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## **Stakeholders and Performance of SMES in Cameroon: Case Study of Dschang (Cameroon)**

**DADEM KEMGOU Edouard Guilaire <sup>1</sup>, ONGONO AMOGO Tobie Nicaise <sup>2</sup>, ESSONO BELLA, Eustache <sup>3</sup>, SAA LAPA Adelphe Achile <sup>4</sup>**

<sup>1</sup> Department of Banking and Finance of the University Of Bamenda

<sup>2</sup> Department of Accounting and Finance of the University of Dschang (Cameroon)

<sup>3</sup> Ph.D in Management Sciences, Catholic University Institute of Bertoua Cameroon

<sup>4</sup> Catholic University of Central Africa

**Email:** [dadem.edouard@yahoo.fr](mailto:dadem.edouard@yahoo.fr) (DADEM KEMGOU Edouard Guilaire), [ongono.amosgo@yahoo.fr](mailto:ongono.amosgo@yahoo.fr) (ONGONO AMOGO Tobie Nicaise), [saalapa@yahoo.fr](mailto:saalapa@yahoo.fr) (SAA LAPA Adelphe Achile)

### **Abstract**

The main objective of this study was to examine the impact of stakeholder on performance of SMEs in Dschang (Cameroon). To achieve this, a descriptive survey research design was used in carrying out this research. The study made use of primary and secondly source of data which was collected through the aid of questionnaires. The questionnaire enables the respondents to indicate the stakeholders of SMEs and how the stakeholders affect the SMEs performance. A sample size of 60 SMEs were selected from Dschang (Cameroon), headquarter of Menoua Division. Descriptive statistic and regression (ordinary least squares) was used as tools of analyses. From the results we found out that: employees and competitors

have a positive relationship with SMEs performance. This relationship was not significant as a calculated probability value of 0.413 and 0.086 are greater than 0.050 level of significant respectively. Also, investors and customers has a positive significant relationship with SMEs performance as calculated Probability value of 0.000 and 0.000 is less than 0.050 level of significant respectively. From the results the study suggested that management of small and medium size enterprises in Dschang (Cameroon) should give greater attention to the stakeholders of the business especially investors and customers; local government and state authority should put in place the required institutions and policy that will enable small and medium size enterprises operate successfully.

**Keywords:** SME, stakeholders, performance, participation

## **1. Introduction**

Greater knowledge of Small and medium size business and its environment has been the driving force behind the use of stakeholders as an approach to broaden the vision of management and their responsibilities beyond those of profit maximization (Mitchell et al., 1997). Since stakeholders must have something of value at risk as well as a legitimate claim with an organization, it is clear that each stakeholder group will not have the same value at risk, even though each stakeholder group may have a legitimate claim. Managers must use limited time and attention to sort through levels of importance of stakeholder risk and legitimacy to deal with stakeholder claims of the firm (Mitchell et al., 1997).

Additionally, the range of interests and demands of the various stakeholder groups will likely be in opposition to each other, further complicating the role of the manager. Every stakeholder engagement experience is unique: stakeholder expectations and engagement processes vary from business to business, industry to industry and region to region. Stakeholders may rise or fall in importance depending upon the situation in a region or country. The stakeholder of a Business is important because the strategic attention serves as a reference for management to interpret the role of various stakeholders and the business relationship to them.

Stakeholder engagement may also have a different effect on small businesses than might be observed in large firms (Thompson & Smith, 1991). For example, small businesses by their

very nature may rely more heavily on stakeholders to survive and later to prosper. The relationship between small and medium size owners and stakeholders may be based more on personal relationships.

In Cameroon and most developing countries, small scale enterprises are acknowledged as vital and significant contributors to Economic development owing to their considerable contribution to national income, employment, exports, entrepreneurship and their acting as a vital link in the economy through their supply chain and intermediary role in trade. Small and medium size enterprises are very heterogeneous group of business usually operating in the service, trade, agri-business, and manufacturing sectors. They include a wide variety of firms such as village handicraft makers, small machine shops, and computer software firms that possess a wide range of sophistication and skills. Some are dynamic, innovative, and growth-oriented while others are satisfied to remain small and perhaps family owned. Small and medium size enterprises usually operate in the formal and informal sector of the economy and employ mainly wage earning workers. They are often classified by the number of employees and /or by the value of their assets. The size classification varies within regions and across countries relative to the size of the economy and its endowments.

Small and medium size enterprises are also among the greatest sectors of the economy providing one of the most prolific sources of self-employment and income generation in recognition of this indispensable role of SMEs, many micro finance institutions have been at the forefront in providing these enterprises with micro credit. In Cameroon, according to the ministry of small and medium enterprise and craft, in 2004 SMEs accounted for about 22 percent of the GDP of the country. Many studies conducted in this regard include the one of Beck et al (2005), Ayyagari et al (2005) shown that the small and medium enterprises are significant for economic growth in Cameroon. Based on these backgrounds, this study is intended to investigate the relationship between stakeholders and performance of SMEs in Cameroon.

Small and medium sized enterprises play an important role in the development of Cameroon. They create jobs and promote the welfare of the population. Like most traditional business, many SMEs need three basic economic factors of production in order to grow (land, labour, and capital). The factors that hinder SMEs performance and growth can no longer be limited to the traditional factors of production considering that the business environment is rapidly evolving. In Cameroon, the regulatory frame work, infrastructure, inadequate power supply, financing and uncontrolled level of corruption in Cameroon hinders SMEs performance and is

a call for concern to all the stakeholder of SMEs business in Cameroon. All the business stakeholders such as customer, employees, financial institution, shareholders etc should be examined thoroughly in order to determine their need as it is paramount for the success of the business. Besides, Small and medium size enterprise in Cameroon hardly have time to carry out research toward employees, lacked employee commitment and customer loyalty.

Other factors identified are inexperience in the field of business particularly lack of technical knowledge, lack of managerial skills, inadequate planning and failure to do market research. Besides, in Cameroon access to business information services affect the performance of business to a great extent as it limit the entrepreneurs' ability to take advantage of opportunity as and when they arose. It is based on this premise the following research questions will be answer in this study. What is the impact of stakeholder on performance of SMEs in Dschang (Cameroon)? The main objective of this study is to examine the impact of stakeholder on performance of SMEs in Dschang (Cameroun).

## **2. Literature Review**

### **2.1. Economic Importance of SMEs in Cameroon**

In Cameroon, according to the ministry of small and medium enterprise and craft, in 2004 SMEs accounted for about 22 percent of the GDP of the country. Many studies conducted in this regard include the one of Beck et al (2005), Ayyagari et al (2005), Beyene (2002) which has shown that the small and medium enterprises are significant for economic growth in Cameroon. They nearly always conclude that the main problem that faces SMEs in Cameroon is that of financial constraint. Nevertheless, it has also been recognised that there are other internal explanations for this, such as the poor environment of business in the country. SMEs in the country are, in addition, confronted with a number of difficulties which slow down their development and thus prevent them from reaching firm objectives and growth. Investments remain low in Cameroon, a situation that limits efforts to diversify economic structures and boost growth.

In terms of the country labour force, SMEs constitute a very important avenue for achieving poverty alleviation and reducing unemployment. According to a survey conducted by the “Centre de Recherche et d’Etude en Economie et Sondage” (CRETES, 2003) 87.2 percent of SME in Cameroon employ less than 20 employees, and 1.7 percent employ more than 100

employees. According to the same institution, of the total of 2800 SMEs in the country, 2000 (or 71% of the total SMEs) are operating in the secondary and tertiary sector.

## **2.2. Theoretical Framework of the Study**

### **2.2.1. Stakeholder Theory**

Stakeholder theory was embedded in the management discipline in 1970 and gradually developed by Freeman (1984) incorporating corporate accountability to a broad range of stakeholders. In essence, stakeholder theory considers the firm as an input-output model by explicitly adding all interest groups: Employees, customers, dealers, government and the society at large to the component mix. Stakeholder theory can be defined as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Fernando, 2009).

Unlike agency theory in which the managers are working and serving for the stakeholders, stakeholder theorists suggest that managers in organizations have a network of relationships to serve-this include the suppliers, employees and business partners. And it was argued that this group of network is important other than owner manager employee relationship as in agency theory (Freeman, 1999). Furthermore, the stakeholder theory attempts to address the group of stakeholder deserving and requiring management’s attention. Whereas, Donaldson & Preston (1995) claimed that all groups participate in a business to obtain benefits.

### **2.2.2. Descriptive Stakeholder Theory**

As indicated above, the descriptive angle of stakeholder theory is concerned with questions about what a corporation actually is, how it operates, and how one may be able to predict its behavior. Its value lies, therefore, in its potential ability to describe and explain organizational structures and operations of firms.

In fact, several authors have come up with their own views on a "stakeholder theory of the firm" contrasting them to existing other theories of the firm, such as transaction cost or agency theory. An alternative perspective on the descriptive strand focuses on the stakeholders, describing what they do and how they try to achieve their interests (Donaldson & Preston, 1995).

### **2.2.3. Instrumental Stakeholder Theory**

In contrast to descriptive stakeholder theory, the instrumental side is predominantly prescriptive in nature. It carries a descriptive element in that it intends to outline the link

between stakeholder management and firm performance, yet at its core it remains prescriptive, telling managers what principles and practices to adopt in order to achieve their desired results (Donaldson & Preston, 1995). The usefulness of the instrumental strand, hence, derives from its ability to strategically guide the structure and operations of a firm. In fact, several authors have provided examples of how to manage a company for stakeholders and thereby achieve successful financial results (Hillman & Keim, 2001).

#### **2.2.4. Normative Stakeholder Theory**

Like the instrumental stakeholder strand, the normative one too prescribes managers specific behaviour. It does so, not on a strategic basis however, but a moral one. It states that stakeholders have legitimate interests in a company and that these interests have intrinsic value. This implies that each stakeholder group merits consideration for its own sake, not only because of its ability to influence the interests of another group. Thus, normative stakeholder theory tries to answer the question what is the right thing to do for a company and its managers. It is exactly this provision of an ethical foundation to the management of a business what many see as the core strengths of the normative perspective (Donaldson & Preston, 1995). What this also illustrates, though, is that the ultimate justification of stakeholder theory rests on the premise that one accepts that firms exist to achieve ends other than merely making profits.

#### **2.2.5. Property Rights Theory**

In their landmark article "The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications" which helped stakeholder theorists structure their thinking about the concept into descriptive, instrumental, and normative strands, Donaldson & Preston (1995) also provide a moral foundation on which to base theory. In their view property rights theory can provide such a basis since several authors from the field see the rights of private property extend beyond the rights of owners. The fact that modern property rights theory does hence not just attribute unlimited rights to owners makes clear that attention has to be paid towards non-shareholders too.

#### **2.2.6. Agency Theory**

Jensen & Meckling (1976) put forward the theory of the agency explaining that the interest of management and shareholders interest often conflict because managers try to give priority to their interest at the expense of shareholders. In turn shareholders who are owners have to incur costs to monitor and direct the managers. Agency theory is defined as "the relationship

between the principals, such as shareholders and agents such as the company executives and managers”. In this theory, shareholders who are the owners or principals of the company, hires the agents to perform work. Principals delegate the running of business to the directors or managers, who are the agents to the shareholder (Clarke, 2004). Daily et al. (2003), argued that two factors can influence the prominence of agency theory. First, the theory is a simple theory that reduces the corporation to two participants of managers and shareholders. Second, agency theory suggests that employees or managers in organizations can be self-interested.

The agency theory shareholders expect the agents to act and make decisions in the principal’s interest. On the contrary, the agent may not necessarily make decisions in the best interests of the principals (Padilla, 2000). Such a problem was first highlighted by Adam Smith in the 18th century and subsequently explored by Ross (1973) and the first detailed description of agency theory was presented by Jensen and Meckling (1976). Indeed, the notion of problems arising from the separation of ownership and control in agency theory has been confirmed by (Schoorman & Donaldson, 1997). In agency theory, the agent may be succumbed to self-interest, opportunistic behavior and falling short of congruence between the aspirations of the principal and the agent’s pursuits.

Although with such setbacks, agency theory was introduced basically as a separation of ownership and control (Bhimani, 2008). (Holmstrom & Milgrom, 1994) argued that instead of providing fluctuating incentive payments, the agents will only focus on projects that have a high return and have a fixed wage without any incentive component. Although this will provide a fair assessment, but it does not eradicate or even minimize corporate misconduct. Here, the positivist approach is used where the agents are controlled by principal-made rules, with the aim of maximizing shareholders value. Hence, a more individualistic view is applied in this theory (Clarke, 2004).

Indeed, agency theory can be employed to explore the relationship between the ownership and management structure. However, where there is a separation, the agency model can be applied to align the goals of the management with that of the owners. Due to the fact that in a family firm, the management comprises of family members, hence the agency cost would be minimal as any firm’s performance does not really affect the firm performance (Eisenhardt, 1989).

The model of an employee portrayed in the agency theory is more of a self-interested, individualistic and are bounded rationality where rewards and punishments seem to take priority (Jensen & Meckling, 1976). According to this model, people or employees are held accountable in their tasks and responsibilities. Employees must constitute a good governance

structure rather than just providing the need of shareholders, which maybe challenging the governance structure.

### **2.3. Empirical Framework**

Jens, (2009) study derives a model of stakeholder management in small and medium-sized enterprises which describes the process from the owner-managers' personal ethics to the firm's eventual engagement with its stakeholders. Following a thorough review of literature published on stakeholder theory, ethical behaviour in organizations, and small and medium-sized companies, five hypotheses are put forward on which the model is based. The results of three case studies on owner-managed micro-enterprises from the Belgian beer producing industry are used to test the validity of the model and the hypotheses.

Stakeholder theory is chosen as the central body of theory for this study as it tries to deal with an increasingly complex business environment, has the potential to offer alternative ways of looking at companies and seeks to satisfy the interests of a multitude of constituencies instead of merely helping managers to turn out a profit.

The results of the case studies on Belgian micro-breweries support the major part of the proposed SME stakeholder management model and the hypotheses it is based on. The perception of legitimate stakeholders is based on the personal ethics of the owner-manager.

Rodrigo, (2011) investigated the stakeholder interaction effects on performance of domestic firms competing in an emerging market from a contractual perspective. He argue that interacting stakeholders in a contractual set yield synergistic governance structures that allow firms more efficient access to external resources. Using a sample of 267 firms in Brazil (secondary data), He explored different patterns in stakeholder contracting with community, government, top management, and employees. A three-stage analysis process was devised: cluster analysis, general linear model estimation and verification tests. Results suggest that stakeholder interaction has a positive impact on firm performance. The conjoint effect of government and community contracts was found to yield superior firm performance as they provide a basic structure for contracting with other interacting stakeholders. Dyah (2018), tests and analyses employee engagement in entrepreneurship management in SMEs. The research makes use of survey design using questionnaire and interview. The number of respondents is 257 which are widely spread on 92 SMEs centre in the Province of DIY, Indonesia that has 4 regencies and one capital, Yogyakarta. The data analysis technique is using structural equation modelling with Amos as statistical tool. The research result explains



that employee engagement is affected by the antecedents of work satisfaction and rewards. Meanwhile, consequences of the employee who has a high engagement will be able to improve organizational commitment and Leader Member Exchange (LMX). LMX itself is able to improve organizational commitment.

Letitia,(2015) study aims to determine if South African SMEs collect data on customer satisfaction levels as well as how they go about to do this. A survey among South African SME owners found that customer satisfaction was of great importance to them and that the majority believed that their businesses were customer focused and customer friendly. Based on customer feedback, small-business owners believed their customers were satisfied with their businesses. The research also indicated that the majority of small-business owners collected customer satisfaction feedback verbally on a monthly basis. From this study it is clear that SMEs understand that collecting customer satisfaction feedback is important but that they do not necessarily have a formal measurement in place.

Ahmed, (2019) study seeks to assess the relationship between SME firm performance and Market Orientation (MO), Customer Orientation (CO) and Brand Orientation (BO) in developing country (Bangladesh). Data were collected from boutique and clothing-oriented SME business firm entrepreneurs located in Dhaka, Bangladesh. A total of 193 SME entrepreneurs were surveyed in the study through adopting pre-tested survey questionnaires from the past literature. Correlation analysis and Hierarchical regression were used to test the hypotheses. Result indicates that Market Orientation (MO), Customer Orientation (CO) and Brand Orientation (BO) have a positive influence on SME performance. The study offers insightful implications for SME firm managers in Bangladesh context.

#### **2.4. Empirical Gap of the Study**

The topic stakeholder and performance of small and medium size enterprise is fresh and very sensitive to the economic development of Cameroon. In the previous study like Rodrigo (2011) and Dyah (2018) has as an objective investigating stakeholder interaction effect on SMEs and Employees' engagement n management of SMEs. The study made use of cluster analysis, general linear model estimation and verification test. In our study we made use of regression (ordinary least Square) analysis as our tool of data analysis. Besides, in the previous studies, very little has been done in establishing the relationship between various stakeholders "customer, shareholder, employees and financial institutions" have on small and medium size enterprises in Cameroon. This study is aim at filling this gap by carrying out a study on stakeholders and performance of SMEs in Cameroon.

### **3. Research Methodology**

For this research work, a survey research design is adopted. Collection of primary data via questionnaires and secondly data enables us to extract useful information as regard the stakeholder and performance of SMEs in Cameroon.

A research design is a plan which specifies how data relating to a given problem should be collected and analyzed. A descriptive survey research design was used in carrying out this research. This makes use of questionnaires and it was chosen because the questionnaire enables respondents to indicate the stakeholders of SMEs and how these stakeholders affect the firms' performance.

#### **3.1. Data Collection**

##### **3.1.1 Sources of Data Collection**

For the success of this study, the primary source of data was used. This enables us to obtain firsthand information and to examine appropriately the impact of stakeholders and performance of SMEs in Cameroon.

##### **3.1.2. Method of Data Collection**

The data was collected by the use of questionnaires which was administered to the respondents. A series of about eighteen questions are designed with five options from which the respondents are to respond as either; Strongly Disagreed (SD), Disagreed (D), Strongly Agreed (SA) and Agreed (A) following the Linkert differentiated scale type from 1-4 as denoted above. These alternatives stress the degree of feelings of the respondents for every question.

#### **3.2. Validity and Reliability**

The validity of an instrument is the accuracy with which it measures that which it is intended to measure. During the construction of the questionnaires, appropriate care was taken so that all necessary information was extracted from respondents. The questionnaires were then handed to the research supervisor who did a review and commented on the questionnaire. The questionnaires were administered by researcher in order to clarify any doubts of respondents. The questionnaires were piloted and tested to avoid any lead way response and errors.

### 3.1. Measurement of Variables.

Specific Objectives	Independent Variables	Dependent Variable
- To determine the relationship between employees and performance of SMEs in Cameroon	Employees	SMEs' performance
- To assess the relationship between competitors and performance of SMEs in Cameroon	Competitors	
- To determine the relationship between investors and performance of SMEs in Cameroon.	Investors	
- To assess the relationship between customers and performance SMEs in Cameroon	Customers	

Source: Author

### 3.3. Analytical Tools

The tools of analysis of this study are intended to show how changes in control variables affect the interest variables. The analysis of this study involves the use of tables and charts on stakeholder and performance of SMEs in Cameroon to obtain useful information. The OLS (ordinary least square) method is use to examine the impact of stakeholder and performance of SMEs in Cameroon. The coefficient of determination ( $R^2$ ) also known as explained variation will help to explain by how much change in dependent variable is explained by variation in independent variables. This will enables us to either reject or accept the hypothesis stated in chapter one.

#### Research model

$$Y_1 = b + b_1E + b_2Co + b_3I + b_4C + e$$

Where by: b, b<sub>1</sub>, b<sub>2</sub>, b<sub>3</sub>, b<sub>4</sub> = being the coefficient; E = Employees orientation; Co = Competitors orientation; I= Investors Orientation; C= Customers orientation; e. = error terms. Our objectives were study using coefficient of determination as see below.

$$R^2 = \left( \frac{n\sum xy - \sum x \sum y}{\sqrt{(n\sum x^2 - (\sum x)^2)(n\sum y^2 - (\sum y)^2)}} \right)^2$$

Whereby;

y = Dependent variable (Performance of Small and medium size enterprise)

X= independent variable (Employee, Competitors, Investors, Customer)

n= number of observation

## 4. Results and Discussion

### 4.1. Degree of Relationship and Variation

Here we aim at looking at the degree of relationship between the dependent variable (performance of SME) and independent variable (competitor, customer, employees and investors) and the possible variation as seen in table 4.8 below.

**Table 4.1. Degree of Relationship and Variation**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.947	0.897	0.890	0.34320

Source: Field Study, 2019

From table 4.1 above, the correlation coefficient between stakeholders of SMEs and SMEs performance is positive 0.947. This implies that there is a very strong relationship between stakeholders of SMEs (competitors, customers, employees, and investors) and performance of SMEs in Dschang. Besides the adjusted coefficient of determination (Adjusted R<sup>2</sup>) is 89%. This implies that, a unit change in performance of small and medium size enterprises in Dschang is explained by 89% change in competitors, customers, employees and investors orientation. As such, it is an indication that stakeholders play an important role in the success of their business. Also, this is in agreement with stakeholder theory which states that managers in organizations have a network of relationship to serve. The network of relationship can affect the decision making processes as well as performance of these small and medium size enterprises.

### 4.2. Hypothesis testing

The hypothesis started in chapter one is tested. This will enable us to reject or accept the null hypothesis and to be able to bring out the respective implications as seen in table 4.2 below.

**Table 4.2: Stakeholders and Performance of SMEs**

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error Beta		
(Constant)	-.312	.140	-2.233	.030

CUSTOMER ORIENTATION	.612	.152	.282	4.018	.000
COMPETITOR ORIENTATION	.316	.181	.162	1.750	.086
INVESTOR ORIENTATION	.553	.126	.507	4.397	.000
EMPLOYEES ORIENTATION	.117	.142	.104	.824	.413

$$Y_1 = -0.312 + 0.104E + 0.162Co + 0.507I + 0.282C$$

From table 4.2 above and from the model, we realized that there is a negative relationship between constant variable and performance of small and medium size enterprises (-0.312) which implies that without the inclusion of other variables, the performance of SMEs will be negative.. Nevertheless, the statistical probability value is 0.03 less than the 0.05 level of significant. As such, any other variable not included in the model should be given due consideration

**Table 4.3: Hypothesis Table**

Hypotheses	Relationship	Significant	Remark
There is no positive significant relationship between employees and performance of SMEs in Dschang (Cameroon)	Positive	Not	Accepted
There is no positive significant relationship between Competitors and performance of SMEs in Dschang (Cameroon)	Positive	Not	Accepted
There is no positive significant relationship between investors and performance of SME in Dschang (Cameroon)	Positive	Yes	Rejected
There is no positive significant relationship between customer and performance of SMEs in Dschang (Cameroon)	Positive	Yes	Rejected

**Source: author**

## 4.2. Discussion of Results

From the result obtained above in table 4.3 the specific objective of this study were achieved. In the first objective, employees have a positive relationship with performance of SMEs in Dschang (Cameroon). This relationship is not significant. This implies that employees there are other factors in which employees take in to consideration not necessary work satisfaction and reward as stated by Dyah, 2018. These factors include the availability of other jobs, the economic situation and business environment as well as general employment. This make them perform well without necessary looking at job satisfaction and reward. Nevertheless, the fact that relationship between employees and performance is positive is implies that management should also pay attention to employees needs as they are also held accountable in their task and responsibility. This in line with Agency Theory which state that employees are held accountable in their tasks and responsibility (Jensen & Meckling, 1976).

Also from the competitor's perspective which is our second specific objective, there is a positive relationship between competitors and performance of SMEs in Dschang. This relationship though positive is not significant. This implies that management believes in core value of their business and has built in a strong customer loyalty. This relationship is not significant because 91.7% in result above indicated that top management regularly discusses competition strength and weaknesses. This is in agreement with normative stakeholder theory which state that stakeholders have legitimate interests in a company and that these interests have intrinsic value. Hence, competitors merit some attention not only because it has the ability to influence other stakeholder but it is the right thing to do for the business.

In our study, the third specific objective shows that investors have a positive significant relationship with performance of SMEs in Dschang (Cameroon). Investor could be financial institutions; venture capitalist, Agent investors, as well as owners of business play a vital role in the success and performance of SMEs. As such, investors' interest should be given serious attention as they are the main financier of the business in which they expect their returns. This is in agreement with stakeholder theory which attempt to address the group of stakeholder deserving and requiring management's attention.

Besides, our fourth objective was realized as there is no positive significant relationship between customers and performance of SMEs in Dschang (Cameroon). This is because customers are the king in any business endeavor. In fact, they pay your bills, and they indirectly are the owners of the business. As such serious consideration should be given to customers. Therefore, customer satisfaction is of great important to the success and survival

of small and medium size enterprise in Dschang (Cameroon). This is in agreement with Letitia, (2015) who carried out a study to determine SMEs in South Africa collect data on customer satisfaction as majority of them believe that their business were customer focused and friendly.

This research work is in agreement with Ahmed, (2019) study who seeks to assess the relationship between SME firm performance and Market Orientation (MO), Customer Orientation (CO) and Brand Orientation (BO) in developing country (Bangladesh). Result indicates that Market Orientation (MO), Customer Orientation (CO) and Brand Orientation (BO) have a positive influence on SME performance. Besides, the result is in agreement with stakeholder theory that is firms are considered as an input-output model by explicitly adding all interest groups; employees, customers, investors, competitors and the society at large to the component mix is a major theory use in this study.

## **5. Conclusion and Recommendation**

### **5.1. Conclusion**

The main objective of this study was to examine the impact of stakeholder on performance of small and medium size enterprises in Dschang (Cameroon). To achieve our objective primary data was collected through the use of questionnaire from a sample of 60 respondents made up of manager, sale clerk and accountant of small and medium size enterprise in Dschang (Cameroon). The data collected was analysis with the use of descriptive statistic that is table and bar chart as well as regression analysis in testing our hypothesis. From the result we found out that:

- Competitors has a positive relationship with performance of small and medium size enterprise even though it is not significant.
- Employees has a positive relationship with performance of small and medium size enterprise even though it is not significant.
- Investors has a positive significant relationship with performance of small and medium size enterprise.
- Customers has a positive significant relationship with performance of small and medium size enterprise.

The study has proved the importance of stakeholders in small and medium size enterprise in Dschang (Cameroon). It has shown clearly that stakeholders play a vital role in small and medium size enterprise performance in Dschang (Cameroon). From the responses to the questionnaires, it was evident that stakeholders have a positive relationship with performance of small and medium size. The following are some limitations of the study; This study make use of primary data which implies that all the analysis were base on non financial information and financial information aspect which can be measured in monetary term are ignore such as the profit and assets of small and medium size enterprise. As such, further study should make used of secondary data and primary data in order to solicit information on stakeholder and performance of small and medium size enterprise in Dschang (Cameroon).

## **5.2. Recommendations**

From the study we recommended that management of small and medium size enterprises in Dschang (Cameroon) should give greater attention to the stakeholders of the business especially investors and customers. To all the authority we recommend that they should put in place the required institutions and policy that will enable small and medium size enterprises operate successfully. Most investors in small and medium size enterprises in Dschang (Cameroon) are financial institution especially credit union. The investment challenges encounter in investing should be look into. The authority should reduce high legal documentation and assess to land title which is a main collateral security to gain access to loan.

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