance of the workers. (Fomba et al., 2007) The definition of a family firm in our context therefore is very close to the objective version of Dyer (2006).

### 3. Methodology of Study and Nature of Data

## 3.1. Linking Entrepreneurs' and Youths' Perceptions to Productivity Performance

The ultimate goal of this section was to investigate managers' and youths' entrepreneurship perceptions and goals in entrepreneurial activities. Considering that entrepreneurship perception in family firm has not yet been given due research attention the study adopted an exploratory design that drew from secondary research data with the review of literature discussion with managers, students. A great deal of research has investigated the reasons for the creation of new enterprises and the entrepreneurial characteristics of those individuals responsible for the emergence of new firms. An important question is why some individuals decide to pursue entrepreneurial endeavours while others do not. Research has investigated the possible reasons behind this behaviour from the perspective of the individual themselves as well as economic and other factors in their environment. (Hofstede, 2004; Maalu et al., 2010)

Recent work has also investigated the utility derived from choosing entrepreneurship over traditional career opportunities - it is argued that individuals will choose entrepreneurship as a career option if the utility derived from this choice exceeds the utility derived from formal employment. (Douglas & Shepherd, 2000) While the utility derived from self-employment may exceed that derived from other career alternatives it is generally not a sufficient condition for an individual to engage in entrepreneurial behaviour. Rather, entrepreneurial behaviour has three necessary conditions, these being (i) the motive to pursue self-employment (or other entrepreneurial behaviour); (ii) the perception of an apparently lucrative entrepreneurial opportunity; and (iii) access to the means to pursue that opportunity. Without the simultaneous existence of these three pre-requisite conditions entrepreneurial behaviour will not eventuate.

In general, individuals desiring more income, more independence, and more net perquisites are more likely to want to engage in entrepreneurial behaviour. Likewise, an individual with a higher tolerance for risk and less aversion to work effort should be expected to be more likely to want to engage in entrepreneurial behaviour. (Douglas & Shepherd, 2000) The decision to act entrepreneurially has been argued to be related to the utility derived from self-employment (Eisenhauer, 1995) with individuals' with more positive entrepreneurial attitudes and stronger entrepreneurial abilities being more likely to attain higher levels of utility in self-employment than in employment. (Douglas & Shepherd, 2000)

These ideas that we gather based on perceptions as regards the reasons and benefits of engaging in entrepreneurial activities are then linked or compared with productivity which we quantified from the secondary data. This underpinning stems from the fact that researches (Solow, 1957; Easterly & Levine, 2001) indicate productivity growth to be responsible for the growth in real per capita output of countries and at the firm level, Crew et al. (1971) argue that in the competitive environment, firm's long-run survival seems impossible without increasing productivity. Hence, if the youths as well as managers are positive about their perceptions in entrepreneurial activities, it represents a sign of success as a result of productivity growth. Likewise non-success is revealed in their negative perceptions.

#### 3.2. Nature of Data

The analyses contained in this study involve the collection and analysis of qualitative (primary) data. The data is collected by the researchers based on expert interviews and questionnaire.

The ultimate goal of the survey was to investigate managers' and youths' entrepreneurship perceptions relative to entrepreneurial motivations. The study adopted a survey approach with the recruitment of managers representing their enterprises in 5 Regions and final year undergraduates in two federal universities in Cameroon. With regard to enterprises, 156 were involved; 74 family (47.4%) and 82 non family (52.6%). Participants were 110 males (74.4 %) and 44 females (28.6%) representing their enterprises with a mean age of 37.07 (SD=9.137) and majority (30.4%) holders of the Advanced Level certificate. Concerning the young people population, 471 final year students were sampled from two federal universities, 252 males (53.5%); 219 females (46.5%), with mean age of 22.73 (SD=2.625). The study employed stratified random sampling with purposive selection of the strata and simple random sampling to ensure the representation of all necessary categories of respondents in the Regions and Universities. Seven enumerators, graduates in psychology and economic sciences were recruited and trained during an orientation workshop for qualitative and quantitative data gathering in the five regions and two federal universities.

Based on entrepreneurship literature and family firm, instruments for data gathering were developed based on a review of the entrepreneurial literature. The data of the study were collected using a locally developed and tested questionnaire with different sub-scales. For the managerial firm perception questionnaire, it was purely descriptive with the following indicators: creators of enterprise, motives for creation, managerial responsibility, role in poverty reduction, perception of management styles, personnel, training and succession, satisfaction and difficulties. With regard to the youth firm perception questionnaire, it had two sections: a descriptive section with indicators and a section with subscales to gather quantitative information. The indicators of the first section comprises: business ownership, perception of family firms, perception of non-family firms, economic development, poverty evaluation, management styles, self-employment, business start-up motivations and difficulties. The section of the questionnaire was on entrepreneurial motivations of young people and

comprised the following sub-scales and reliability coefficients: perception ( $\alpha$ =.83), need for achievement ( $\alpha$ =.66), need for affiliation ( $\alpha$ =.71), need for power ( $\alpha$ =.74), entrepreneurship aspiration ( $\alpha$ =.85) and national culture ( $\alpha$ =.72). It should be noted that the data of the study were analyzed using the SPSS software.

## 4. Empirical Results

This section deals with the entrepreneurs' perceptions and youth/students' perceptions on creators of enterprises, motives for business creation, management of enterprises, perception of non-family enterprise and poverty reduction, motives for positive perceptions, motives for negative perceptions, perception of enterprise management, positive perception motives, management problems faced by enterprises, youth involvement in enterprises, beneficiaries of training, indicators for satisfaction, motives for non-satisfaction with income, perspectives with regard to enterprise difficulties, in the case of entrepreneurs' perceptions. Further views include: relations owning business per enterprise preference, perceived motives for business creation per enterprise preference, perception of non-family firms per enterprise preference, motives for positive perception of non-family firm per firm preference, motives for negative perception on non-family firm per preference, SMEs' contributions to poverty alleviation per firm preference, negative perception of family firm management, favorable perceptions of self-employment, difficulties of business creation by young people and Participants' perspectives for business creation respectively in the case of youth/students' perceptions on creators of enterprises.

## 4.1. Entrepreneurs' Perceptions

The main interest of the explorative survey was to examine the perceptions of managers and youths with regard to entrepreneurship in family and non-family enterprises as well as the contributions of family and non-family firms to wealth creation and poverty alleviation. The various posts held by respondents have been presented in Table 1a according to the category of enterprises, and from the analysis they were dominated by managers/entrepreneurs (55.8%) and more managers participated in non-family (28.2%) as compared to family firms.

Creators of enterprises were also explored in the survey and results shown in Table 1a. According to the managers, majority of family firms are created by family members (17.9%), while partners (24.4%) and friends (11.5%) are responsible for the creation of non-family enterprises. Results showed the possibility of family firms transforming into non family institutions and vice versa, and suggesting that some firms were created as either family or non-family enterprises and their status later changed in the course of time.

The motives for business creation were at the centre of interest in the survey and results shown in Table 1a. Analysis of information isolated income generation as the strongest motives for business creation in family (14.8%) and non-family firms (16.4%), and this similarity was also visible with unemployment reduction for family (7.1%) and non-family firms (9.7%). A sharp contrast was observed with regard to provision of services to the population, as scores was higher for managers of non-family firms (8.4%) than family firm managers (5.2%). Also, a difference also appeared for family subsistence as a motive considering that family firm managers reported a higher score (10.3%) as compared to non-family firms (2.6%). Although poverty as factor scored low for both enterprises,

the proceeding indicators are no doubt closely associated with poverty alleviation strategies and mechanisms.

The officials responsible for the day-to-day running of the institution were also identified accordingly and presented on Table 1a. A conspicuous difference was observed for both enterprises with regard to management personnel. While management of family enterprises was dominated by family members (23.7%), business partners (36.7%) played a prominent role in managing non family enterprises. In both enterprises ordinary employees (14.1%) also played key roles in enterprise management at the same level of involvement.

The categories of young people being trained by the enterprises have been presented in Table 1a. Analysis of beneficiaries observed a sharp contrast since managers of family firms (24.1%) as compared to and non-family firms (2.8%) isolated family members as the greatest beneficiaries of the training. Differences also appeared with apprentices where a higher score was observed for managers of non-family firms (13.0%) as compared to those of family firms (3.7%). A high degree of similarities was recorded for both categories considering that managers of family firms (15.7%) and non-family enterprises (18.5%) advanced that any interested young person was being given the opportunity to benefit from training in their enterprises.

Table 1a. Entrepreneurs' Perceptions

Description	Fa	mily	Non	Non family		Total	
	Freq	%	Freq	%	Freq	%	
Posts of respondents	•	•		•		•	
Manager	43	27.6	44	28.2	87	55.8	
Assistant	7	4.5	10	6.4	17	10.9	
Supervisor	12	7.7	15	9.6	27	17.3	
Branch manager	3	1.9	4	2.6	7	4.5	
Human resources manager	6	3.8	2	1.3	8	5.1	
Purchase officer	3	1.9	7	4.5	10	6.4	
Total	74	47.4	82	52.6	156	100.0	
Creators of enterprises	•		•	•		•	
Parents	13	8.3	2	1.3	15	9.6	
Family members	28	17.9	9	5.8	37	23.7	
Friends	3	1.9	18	11.5	21	13.5	
Partners	10	6.4	38	24.4	48	30.8	
Village brothers/sisters	6	3.8	1	6.0	7	4.5	
Others	14	9.0	14	9.0	28	17.9	
Total	74	47.4	82	52.6	156	100.0	
Motives for business creation	•	•		•	•	•	
Unemployment reduction	11	7.1	15	9.7	16	16.8	
Technology evolution	1	6	3	1.3	3	1.9	
Business purpose	5	3.2	7	4.5	12	7.7	
Income generation	23	14.8	45	16.1	48	31.0	
Services to population	8	5.2	13	8.4	21	31.5	
Poverty alleviation	6	3.9	8	5.2	14	9.0	
Family subsistence	16	10.3	4	2.6	20	12.9	
Economic development	3	1.9	7	4.5	10	6.5	
Family legacy	1	6.0	0	0	1	6.0	
Total	74	47.7	81	52.3	155	100.0	
Management of enterprises	1						

Total

ISSN: 2284 - 9459

Source: Author

50.0

54

50.0

108

100.0

54

A key interest of the study was to explore the role of family and non-family enterprises in poverty reduction and results presented in Table 1b. Managers of family enterprises perceived their institutions as making great contributions (22.7%) as compared to managers of non-family firms (18.0%) who mostly considered their firm's contribution to poverty alleviation as appreciable (22.7%). But on the average, deviation is not great in the overall analysis considering that managers of both enterprises had favourable perceptions of their respective enterprises as essential factors in poverty alleviation.

Managers advanced strong motives for positive perceptions of family and non-family enterprises in terms of poverty alleviation and results shown in Table 1b. A very powerful indicator from participants of family (26.0%) and non-family firms (26.7%) was their efforts to eradicate youth unemployment (52.7%). But with regard to income generation as a factor in positive perception there were differences in level of perception for family (4.8%) and non-family firms (8.9%), despite their previous concern for income generation as a key factor in business motives.

Perceived motives that moderated the role of their enterprises as a core mechanism in poverty reduction alleviation have been presented in Table 1b. A sharp contrast was unveiled as managers of family firms considered their workers as lazy (14.3%) as compared to managers of family firms (0.0%). Another factor for unfavorable perception was the fragility of firm structures and a higher score was observed for managers of non-family firms (28.6%) as compared to those of non-family firms (14.3%). While participants in non-family firms identified low motivation (14.3%) as a discounting factor in poverty alleviation, participants in family enterprises singled out unmeritorious practices (14.3) and unfriendly practices (13.3) as prevailing factors requiring great attention.

**Table 1b. Entrepreneurs' Perceptions** 

Motives		Enterprise categories %						
	Famil	y Non family	Total					
Perception of non-family enterprise and poverty reduction								
Great contributions	22.7	18.0	40.7					
Appreciable	22.7	30.0	52.7					
Moderate/reserved	0.7	3.3	4.0					
Not encouraging	2.0	0.7	2.7					

Total	48.0	52.0	100.0
Motives for positive perceptions	<u>.</u>		·
Youth employment	26.0	26.7	52.7
Income generation	4.8	8.9	13.7
Training of youths	1.4	4.1	5.5
Service to population	5.5	4.8	10.3
Family subsistence	4.8	1.4	6.2
Economic development	3.4	4.1	7.5
Prices reduction	1.4	2.7	4.1
Total	47.3	52.7	100.0
Motives for negative perceptions			
Lazy workers	14.3	0.0	14.3
Fragile structures	14.3	28.6	42.9
Low motivation	0.0	14.3	14.3
Unmeritorious practices	14.3	0.0	14.3
Consumer unfriendly	14.3	0.0	14.3
Total	57.1	42.9	100.0
Perception of enterprise managem	nent ( n=133)		
Competent	0.8	1.5	2.3
Appreciable	29.3	38.3	67.7
Moderate	1.5	2.3	3.8
Good management	2.3	3.8	6.0
Encouraging	10.5	9.8	20.3
Total	44.4	55.6	100.0
Unfavorable perceptions of manag	gement		
Stressful	8.3	0	8.3
Discouraging	25.0	8.3	33.3
Problematic	8.3	8.3	16.7
Catastrophic	8.3	33.3	41.7
Total	50.0	50.0	100.0

Source: Author

Good management of firms constitutes a powerful determinant of enterprise success and management perceptions of family and non-family firms were explored and results shown in Table 1c. Managers in both categories perceived management styles as appreciable and this was evidenced by scores for family (29.3%) and non-family firms (38.3%). At the same time some participants indicated negative perception of management styles in family and non-family enterprises (See Table 3), with demotivating (25%) and catastrophic practices (33.3%) prominent in family and non-family enterprises respectively.

Managers also expressed reasons for perceiving management practices as favorably and shown in Table 1c. Although good management practices was observed by both categories, the degree was a matter of concern since scores greatly varied as perceived with family (9.4%) and non-family firm managers (28.3%). On almost the same range family (13.2%) and non-family firm managers (15.1%) isolated growth of enterprises as a core variable in favorable perception of enterprises.

Management problems faced by both categories of enterprise were explored and presented in Table 1c. The problem of finance was identified but with a higher degree in non-family enterprises (17.1%) than family firms (7.0%). Embezzlement also constituted a management problem but with more prominence in non-family firms as compared to family enterprises (0.8%). The management problem of incompetent workers was also projected; but this gained prominence with non-family firm managers (7.0%) as compared to family firm managers (3.9%). Taxes also constituted a great threat to

effective management of the enterprise and this was remarkable with managers of family enterprises (7.0%) than managers of non-family firms (1.6%). Both categories witnessed a similarity with regard to human resources challenges where both firms scored 20.9 % each with regard to challenges facing management operations.

The role played by young people in the various enterprises and motives for the involvement has been presented in Table 1c. Both managers of family (18.4%) and non-family enterprises (17.6%) acknowledged that young people played a role in work assistance in their enterprises. With regard to involvement as trainees, a sharp contrast was noticed for non-family (16.0%) and family firms (8.8%) since the later considered their enterprises as a training ground for young people. At the same time, some similarities were observed for family (11.2%) and non-family enterprises (11.2%) with regard to upgrading skills and qualifying young people for the emerging challenges of the labor market and sustainable livelihood.

**Table 1c. Entrepreneurs' Perceptions** 

	Firm c	Firm categories				
Involvement	Family	Non family				
Youth involvement in enterprises	(n=125)					
Training youths	8.8	16.0	24.8			
Work assistance	18.4	17.6	36.0			
Facilitate enterprise creation	3.2	4.8	8.0			
skills assessment	4.8	4.0	8.8			
Qualify youths	11.2	11.2	22.4			
Total	46.4	53.6	100.0			
Management problems faced by er	nterprises n=129					
Capital/finance	7.0	17.1	24.0			
Embezzlement	0.8	3.9	4.7			
HRM challenges	10.9	10.9	21.7			
Communication problems	0.8	2.3	3.1			
Incompetent workers	3.9	7.0	10.9			
Poor discipline	0.8	0.0	0.8			
Jealousy among staff	0.0	1.6	1.6			
Tension/frustration	2.3	4.7	7.0			
Unpaid salary	0.8	1.6	2.3			
Loses/deficits	3.1	1.6	4.7			
Loss of customers	1.6	0.8	2.3			
Borrowing by customers	0.8	3.9	4.7			
Personal interest	0.8	0.8	1.6			
ICT problems	1.6	0.8	2.3			
Taxes	7.0	1.6	8.5			
Total	41.9	58.1	100.0%			
Positive perception motives (N=10	<b>6</b> )					
Good practices	2.8	1.9	4.7			
Client satisfaction	5.7	4.7	10.4			
Growth of enterprise	13.2	15.1	28.3			
Hard working staff	4.7	2.8	7.5			
good management	9.4	28.3	37.7			
Competent workers	7.5	3.8	11.3			
Total	43.4	56.6	100.0			

Source: Author

Managers advanced motives for satisfaction with their respective enterprises and results have been presented in Table 1d. With regard to satisfaction in terms of wealth creation, enterprise growth was isolated as a source of satisfaction at almost the same range by managers of family (11.4%) and nonfamily firm (10.5%). Satisfaction was also derived through benefits of services to community, although this was more prevalent with managers of non-family firms (10.5%) as compared to family firms (7.6%). The realization of enterprise projects (13.3%) was also identified but this was more favorably scored by non-family firm managers (9.5%) than managers of family enterprises (3.8%).

Participants also expressed their sources of dissatisfaction with regard to their respective enterprises and results presented in Table 1d. The greatest source of dissatisfaction stemmed from lack of capital/finance and a sharp contrast was observed for managers of family (25.0%) as compared to those of non-family firms (12.5%). Too many taxes also appeared as a source of dissatisfaction, but this was projected more by managers of family firms (12.5%) than non-family firms (6.3%). While managers of non-family firms (9.4%) complained of small salary, no voice was heard from the managers of family firms; but concerning customer complains as a source of dissatisfaction, managers of non-family firms recorded a higher score (9.4%) as compared to those of family firms (3.1%).

Although the managers of the enterprises were satisfied to an extent, they also expressed dissatisfaction at certain instances and highlighted major difficulties faced by their institutions, presented in Table 1d. While high taxes (40.1%) appeared as the major difficulty faced the enterprises, a remarkable difference was noticed with a higher score for managers of family firms (26.1%) than non-family firms (14.1%). The issue of poor capital base (19.0%) appeared as a great concern but this was more prevalent with managers of non-family firm (14.1%) than those of family enterprises (4.9%). Difficulties such as employee disputes, frauds/embezzlement, skill deficits, labor turnover and personal interest also projected themselves more through managers of non-family enterprises than family enterprises.

As a response to difficulties experienced by both categories of enterprise, managers highlighted some suggestions, which could facilitate the progress of their enterprises and results presented in Table 1d. The primary quest of the mangers was reduction in taxes (28.0%) and this varied higher score for managers of family firms (16.9%) as compared to non-family firm managers (12.0%). Training/education also appeared as a pathway to enterprises growth and sustainability, but with minimal differences as reported for family (9.9%) and non-family firm managers (8.5%). Government assistance (7.7%) and subvention (6.3%) were projected by non-family firm managers as compared to (6.3%) and (3.5) for family firm managers respectively.

**Table 1d. Entrepreneurs' Perceptions** 

	Firm	categories %	
Perspectives			Total
	Family	Non family	
Perspectives with regard to enter	prise difficulties (N=.	142)	
Reduce taxes	16.9	12.0	28.0
Credit facilities	2.1	2.8	4.9
Government assistance	6.3	7.7	14.1
Train/educate workers	9.9	8.5	18.3
Change mentalities/mindsets	1.4	6.3	7.7
Reduction of process	2.1	2.8	4.9
Subvention	3.5	6.3	9.9
Educate public	1.4	1.4	2.8
Motivate workers	1.4	2.1	3.5

Ensure security of workers	1.4	0.0	1.4
Good management	0.0	3.5	3.5
Total	46.5	53.5	100.0
Major difficulties of enterprises		55.5	100.0
Few customers	4.9	2.8	7.7
High taxes	26.1	14.1	40.1
Employee disputes	0.0	4.2	4.2
Frauds/embezzlement	0.0	5.6	5.6
Skill deficits	0.7	2.1	2.8
Competition	0.7	1.4	2.1
Credit risk	0.0	1.4	1.4
High labor turn over	1.4	2.8	4.2
Poor mindsets/mentality	0.7	0.0	0.7
Lack of experts	2.1	0.7	2.8
Poor communication	2.1	1.4	3.5
Poor capital base	4.9	14.1	19.0
Personal interest	0.0	0.7	0.7
Unpaid salary	0.7	1.4	2.1
Insecurity	1.4	0.0	1.4
Mismanagement	0.0	1.4	1.4
Total	45.8	54.2	100.0
Motives for non-satisfaction with	h income (N=32	)	1
Customer complains	3.1	9.4	12.5
Lack of capital/finance	25.0	12.5	37.5
Too much taxes	12.5	6.3	18.8
Archaic methods of operation	6.3	3.1	9.4
Small salary	0.0	9.4	9.4
Unpaid salary	3.1	6.3	9.4
Poor results	3.1	0.0	3.1
Total	53.1	46.9	100.0
Indicators for satisfaction (n=1	05)	<u>.</u>	·
Family income	3.8	3.8	7.6
Wealth creation	2.9	4.8	7.6
Family assistance	3.8	2.9	6.7
Projects' realization	3.8	9.5	13.3
Economic development	1.9	2.9	4.8
Enterprise growth	11.4	10.5	21.9
Community benefits	7.6	10.5	18.1
Reduction of unemployment	1.9	1.9	3.8
Average 50/50	1.9	1.0	2.9
Subsistence	2.9	3.8	6.7
Achieve set goals	1.9	2.9	4.8
Salary paid	1.9	0.0	1.9
Total	45.7	54.3	100.0

Source: Author

# 4.2. Youth/Students' Perceptions

This study also explored the perceptions of students with respect to family and non-family enterprises and the results have been analyzed according to students' enterprise preferences with regard to professional or work activities and presented in table 2a. Poverty alleviation commenced with information on young people's relations who own businesses. Majority of participants reported their relations own businesses and there was a great difference for those having non family enterprises

Family values

Family solidarity

Business motives

Dreams actualized

preference (31.5%) as compared to participants with family firm preference (10%). Another contrast was observed with participants whose parents own business, which showed a wide gap for participants with interest in non-family firms (17.0) as compared to those with preference for family firms (9.3%). With regard to friends who own business, a conspicuous difference was also observed for those who were interested in working with non-family (22.1%) as compared to family firms (4.9%).

The study explored young people's perceived motives for enterprise creation according to the preferences for family and non-family firms and results presented in Table 2a. Although resources mobilization (35.0 %) appeared as a key motive for firm creation there was a remarkable difference between participants who preferred operation in non-family firms (25.3%) as compared to those with interest in family firms (9.7%). Though employment creation was also perceived by both categories as a factor in enterprise creation a remarkable difference appeared between participants in non-family enterprises (2.9%) as compared to those in family enterprises (2.9%). This was also the case for perceived profit making that reported a higher score for non-family as compared to family firms.

Perceptions of family firm operations by young people were analysed according to enterprises preferences of participants and presented in Table 2a. Although the perception of family firm operations were generally perceived as appreciable, differences occurred with participants with interest in non-family firms (32.3%) as compared to family firm preference (13.2%). Participants also perceived family firms as discouraging and a higher score observed for participants with preference for non-family firms (24.1%) than family enterprises (3.5%). Perception of family firm as highly motivating reported little variation in scores as indicated by participants with preference for family enterprises (6.1%) and non-family firms (7.5%).

Motives for positive perceptions were also explored and indicators shown in Table 2a. According to analysis the perception of non-family firm as a source of family income (33.2%) was reported as a core factor in favourable perception and this was projected more by students with preference for non-family firms (21.0%) than those with family firm preference (12.2%). Also, analysis of job creation as another determinant of positive perception revealed a conspicuous difference for non-family (15.6%) and family firms (12.2%). The same orientation for differential analysis applied to family solidarity (15.6%) and family legacy (14.1%).

The perception of non-family firms by young people was analysed according to their preferences for family and non-family firms and presented in Table 2a. Although there were differences in levels of perception for family (12.3%) and non-family preferences (43.5%) they perceived non family firms as appreciable. Both categories equally considered the firm as highly motivating despite differences for family (5.8%) and non-family enterprises preferences (22.4%). On the average both categories of students indicated a favourable perception of non-family enterprises with regard to business operations and poverty alleviation.

Table 2a. Youth/students' perceptions

%

3

Resources mobilization	40	9.7	104	25.3	114	35.0
Wealth creation	13	3.2	27	6.6	40	9.7
Employment creation	12	2.9	43	10.5	55	13.4
Capital availability	2	0.5	3	0.7	5	1.2
Future security	3	0.7	3	0.7	6	1.5
Profit	7	1.7	39	9.5	46	11.2
Development	4	1.0	7	1.7	11	2.7
Total	106	25.8	305	74.2	411	100.0
Relations owning business	per enterp	rise prefere	ence n=42	29		
Parents	40	9.3	73	17.0	113	26.3
Relatives	43	10	135	31.5	178	41.5
Friends	21	4.9	95	22.1	116	27.0
Others	4	9.0	18	4.2	22	5.1
Total	108	25.2	321	74.8	429	100.0
Perception of non-family f	irms per en	terprise pr	eference,	n=416	<u> </u>	
Highly motivating	24	5.8	93	22.4	117	28.1
Appreciable	51	12.3	181	43.5	232	55.8
Moderate/reserved	12	2.9	16	3.8	28	6.7
Discouraging	18	4.3	20	4.8	38	9.1
Problematic	0	0	0	0	0	0
Catastrophic	0	0	1	2	1	2
Total	105	25.2	311	74.8	416	100.0
Motives for positive percep	tion per en	terprise pre	eference,	n=262	<u> </u>	
Create jobs	13	5.0	41	15.6	54	20.6
Family legacy	6	2.3	31	11.8	37	14.1
Source of training	5	1.9	4	1.5	9	3.4
Source of family income	32	12.2	55	21.0	87	33.2
Poverty alleviation	7	2.7	11	4.2	18	6.9
Solving family problems	3	1.1	6	2.3	9	3.4
Family solidarity	12	4.6	29	11.1	41	15.6
Facilitate internship	2	0.8	1	4.0	3	1.1
Personal ambition	2	0.8	0	0	2	0.8
Effective control	2	0.8	0	0	2	0.8
Total	84	32.1	178	67.9	262	100.0
Perception of non-family f						
Highly motivating	24	5.8	93	22.4	117	28.1
Appreciable	51	12.3	181	43.5	232	55.8
Moderate/reserved	12	2.9	16	3.8	28	6.7
Discouraging Discouraging	18	4.3	20	4.8	38	9.1
Problematic	0	0	0	0	0	0
Catastrophic	0	0	1	2	1	2
Total	105	25.2	311	74.8	416	100.0
1 0141	103	23.2	511	77.0	T10	100.0

Source: Author

Motives for favourable perceptions were investigated according to young people's firm preferences as presented in Table 2b. The greatest source of favourable perception was reported in terms of minimal discrimination (19.1%) but this appeared strongly for a student having non-family firm preferences (13.7%) than family firms (5.4%). Career opportunities also appeared strongly from the participants, but at different degrees considering scores for family (2.6%) and non-family firm preference (16.0%).

Quality of workers and poverty alleviation also followed the same orientation with regard to preferences for the categories of enterprises.

Some participants expressed unfavorable perceptions towards non family enterprises and results presented in Table 2b. Non family firms were observed as being too selective (29.5%) by both categories and this was reported more by participants with family firm preferences (17.2%) than nonfamily firma (12.1%). Lack of trust was also advanced as a discounting factor and expressed more by participants with non-family preferences (13.8%) as compared to those with interest in family firms. This was the same with embezzlement of enterprise funds that was highly reported by participants with preference for non-family firms (12.1%). Both categories identified the probability of non-family firms collapsing as a factor moderating a highly favorable perception of family enterprises.

The contributions of SMEs to national development were also the object of the present study and the opinions of young people were sampled and presented in Table 2b. Although youth employment was observed as the greatest contribution (32.0%), this was strongly indicated by participants with non-family preference (25.6%) than their counterparts of family firms (6.3%). Also, economic development was advanced as another contribution but a higher score was registered from participants with interest in non-family firms (28.7%) than family firms (9.9%). This was also the case with job creation for the two categories of respondents.

The contribution of SMEs to poverty alleviation was also examined and results presented in Table 2b. Among the factors that are incidental to poverty alleviation youth employment was isolated but a sharp difference was observed between family (11.6%) and non-family preferences (30.3%). Income generation was also projected as a core factor in poverty alleviation but the tendency for family (6.8%) and non-family (21.1%) firms showed a wide difference. The creation of job opportunities as a factor in poverty alleviation was singled out but the wide gap for family (1.8%) and non-family preference was evidenced by the analysis.

Table 2b. Youth/students' perceptions

	Enterprises categories						
Motives	I	Family		Non family		Total	
	Freq	%	Freq	%	Freq	%	
Motives for positive perceptio	n of non-fo	ımily firm pe	er firm prefer	ence n=35	50	•	
High involvement	4	1.1	22	6.3	26	7.4	
quality workers	10	2.9	45	12.9	55	15.7	
Strict discipline	4	1.1	11	3.1	15	4.3	
Efficiency	9	2.6	37	10.6	46	13.1	
Minimal discrimination	19	5.4	48	13.7	67	19.1	
Career opportunities	9	2.6	47	13.4	56	16.0	
Payment of workers	2	0.6	6	1.7	8	2.3	
Meritorious values	1	0.3	17	1.7	18	5.1	
Selective	2	0.6	1	0.3	3	0.9	
Poverty alleviation	11	3.1	27	7.7	38	10.9	
No retrenchment	0	0	2	0.6	2	0.6	
Wealth creation	5	1.4	11	3.1	16	4.6	
Total	76	21.7	274	78.3	350	100.0	
Motives for negative perception	on on non-	family firm j	per preference	e n=58			
Irregular salary	2	3.4	0	0	2	3.4	
Embezzlement	1	1.7	7	12.1	8	13.8	
Lack of trust	2	3.4	8	13.8	10	17.2	
High probability of collapse	3	5.2	3	5.2	6	10.3	

Too much selectivity	10	17.2	7	12.1	17	29.3
Employee exploitation	3	5.2	2	3.4	5	8.6
Retrenchment	0	0	1	1.7	1	1.7
Individual profits	3	5.2	1	1.7	4	6.9
Mismanagement	2	3.4	3	5.2	5	8.6
Total	26	44.8	32	55.2	58	100.0
SMEs' contributions to develo	pment per	firm preferen	ce n=394	II.	.1	•
Job creation	12	3.0	33	8.4	45	11.4
Economic growth	39	9.9	74	18.8	113	28.7
Youth employment	25	6.3	101	25.6	126	32.0
Taxes	8	2.0	23	5.8	31	7.9
Enterprise creation	6	1.5	20	5.1	26	6.6
Poverty alleviation	5	1.3	26	6.6	31	7.9
Income generation	6	1.5	11	2.8	17	4.3
Promotion of hard work	2	0.5	3	0.8	5	1.3
Total	103	26.1	291	73.9	394	100.0
SMEs' contributions to povert	y alleviatio	n per firm pre	ference n=3	380		•
Create job opportunities	7	1.8	43	11.3	50	13.2
economic development	7	1.8	30	7.9	37	9.7
Youth employment	44	11.6	115	30.3	159	41.8
Loans affordable	2	0.5	3	0.8	5	1.8
Promotes business spirit	2	0.5	6	1.6	8	2.1
Increase national resources	1	0.3	4	1.1	5	1.3
Enterprise creation	2	0.5	8	2.1	10	2.6
Income generation	26	6.8	80	21.1	106	27.9
total	91	23.9	289	76.1	380	100.0

Source: Author

Management practices are key factors in the success or failure of family enterprises and this was explored by the study and presented in Table 2c. Mismanagement was perceived as the greatest facto in family management and this was more highlighted by participants with non-family firm preference (5.0%) than family firms (16.0%). Family problem solving mechanism, lack of seriousness and discriminatory practices were closely associated with family firm management and strongly advanced by participants with non-family firm preferences.

Self-employment has been considered as a factor in poverty alleviation and economic development and participants' opinions were sampled and presented in Table 2c. The following indicators were advanced to support their positive views and self-independence was considered as a strong factor, although the difference was clear between family (14.2%) and non-family firms preferences (32.0%). Skills development and income generation also appeared strongly as motives for positive perception.

Although business creation by young people has been perceived as a way forward towards sustainable employability, social and economic inclusion of university graduates, participants identified some indicators that could possibly block entrepreneurial ventures as presented in Table 2c. Most participants identified problems of financial capital (66.8%) as a principal moderator of youth entrepreneurship although the difference was clear for family (17.4%) and non-family preference (49.4%). Also, taxes were projected as unfriendly indicators to business creation by young people, and this was at different degrees for both categories as observed with family (3.6%) and non-family preferences (10.9%). In terms of poor perception by relations and perceived mismanagement by workers the differences between both categories of enterprise were not conspicuous.

In response to the business creation difficulties highlighted in the foregoing section, the study examined possible way forwards with regard to successful business creation and management and the perspectives of the young people have been presented in Table 2c. Financial assistance was advanced as a primary need for venture creation and appeared highest for both categories, although different for participants with interest in family (11.3%) and non-family enterprises (31.5%). Advocacy for a friendly tax policy was also expressed by young people and this was reported more by non-family firm preference (10.6%) as compared to family firm preference (3.86%). The need for loan opportunities and Government assistance to young people was also expressed participants, and as the previous suggestions, scores were higher for participants with preference for family than non-family firms.

Table 2c. Youth/students' perceptions

		Enterprise	es categoi	ry		
Perceptions	Family		Non fa	amily	Total	
	Freq	%	freq	%	freq	%
Negative perception of family firm man	nagement (n	notives)				
Non respect of rules	2	0.7	5	1.8	7	2.5
No seriousness	4	1.4	41	14.5	45	16.0
Preference for family workers	8	2.8	29	10.3	37	13.1
Family problem solving	13	4.6	33	11.7	46	16.3
Exploitation of non-family workers	1	0.4	6	2.1	7	2.5
Discrimination prevalent	11	3.9	27	9.6	38	13.5
Poor skill base	0	0	12	4.3	12	4.3
Mismanagement	14	5.0	45	16.0	59	20.9
Exploitation of family members	2	0.7	4	1.4	6	2.1
Embezzlement	0	0	5	1.8	5	1.8
Non-qualified workers	3	1.1	17	6.0	20	7.1
Total	58	20.6	224	79.4	282	100.0
Favorable perceptions of self-employm	ent n=338	•	•	•	•	
Skills development	11	3.3	44	13.0	55	16.3
Promotion of creativity	4	1.2	14	4.1	18	5.3
Personal growth	7	2.1	24	7.1	31	9.2
Create employment	6	1.8	28	8.3	34	10.1
Income generation	9	2.7	35	10.4	44	13.0
Self-independence	48	14.2	108	32.0	156	46.2
Total	85	25.1	253	74.9	338	100.0
Unfavorable perceptions of self-employ	yment	•	•	•	•	
Risky	4	6.5	15	24.2	19	30.6
Financial problems	6	9.7	20	32.3	26	41.9
Low skill base	2	3.2	1	1.6	3	4.8
Lack of initiatives	1	1.6	0	0	1	1.6
Lack of support	2	3.2	4	6.5	6	9.7
Lack of motivation	2	3.2	4	6.5	6	9.7
High taxes	0	0	1	1	1.6	1.6
Total	17	27.4	45	72.6	62	100.0
Difficulties of business creation by you	ng people n	ı=413	•	•	•	•
Taxes	15	3.6	45	10.9	60	14.5
Financial capital	72	17.4	204	49.4	276	66.8
Lack of experience	8	1.9	15	3.6	23	5.6

	,					
Administrative problems	5	1.2	14	3.4	19	4.6
Government policy	0	0	3	0.7	3	0.7
Incompetent collaborators	0	0	10	2.4	10	2.4
Poor perception by relations	3	0.7	6	1.5	9	2.2
Mismanagement by workers	2	0.5	5	1.2	7	1.7
Fear of failure	0	0	2	0.5	2	0.5
Lack of professional skills	0	0	4	1.0	4	1.0
Participants' perspectives for busine	ess creation n=	397	•		•	
Training	8	2.0	26	6.5	34	8.6
Government assistance	8	2.0	32	8.1	40	10.1
Financial support	45	11.3	125	31.5	170	42.8
Positive attitudes	2	0.5	8	2.0	10	2.5
Loan opportunities	15	3.5	33	8.3	48	12.1
Entrepreneurial spirit	1	0.3	10	2.5	11	2.8
Friendly tax policy	15	3.8	42	10.6	57	14.4
Low interest rate	4	1.0	13	3.3	17	4.3
Family assistance	2	0.5	3	0.8	5	1.3
Competent workers	1	0.3	4	1.0	5	1.3
Total	101	25.4	296	74.6	397	100.0

ISSN: 2284 - 9459

Source: Author

# 5. Conclusion and Policy Recommendation

This study has made use of self-explorative survey which was collected using qualitative methods. The data captures business perceptions on obstacles to enterprise growth. Precisely, the qualitative analysis focuses on the mechanism through which family ownership may potentially affect firm performance in terms of growth, employment, income generation and poverty reduction.

Specifically, we examine whether family ownership is related to differences in production technologies and/or in production efficiency of firms. This type of analysis may have important implications, as the role of productivity in firm performance is of fundamental importance. According to Solow (1957) and Palia and Lichtenberg (1999) and Easterly and Levine (2001) for instance, approximately 90% of the increase in real per capita output is attributable to the growth of efficiency. By employing a qualitative method of analyses, this paper provides a novel microeconomic analysis in Cameroon of a potentially fundamental reason for the documented differential of family firms and non-family firms in terms of promoting growth and poverty reduction.

Pertaining to this qualitative survey, participants advanced favorable perceptions of family and non-family firms, implying their attitudes towards such enterprises. With emerging economic challenges in developing nations, small and young firms are being perceived as the engine of economic and social development, notwithstanding the management and performances issues associated with the growth of the enterprises. Results showed that there exists some similarities between family and non-family firms, and at the same time some significant differences between the two have been unveiled with implications on productivity and performance.

One of the primary goals of the study was exploration of motives for family and non-family firm creation. Participants expressed strong motives for the creation of family enterprises and income

generation was isolated for both family and non-family enterprises. This concurs with prior investigations and proposition (Smith, 1776; Schumpeter, 1934; Say, 1816), which isolated wealth creation as instrumental in family business formation that is expressed through enterprise creation (Gartner, 1985) Poverty is a ravaging factor with ensuing distress on the population and many. attempts are made to respond to poverty at household and enterprise levels. Closely associated to poverty is the issue of subsistence and differential results were obtained indicating that family firms are more concerned with subsistence that non family firms. It has been evidenced that small scale enterprises play a great role in poverty alleviation and such enterprises have received a lot of policy attention in recent years from many governments. From the qualitative survey, we explored the role of family and non-family enterprises in poverty reduction which yielded significant results, though managers of family enterprises highly appreciated its role in alleviating poverty. This implies that the more family enterprises are created, the more income increases and subsistence needs of beneficiaries satisfied by those connected with the business creation, either directly or indirectly. It should therefore be acknowledged that no matter the small scale nature of family enterprises and their location in the traditional sector, it should be understood that the little drops they make to the economy makes significant impact on the lives of those involved in the business.

Employability is a key issue in economic, social and political debates today, and this reflects a key interest of the study. Motives for family and non-family firm creation appeared to respond to the emerging crisis of unemployment at all levels. Participants of family and non-family firms perceived employment creation as very strong motives for enterprise creation since unemployment has long been at the root of economic and social malaise. This is consistent with the view supporting firm creation as a generator of employment in both developing and developed countries. (Lee, 2006; Ayyagari et al., 2011)

Because of the phenomenon of youth bulge, young people have recently been more than ever before placed at the centre of policy attention with regard to job creation and labour force participation. This builds on the premise that job creation will directly eradicate youth unemployment and poverty. In the qualitative analysis, job creation was strongly advanced by managers and young people as an up shoot of family and non-family firm creation. With the squeeze in public service employment young people go creating petty enterprises and more that 80% family enterprises becomes the only source of employment; justifying the creation of family enterprises as an uncontestable source of employment for both young and old people.

Thus, despite the contributions of family enterprises to economic development and poverty alleviation, management of family firms appear to be plagued with operation crisis that affect the performances of the enterprises as compared to non-family firms. As indicated in the qualitative analyses, the problem of capital is crucial since it is generally concentrated in the hands of one person; the owner-manager who is often the source of subsistence of the family. This concurs with prior investigation (Kotey, 2005) revealing that due to corporate governance issues, such as the lack of transparency and that of accountability, family enterprises remains small and have less access to capital.

Although the government has initiated venture-friendly policies to encourage self-employment, economic growth and poverty alleviation, tax policies via administrative bottlenecks and corruption seem to affect the attractiveness of entrepreneurship. This has been evidenced in the qualitative analyses as participants of both family and non-family firms expressed their worries with regard to taxes as a main factor hindering entrepreneurship spirit and productivity in small businesses. In this regard Schuetze and Bruce (2004) confirmed that tax policies can affect the decision to become self-

employed in various ways and make self-employment more or less attractive than wage and salary work; thereby acting as a pull and push factor. The issue of taxation was also uncovered in the quantitative results. An unsuitable tax system with corrupt officials corresponds to a major factor affecting firms' growth. (Kotey, 2005)

Generally, based on the qualitative results, we identified problems of financial capital as a principal moderator of entrepreneurship and this problem was acute for family firms than non-family firms. Also, taxes were projected as unfriendly indicators to business creation by young people and managers of family firms as opposed to nonfamily firms. These are negative perceptions including poor management styles in family firms and mismanagement in non-family firms. Further, while managers of non-family firms complained of small salary, no voice was heard from the managers of family firms; but concerning customer complains as a source of dissatisfaction, managers of non-family firms recorded a higher score as compared to those of family firms. These are the factors that could explain productivity gap and performance between the two groups of firms.

Based on the above results, decision makers in Cameroon, should be devised that can help entrepreneurs in their educational training along with the provision of technical and managerial facilities. Entrepreneurship education should be part of the curricula in Higher Education and how the sphere of family business should be taught in higher education should be the concerned of policy makers and academia. Family entrepreneurship should be perceived as a career opportunity by university students. Government should support firms to overcome obstacles that restrict firms' productivity growth. Firms' growth in terms of employment and poverty reduction via income generation can yield better outcome if these small units are provided with basic infrastructural support in terms of finance, and simplification of the tax administrative procedures, technical and commercial support.

# 6. Bibliography

Anderson, R.C.; Mansi, S.A. & Reeb, D.M. (2003). Founding-family ownership and the agency cost of debt. *Journal of Financial Economics*, 68, pp. 263–287.

Acs, Z.J.; Audretsch, D.B. & Evans, D.S. (1994). The Determinants of Variations in Self Employment Rates Across Countries and Overtime. Mimeo.

Astrachan, J. & Shanker, M. (2005). Family Businesses' Contribution to the U.S. Economy: Closer Look. Family Firm Institute.

Ayyagari, M.; Demirguc-Kunt & Maksimovic, V. (2011). Small vs. Young Firms across the World: Contribution to Employment, Job Creation, and Growth. *Policy Research Working Paper Series 5631*, the World Bank.

Bennedsen, M. & Nielsen, Kasper, M. (2010). Incentive and Entrenchment Effects in European Ownership. *Journal of Banking and Finance*, 34.

Crew, M.A.; Jones-Lee, M.W. & Rowley, C.K. (1971). X-theory versus management discretion theory. *Southern Economic Journal*, 38, pp. 173-184.

Douglas, E.J. & Shepherd, D.A. (2000). Entrepreneurship as a Utility-Maximizing Response. *Journal of Business Venturing*, 15(3), pp. 231-251.

Dyer, W.G. Jr. (2006). Examining the Family Effect on Firm Performance. *Family Business Review*, Vol. 19, No. 4, pp. 253-273.

Easterly, W. & Levine, R. (2001). It's not factor accumulation: Stylized facts and growth models. *The World Bank Economic Review*, 15, pp. 177-219.

Eisenhauer, J.G. (1995). The Entrepreneurial Decision: Economic Theory and Empirical Evidence. *Entrepreneurship Theory and Practice*, *Summer*, pp. 67-79.

Fafchamps, M.; El Hamine, S. & Zeufack, A. (2002). Learning to Export: Evidence from Moroccan Manufacturing. *CSAE Working Paper Ser*ies, WPS/2002-02. Oxford University.

Fomba, E. (2007). Managing Human Resources in the Familistic Family Business in Cameroon, pp. 56-72. In Gupta, V.; Levenburg, N.; Moore, L.; Motwani, J. & Schwarz, T. (eds.). A Compendium on the Family Business Models around the World (ten volumes), Hyderabad: ICFAI University Press.

Fomba E.M. (2009). Facilitating Entrepreneurial Competence for the Informal Sector; Insights into the Cameroon Tertiary Sector. *Proceedings of the 12th General Conference on Higher Education and Sustainable Development in Africa*. Abuja, Nigeria: Association of African Universities, pp. 35-44.

Galve-Górriz, C. & Salas-Fumás, V. (2011). Family ownership and firm performance: The net effect of productive efficiency and growth constraints. *Innovar*, 21(40), pp. 155-170.

Government of Cameroon (2009). *Growth and Employment Strategy Paper: Reference Framework for Government Action Over the Period 2010-2020.* Ministry of Planning, Programming and Regional Development.

Hofstede, G.; Noorderhaven, N.G.; Wennekers, A.R.M.; Uhlaner, L. & Wildeman, R.E. (2004). Culture's role in entrepreneurship: Self-Employment out of Dissatisfaction. In *Innovation, Entrepreneurship and Culture: The Interaction between Technology, Progress and Economic Growth*. Ulijn, J. & Brown T. (eds), Edward Elgar, Cheltenham, UK & Brookfield, US, pp. 162-203.

Jovanovic, B. (1982). Selection and the Evolution of Industry. Econometrica, 50(3), pp. 649-670.

Kotey, B. (2005). Are Performance Differences between Family and Non-family SMEs Uniform Across All Firm Sizes? *International Journal of Entrepreneurial Behaviour & Research*, Vol. 11, No. 6, pp. 394-421.

Lee, J. (2006). Family firm performance: Further evidence. Family Business Review, vol. XIX, no. 2.

Maalu, JK.; Stephen M. Nzuve & Magutu, O.P. (2010). A survey of personal goals and Perceptions of Entrepreneurial Ability among Students at the School of Business, University of Nairobi. *African Journal of Business & Management*, vol. 1.

Martikainen, M.; Nikkinen, J. & Vahamaa, S. (2009). Production Functions and Productivity of Family Firms: Evidence from the S&P 500. *The Quarterly Review of Economics and Finance*, 49(2), pp. 295–307.

Miller, D.; Le Breton-Miller, I.; Lester, R.H. & Cannella, Jr. A.A. (2007). Are Family Firms Really Superior Performers? *Journal of Corporate Finance*, 13(5).

Okpukpara, B. (2009). Strategies for Effective Loan Delivery to Small Scale Enterprises in Rural Nigeria. *Journal of Development and Agricultural Economics*, 1(2), pp. 041-048.

Palia, D. & Lichtenberg, F. (1999). Managerial ownership and firm performance: A re-examination using productivity measurement. *Journal of Corporate Finance*, 5(4), pp. 323–339.

Prowse, S. (1992). The Structure of Corporate Ownership in Japan. Journal of Finance, 47.

Say, J.B. (1816). Catechism of Political Economy. London: Sherwood, Neely, and Jones.

Schumpeter, J. (1934). Theory of Economic Development. Cambridge, MA: Harvard University Press.

Schuetze & Bruce (2004). Tax Policy and Entrepreneurship. *Conference on Self-Employment*, Organized by The Economic Council of Sweden, March 22nd 2004, Stockholm Sweden.

Smith, A. (1776). An Inquiry into the Nature and Causes of the Wealth of Nations. Chicago: University of Chicago Press.

Solow, R.M. (1957). Technical change and the aggregate production function. *Review of Economics and Statistics*, 39, pp. 214-231.

Tabi, Atemnkeng J. & Aloysius, Mom Njong (2012). Fiscal Policy and Sectoral Productivity Convergence in a Developing Economy: Implications for Poverty Reduction. *Asian Social Science*, Vol. 8, No. 4.

Tchankam, J. (2000). L'enterprise Familiale au Cameroon/The family business in Cameroon. *Cahier 2000-05/Notebook 2000-0*. CREF.