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Discovering Thoughts, Inventing Future

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# The Main Sources of Political Conflicts: Scenarios for their Development and Prevention

By Qurbonova Zulfiya

**Abstract-** The research is devoted to the issue of conflicts and conflict situations in modern conditions. It is important that at present, in order to achieve peace and harmony, the ability to act in a conflict environment is necessary. For many centuries mankind has been struggling with the problem of the connection between conflict and tolerance. And every time it made a choice between war and peace and harmony, at the next stage of development it again returned to the same choice.

**Keywords:** *conflict, conflict situations, political conflicts and their sources, sources and forms, scenarios for the settlement and prevention of such conflicts.*

**GJMBR-B Classification:** JEL Code: A190



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# The Main Sources of Political Conflicts: Scenarios for their Development and Prevention

Qurbonova Zulfiya

**Abstract-** The research is devoted to the issue of conflicts and conflict situations in modern conditions. It is important that at present, in order to achieve peace and harmony, the ability to act in a conflict environment is necessary. For many centuries mankind has been struggling with the problem of the connection between conflict and tolerance. And every time it made a choice between war and peace and harmony, at the next stage of development it again returned to the same choice.

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## I. INTRODUCTION

The growing interest in conflict and conflict situations has two reasons. First, the growth of conflicts in all spheres of social interaction is already a sign of our time. Lack of understanding between people, violence, aggression, rampant terrorism, fear of the future, i.e. the constant complication of the very problem of conflict in real life, make conflicts important and relevant. Secondly, today we find ourselves at a completely new point in evolutionary development, when humanity consciously takes responsibility for its further existence. If earlier people relied on God, on higher powers, on magicians and wizards, on the communist party, today it is more and more obvious that the expression "Help yourself" is becoming the motto of modern life [5 P.3].

## II. CAUSES AND FEATURES OF POLITICAL CONFLICTS

Today everyone knows that security problems in a narrow and broad sense will remain in the spotlight for a long time. It is quite obvious that conflict is not only a fact of our life, but also a factor that can make significant adjustments to it. Thus, a family conflict, brought to extreme manifestations, can make all its members unhappy. The conflict that led to a war between countries can destroy them; affect the fate of citizens not only of these countries, but of the whole world. But the same conflict, constructively resolved, will open up new opportunities for establishing peace and developing cooperation. The term "conflict" comes from the Latin word "conflictus", which literally means "clash, serious disagreement, and dispute." As the analysis of special

literature shows, the concept of "conflict", despite its wide distribution and relevance, does not have a clear and more or less universal definition [2 P.127].

In the modern literature on conflicts, there are 112 definitions and significant differences in their wording. So what is "conflict"?

So, a conflict is a manifestation of objective or subjective contradictions, expressed in the confrontation between the parties. Conflict is the most acute way of resolving significant contradictions arising in the process of interaction, which consists in the counteraction of the subjects of the conflict and is usually accompanied by negative emotions. Conflicts are completely different. Among them, there are: inter-individual conflicts, inter-group conflicts and their types, interest groups, groups of an ethno-national character, groups united by a common position, conflicts between associations, intra and inter-institutional conflicts, conflicts between state entities, conflicts between cultures or types of cultures, political, economic, social, military, etc. [4 P.17]. From the mass of conflicts, it is advisable to single out for consideration political conflicts, their sources and the process of their settlement. Sources of political conflicts in the broadest sense can be social, extra-social and combined. Contradictions of an intermediate nature, reflecting the relationship between man and nature, where both sides contribute to the development of the conflict, can act as a specific source of political conflicts. But a much wider range of sources of conflict is contained in its social factors and foundations. These determinants are extremely diverse and can be associated with the specifics of certain spheres of politics (domestic and international), with the nature of the subjects (individual, group, mass), as well as with other aspects. Most often, there are three main reasons underlying political confrontation. First of all, these are various forms and aspects of social relations that determine the discrepancy between the statuses of the subjects of politics, their role assignments and functions, interests and needs in power, as well as the lack of resources, etc. For example, they record discrepancies in statuses between the ruling elite and the counter-elite, various interest groups, certain states, regions, etc.

As a rule, the external tension of such conflicts can be easily extinguished. However, it is possible to eradicate the sources of the conflicting disposition of the parties involved in the political game in various ways

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only through transformations, either changing the very organization of power in society, or reforming the socio-economic (cultural) foundations of the political activity of competing subjects. For example, a number of scientists today propose the concept of smoothing out the contradictions between rich (North) and poor (South) countries based on the assertion of their in surmount ability (the theory of "development islands" and the "golden billion", suggesting the ability to live in abundance only for the population of developed countries, in contrast to others states and regions of the world). The constant modification of such sources of conflict should also be taken into account. For example, in modern conditions one can observe the aggravation of relations between industrial and raw material countries, migration flows and urbanization processes in developing regions. At the same time, "classical" conflicts between national states are leaving the international arena, giving way to various regional, local, civilizational contradictions.

Another important social source of political conflicts is the divergence of people (their groups and associations) regarding values and political ideals, cultural traditions, assessments of certain events, as well as other subjectively significant ideas about political phenomena. Such conflicts most often arise in those countries in which qualitatively different opinions about ways of reforming statehood collide, the foundations of a new political structure of society are being laid and ways are being sought out of the social crisis. For example, in relation to the system of world political relations, the American scientist R. Inglehart points out that at present, many concepts of the Islamic, Confucian, Buddhist and other models of the world order are based not on the existing and changing balance of forces in the world, but on appeals to their own ideals and values; in fact, they call for a reassessment of the deepest socio-cultural foundations of modern realities and philosophy of politics [3, pp. 64-74]. As the experience of forecasting the geopolitical situation in recent years shows, emerging crises and conflicts do not lend themselves to timely recognition and diagnosis. Examples of this are the numerous "color revolutions" and protest movements that took place in the post-Soviet space and the Middle East, for which the expert political science community was not ready, despite the repeated preconditions and scenarios for organizing such "revolutions". The wave of "Arab revolutions" in the states of North Africa and protest movements in Ukraine, Kyrgyzstan, Georgia and Moldova even led to the elimination of the ruling regimes as a result of the use of technologies to manipulate human consciousness. The phenomenon of "color revolutions" first appeared in Serbia at the end of the 90 last century. Then similar events took place in Ukraine, Georgia, Kyrgyzstan and Moldova and repeated again in Ukraine in 2013. In Belarus, Uzbekistan and Russia

there were also attempts to organize protest movements, but they did not develop there due to the stability of state institutions and the lack of sufficient support from the population.

The main feature of modern crises and conflicts of an intrastate and regional scale is the wide direct or indirect involvement of interested external actors in international politics seeking to provide military, financial and informational support to one of the parties in their interests, as well as influential international organizations. As the events in Libya and Syria show, this does not allow the country's authorities to consider such a conflict as their internal affair, even if it turns out to be such from an international legal point of view [3, pp. 137-138].

The frequency of conflict and crisis situations in the modern world is due to the high level of conflict potential in domestic and international relations, which is determined by the increased activity of diplomatic, non-governmental organizations and special services that encourage, organize and finance opposition forces in their fight against the current government, moreover organizers of protest movements sometimes involve third countries (as was the case in Libya and Syria), recruiting and training mercenaries and funding their activities. Scenarios of political coups were successfully implemented in Ukraine, Georgia, Kyrgyzstan and Moldova, as well as in the states of North Africa, which for a long time destabilized the socio-political situation in these countries. At the same time, the driving force of such "revolutions" is young people under the age of 30, whose share in the total mass of the population is growing.

It is expected that by 2021 it will be 47% in Asia, 57% in the Middle East and North Africa, and 70% in sub-Saharan Africa. At the same time, in most countries of these regions in the near future, conditions for the successful social integration of youth into social structures are not expected, which will make it a source of future socio-political instability and conflicts [1].

A factor contributing to the success of the "color revolution" is also the weakness of the central government and its inconsistency in solving social and economic problems. Therefore, it is not surprising that "color revolutions" took place in the most prosperous countries of the CIS in terms of observing the norms of democracy: in Ukraine and Georgia, where the media had great freedom of action and in Kyrgyzstan A. Akayev was formally considered almost the most democratic president in the post-Soviet space [6].

### III. SCENARIOS FOR THE DEVELOPMENT OF CRISIS SITUATIONS AND THE EMERGENCE OF CONFLICTS

As for the scenarios for the development of a crisis situation, the phase of its inception usually takes

place in a latent, implicit form. At this stage, the formation of conditions and the emergence of tendencies of a future conflict take place, which, at first glance, do not look dangerous and do not entail serious consequences.

At the second stage of the development of the crisis, its scale expands, which affects the general situation in the country, forcing the central government to take measures to prevent its escalation by involving law enforcement agencies to stabilize the situation and fight extremists.

At the third stage of the development of the crisis, characterized by an extreme aggravation of the situation, the opposing sides begin an open armed struggle. Illegal armed groups appear, terrorist acts, sabotage and hostage-taking are committed.

The fourth stage of the development of the crisis is characterized by the involvement of the subjects of international politics in the person of human rights and humanitarian organizations, as well as the provision of diplomatic, information, propaganda and economic pressure on the population and leadership of the country where there is a conflict situation. If such pressure does not lead to the desired results, and the confrontation takes the form of a civil war, during which the rebels cannot overthrow the ruling regime (as was the case in Libya and Syria), then the UN Security Council raises the question of armed intervention against of this state for overthrowing the "dictatorial" regime [9, pp. 109–111].

#### IV. PREVENTION OF CRISES AND CONFLICTS

Management of modern state and international systems is a priori anti-crisis at all stages of their development. This requires politicians at all levels to be able to recognize in a timely manner the approaching crisis phenomena and make adequate management decisions. For top government officials, the most important element of anti-crisis management is diagnostics and preventive sanitation of crisis trends and phenomena. Diagnostics allows you to obtain reliable information about the real goals and capabilities of the opposing sides, which makes it possible to start forming a reflective model of anti-crisis management. At the same time, anti-crisis management is defined as a system of measures and methods for diagnosing, identifying, neutralizing the causes of crisis phenomena and overcoming their consequences. It should cover all stages of the emergence and development of the crisis, including its prevention, prophylaxis and elimination of consequences. The anti-crisis management system must be flexible, respond quickly to emerging challenges and threats, adapt to changes in the socio-political and international situation, and also have the ability to effectively use the geopolitical potential of the state and informal management methods. At the same

time, one should take into account the time factor, which has an economic and military-political price, which is especially significant during the period of the emergence and development of crisis trends and phenomena. These features of the anti-crisis management mechanism determine the solution of such tasks as the timely recognition of the symptoms and causes of the approaching crisis, as well as the classification and development of measures to overcome it. The individual characteristics and specifics of each crisis situation require the development of specific methods and measures in diagnostics, rehabilitation and preventive measures for the timely and effective relief of threatening trends. The problem of preventing conflicts and crisis situations is relevant due to the fact that it is much easier to prevent these phenomena than to stop them. At the same time, the goal of preventive activity is the timely recognition of the signs, nature of the conflict and the reasons that give rise to it, as well as the initiators and driving forces at the public, state and international levels. It should be emphasized here that the term "prevention" itself is applied not to crisis and conflict in general, but only to its destructive forms. This is due to the fact that it is impossible to stop the socio-political development of social and international systems and the crisis phenomena inextricably linked with it, taking the form of conflicts, but one should try to prevent their destructive manifestations associated with violence, human casualties and damage to property, public interests and values. Therefore, the content of preventive activity is to determine the measures of influence on the structural elements of the conflict, which include the parties to the conflict, the motives of their behavior, the objects of influence and the methods and means used, before its destructive manifestations arose [3 P.149- 150]. Depending on the nature of the conflict, the sources of its origin and development, preventive activities should be aimed at preventing violence, its uncontrolled escalation and reorienting the course of events towards a peaceful resolution of the problem. In this regard, two types of preventive activities are distinguished: at an early stage to prevent a conflict and after its occurrence to prevent its uncontrolled development. Early warning of conflicts and crisis situations is aimed at preventing the escalation of violence to an armed confrontation between the parties or mass protests by the masses. At the same time, one should take into account the fact that often one of the parties to the conflict most often does not set himself the task of normalizing relations and does not seek to find ways to resolve it with the opposite party on a contractual basis. Examples of conflict and crisis prevention activities include shuttle diplomacy, mediation efforts by public and religious leaders, observer missions, sending peacekeeping forces to crisis areas, conducting military exercises in

regions adjacent to the conflict zone, and displaying the flag of the naval and air forces. It seems advisable that all these measures must be carried out before the conflict turns into the stage of armed confrontation between the parties. An early warning strategy for crisis situations should use an efficiently operating system for monitoring hotbeds of potential conflicts to map them and identify the dynamics of development. The best period for monitoring the conflict is its latent phase, since in this case there are all possibilities to prevent the development of conflicts in a catastrophic scenario. Humanitarian organizations and foreign agencies operating in conflict areas and not engaged by third parties can provide the most recent and reliable information on the state of the problem, as well as carry out personal contacts and mediation functions that are extremely valuable in successful conflict prevention. This activity can be carried out in cooperation with the media and research organizations. Preventive steps can include missions to identify and investigate factors that indicate an escalating conflict, as well as its possible boundaries and severity of contradictions. The information obtained should be used for discussion in the expert community, the organization of dialogue and negotiations between the parties - participants in a potential conflict [8 P.40]. At the next stages, it is possible to attract international organizations, as well as provide material and technical support to the efforts of mediators and negotiators, as well as send peacekeepers to areas of potential conflicts. All these measures provide the parties with critical time to find ways to peacefully resolve the conflict situation. At the stage of preventing the uncontrolled development of the conflict, the task is to analyze the underlying causes of the situation on the basis of studying the conflicting interests of the parties and the asymmetry of their relations. Large-scale preventive activities include the study of the reasons for the uneven development of regions and the position of ethno-religious communities, the characteristics of their socio-political cultures and the relationship between them, taking into account the identified structural causes of the conflict, which include economic and social inequality of the population of the region and ineffective work of the authorities.

The development of preventive measures may result in programs for the economic development of conflict-prone regions, the development of mechanisms for resolving conflicts, peacekeeping activities, actions to establish intercultural contacts and the creation of organizations for the prevention and resolution of conflicts. Additional measures include the promotion of national and confessional harmony and the creation of mechanisms for the peaceful and constructive division of political power both on a national scale and in its individual region [7, p. 97].

## V. CONCLUSION

Thus, conflicts are the main part of the social system. It is necessary to recognize the interconnection and interdependence of the parties, the need to show goodwill for an agreement, the refusal of violence, the combination of conflict with cooperation, the gradual and partial resolution of disputes, etc. Due to the art of management, conflicts from a factor of undermining the system turn into a factor of its stabilization. Namely, the one who knows how to cope with conflicts by recognizing and regulating them takes control of the rhythm of history, and whoever misses such an opportunity gets this rhythm into his opponents. Today, the conflict is perceived as the norm of everyday life; therefore, modern politicians need to learn how to manage conflicts without bringing them to a social explosion.

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## Genre, Participation au Marché du Travail et Mobilité Socioprofessionnelle au Camerou

By Bitá Charles Alain & Noufélié Romus

*Université de N'Gaoundéré*

**Abstract-** This paper study the determinants of the gender gap in Cameroonian labor market and its causal impact on socioprofessional mobility as well as they active itself and its family by using EISS 2 database of SNI. We use dichotomy probit models with propensity score matching, notably nearest neighbor and Kernel density method of estimation for overcome heterogeneity and selection bias so that our result either robust. By putting in evidences the spatial and gender heterogeneities, we fund that urban females and young girl's activities economics levels has a meaningfully impact on the socio-professional mobility of active female and on its family. Additionally, the intensity of those activity is influenced by education level, particularly, and that is effect its very high in urban than rural area. Thereby, it is important to engage the trainings and educations policies target in females and young girl by the policymakers.

**Keywords:** labor market, gender, nearest neighbor matching, propensity score, inequality.

**GJMBR-B Classification:** JEL Code: C52, J16, J23



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# Genre, Participation au Marché du Travail et Mobilité Socioprofessionnelle au Cameroun

Bitá Charles Alain <sup>α</sup> & Noufélié Romus <sup>σ</sup>

**Résumé-** Cet article examine l'impact causal de la participation au marché du travail camerounais sur la mobilité socioprofessionnelle aussi bien des actifs ainsi que sur celle de leur ménage en exploitant la base des données de EESI 2 de l'INS. Nous utilisons un modèle probit binaire et la technique d'estimation par la méthode d'appariement des scores de propensions, et notamment l'estimations par la méthode du plus proche voisin et de la densité de Kernel permettent d'éliminer le biais d'hétérogénéité et de sélection, afin d'assurer la robustesse de nos résultats. En mettant en évidence les effets d'hétérogénéités spatiales et de genre, les résultats indiquent que le niveau d'activité économique des femmes urbaine impact significatif sur leur mobilité socioprofessionnelle et sur celle de leur ménage. D'où l'importance des politiques d'éducation ciblées en faveur des jeunes filles dans les programmes de réduction des inégalités socioéconomiques.

**Mots-clés:** marché du travail, genre, score de propension, plus proche voisin, inégalité.

**Abstract-** This paper study the determinants of the gender gap in Cameroonian labor market and its causal impact on socio-professional mobility as well as they active itself and its family by using EISS 2 database of SNI. We use dichotomy probit models with propensity score matching, notably nearest neighbor and Kernel density method of estimation for overcome heterogeneity and selection bias so that our result either robust. By putting in evidences the spatial and gender heterogeneities, we fund that urban females and young girl's activities economics levels has a meaningfully impact on the socio-professional mobility of active female and on its family. Additionally, the intensity of those activity is influenced by education level, particularly, and that is effect its very high in urban than rural area. Thereby, it is important to engage the trainings and educations policies target in females and young girl by the policymakers.

**Keywords:** labor market, gender, nearest neighbor matching, propensity score, inequality.

## 1. INTRODUCTION

En Afrique, les femmes et les jeunes filles constituent à bien des égards la couche de la population la plus vulnérable et désavantagée (Onyeiwu, 2015). Elles occupent les emplois précaires, à faibles productivités et des bas salaires, en majorités dans le secteur informel, contrairement aux hommes (Nations Unies, 2000). Cet état de chose justifierait au moins en partie les raisons de leur faible activité (Anker

et al., 2003) alors que l'autonomisation des femmes s'avère un instrument incontestable pour assurer la dynamique du mode de vie au sein du ménage et la durabilité du développement (Kabeer, 2012). Ainsi, si rien est fait, les progrès réalisés dans les pays de l'Afrique subsaharienne cette deux dernières décennies pourraient être compromises, et le Cameroun n'est pas en reste.

Au Cameroun, l'accès égalitaire aux opportunités d'emploi est un enjeu crucial dans la mesure où il contribuerait à la réduction des tensions socio-économiques et permettrait au pays de tirer profit du potentiel de la main d'oeuvre dont il dispose. Toutefois, si l'insertion des femmes sur le marché du travail n'est pas une condition suffisante pour améliorer leur condition de vie socioéconomique, elle reste à plus d'un niveau une nécessité permanente. Cependant, les faibles niveaux de capital humain ou encore les normes hiérarchiques traditionnelles constituent encore des freins à leur épanouissement des femmes et jeunes filles au même titre que les hommes.

En effet, le taux de participation au marché du travail est évalué en 2010 à 87% avec 74% d'homme et 64,2% de femme. Parmi ces actifs, 89%, 88% et 79% possède respectivement une éducation primaire, secondaire et supérieur (INS, 2010). En conséquence, 44,1 mois sont nécessaires aux femmes pour trouver leur premier emploi, contre 40 mois pour les hommes. Cependant, 35,2% d'actif du secteur public sont féminins contre 64,8 d'hommes, alors que ces proportions sont de l'ordre de 52,2% et 47,8% dans le secteur informel agricole. Les hommes sont plus actifs vers le secteur des services, tandis que les femmes préfèrent le secteur du commerce. Selon leur catégorie socioprofessionnelle, les hommes sont en majorité patron (76%), cadres (68,5%), employés qualifiés (73,5%) et les manoeuvres (79%) comparativement aux actifs féminins qui sont beaucoup plus les aides familiaux/apprenti (60,4%), et ce indépendamment du milieu de résidence.

En outre, plusieurs auteurs se sont intéressés à l'analyse empirique des disparités fondées sur le genre su et sur le marché du travail, dans le contexte a camerounais (Kuepie et al., 2013; Ningaye et Talla, 2014; Baye et al., 2016). Les auteurs dans l'ensemble s'attèment à reconnaître que le genre explique en grande partie les différences de salaire sur le marché du

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travail. Plus récemment, Zamo (2018) a prouvé que les différences la durée de sortie du chômage au Cameroun ou encore de la transition emploi salarié et non salarié, et réciproquement dépendant est fondée sur le genre et le capita les différences de capital humain homme-femme.

Bien que ces travaux reconnaissent la présence des disparités fondées sur le genre, aucun n'a analysé comment elles s'opèrent au sein des entreprises après leurs insertions. En effet, pour quelques travaux d'exception à l'instar de Nguetse et Dongmo (2011), les hommes gagnent plus de 6,6% de salaire que les femmes, tandis que dans Nguetse et al., (2010) ces différences s'élèvent à 17,7% et 9,3% respectivement dans le secteur public et privé, respectivement. Cependant, les auteurs se limitent dans leur majorité à évaluer les discriminations à l'embauche sans ce préoccupés de leur évolution sur après leur insertion; ou encore ils se sont limités à des inégalités quantitatives (salaire ou revenu). Alors que les résultats restent mitigés, l'aspect qualitative des inégalités reste un volet autant important qu'il convient de prêter une attention particulière. Cette étude vise à combler ce gap en évaluant l'effet genre sur la mobilité socioprofessionnelle au Cameroun.

Deux principales raisons peuvent motiver cette analyse: sur le juridique, la charte des nation unie consacre à tous les individus les mêmes droit et libertés, compris celui d'accéder aux mêmes opportunités., et d'autre part, sur le plan empirique, plusieurs études attestent que l'autonomisation des femmes améliore leur implication dans la gestion du ménage, et de plus, celles-ci, contrairement aux hommes, consacre l'essentiel de leur revenu au financement de l'éducation, de la santé et à la consommation des membres du ménages; toutes choses qui concourent inéluctablement à la réduction de la pauvreté (Anyanwu et Augustine, 2012)

L'objectif de cette étude est d'analyser l'impact de la participation au travail sur la mobilité socioprofessionnelle des actifs en insistant sur le rôle du genre. Un accent particulier sera mis sur le cas des actifs féminins, eu égard de leur situation précaire sur le marché du travail, l'on pourrait s'attendre aux effets négatif sur leur progrès. Grâce aux données de la deuxième Enquête sur l'Emploi et le Secteur le Secteur Informel (EESI 2, 2010) il est possible de réaliser les études de la mobilité socio-économiques au Cameroun, en différenciant les primo-demandeurs d'emploi des actifs précédemment occupés, et selon le genre.

Après la présentation de la section 1, cette étude présente à la section 2 une revue non exhaustive des travaux empiriques; La section 3 se réserve d'exposer le cadre méthodologique. Dans la section 4, l'analyse économétrique et enfin, la section 5 discute les résultats et conclue.

## II. REVUE DE LITTÉRATURE

Les femmes constituent la couche de la population la plus vulnérable bien qu'elles soient davantage impliquées dans les activités socio-économiques, culturelles, etc. Nous analysons les travaux empiriques sur cette question en examinant le rôle socio-économique de la femme, ainsi les possibilités de leur insertion sur le marché de travail.

### a) *Le rôle socioéconomique de la femme dans les pays en développement*

Dans les pays en développement, l'implication de la femme dans les activités socio-économiques a connu une attention particulière durant ces dernières décennies. Les femmes africaines sont connues pour leur potentiel en terme d'innovation et d'entrepreneuriat, notamment dans les activités commerciales (Onyeiwu, 2015). Mais, elles restent fortement impliquées dans les activités domestiques, contribuent à la production alimentaire aux soins de santé, et elles constituent entre 60-80% la main-oeuvre agricole en Afrique (FAO, 2013).

En général, les activités économiques féminines en Afrique sont essentiellement informelles et peuvent être étalées sur trois secteurs selon leur niveau de qualification ou d'éducation: un secteur à très faible productivité qui requière les femmes sans ou avec un niveau d'éducation très faible, le second secteur regroupe pour sa part celles qui ont un niveau d'éducation primaire, et donc plus qualifiante, avec les conditions de travail plus meilleurs, et enfin, le troisième secteur regroupe à son sein les actifs plus qualifiés, dotés d'un niveau d'étude secondaires et supérieur, caractéristiques d'une plus forte productivité (Onyeiwu, 2015). En outre, depuis quelques décennies, les ménages africains sont davantage dirigés par les femmes, lesquelles allouent avec plus de ressource pour l'éducation, la paix, le développement et le bien-être, que leurs homologues hommes. A ce propos, Niimi (2009) affirme que contrairement aux hommes, les femmes consacrent une forte proportion de leur revenu pour le bien-être du ménage.

Eu égard de leur rôle au sein du ménage, les femmes sont moins motivées à la mobilité géographique. Dans les pays « pauvres », et surtout dans les zones rurales, les hommes migrent vers les centres urbains, à la recherche d'un emploi meilleur qualité. Cependant, durant leur absence, les femmes sont contraintes de jouer le rôle du chef de famille, et doit assurer les besoins essentiels en attente du potentiel transfert d'argent de leur mari. Pour ce faire, elles s'engagent dans les activités agricoles, bien qu'elle soit caractérisée par son inefficience, sa faible productivité et peu commercialisable (Onyeiwu, 2015).

*b) Opportunité d'emploi, inégalité et insertion sur le marché du travail*

La décision de participation au marché du travail résulte d'un choix individuel et est au coeur de l'analyse néoclassique. Récemment exploité pour l'analyse des inégalités, Polanchek (1981) indique que les inégalités liées au genre observées sur le marché du travail sont la conséquence du différentiel de la dotation du capital en faveur des hommes, mais le rôle biologique de la femme contraint ainsi leur participation aux activités économiques.

L'accessibilité et l'insertion de la femme sur le marché du travail sont conditionnées par plusieurs facteurs qui peuvent être associés aux circonstances ou à l'effort consentie par chacune pour décrocher ou améliorer son statut social (Bourguignon et al. 2006; ILO, 2010). Parmi les facteurs qui influencent la participation de la femme au marché du travail, l'éducation est souvent citée en premier lieu: les femmes plus éduquées sont plus probables de rejoindre le marché du travail. Cette tendance n'est pas toujours vérifiée dans les pays en développement, en particulier, au sein des pays où le rôle traditionnel du genre est fortement défini, le niveau d'éducation féminine a moins d'effets sur leur taux de participation au monde du travail.

Sur un panel de cinq pays asiatiques, ceux qui sont dotés des normes sociales radicales à l'égard du genre, à l'instar de la Corée et le Sri-lanka, Comeron et al. (2001) trouvent que l'élévation du niveau d'éducation n'a pas réellement eu d'effet sur leur volume de participation, et que cela semble être dû aux normes sociales et culturelles. Cependant, El-Hamidi (2004) illustre à partir des données égyptiennes que la décision de participation au marché du travail est essentiellement gouvernée par les facteurs économiques. En effet, l'auteur définit un seuil de revenu en dessous duquel une femme serait contrainte d'exercer une activité économique afin de subvenir aux besoins économiques de son ménage.

Dans le modèle traditionnel d'offre du travail, le salaire est un autre facteur qui influencerait la décision de participation au marché du travail. Toutefois, il semble avec Dessing (2002) que l'offre féminine du travail est plus sensible au salaire comparativement à celle des hommes, et ce comportement serait lié au rôle social de la femme, en particulier dans son ménage. Cependant, dans un contexte de sous-emploi, le modèle traditionnel présente quelques limites pour capter le comportement de la demande. Au Philippines, l'analyse de l'auteur indique que l'élasticité d'offre féminine du travail est négativement liée au faible niveau de salaire. Le rapport des Nations Unies (UN, 2014) montre que la mortalité infantile et le mariage des enfants sont entre autres les facteurs qui ont freiné significativement l'évolution du bien-être féminine ces 20

dernières années, et que les filles âgées entre 15 et 19 ans seraient les plus concernées.

De plus, en Inde rural, Dasgupta et Goldar (2006) arguent qu'en dessous d'une ligne de pauvreté, la participation féminine au marché du travail est inversement liée au niveau des salaires ainsi qu'au nombre des membres de ménage qui gagnent un revenu. Ainsi, les auteurs concluent que l'accroissement de l'offre de travail avec le salaire n'est pas simplement une hypothèse théorique. En outre, la différence de genre sur la participation au marché du travail dépend des avantages comparatifs dans chaque tâche. Selon Becker (1998), les membres du ménage dotés de faibles coûts d'opportunités préféreraient au mieux les travaux domestiques.

De ce fait, leur apport dans la constitution du budget de leur ménage est limité, conséquence de la réduction de la qualité de vie de celle-ci et de leur groupe d'appartenance (McElroy et Horney 1981, Lundberg et Pollak 1993). Ainsi, l'accroissement de l'offre en éducation et du revenu permettraient d'établir l'égalité homme/femme et d'améliorer la productivité (Hersch et Strattondes, 2002). Des analyses peu similaires effectuées par Bourguignon et al. (2001) et Dahan et Gaviria (1999) permettent de conclure que le retard scolaire des parents, en particulier celle de la mère entreprendrait les inégalités intergénérationnelles.

Un autre facteur important relevé dans les études empiriques est lié au temps alloué au travail hors du ménage. Comme l'illustre Khandker (1988) dans le cas de Bangladesh rural, le temps consacré par les femmes aux activités économiques est variable, il n'est pas fixé exclusivement par la société, mais fortement dépendant des contraintes économiques individuelles et de leur ménages (Niimi, 2009). Sur les données camerounaise, Eyene (2012), examine les déterminants de la participation au marché du travail camerounais et malien. En prenant en compte l'effet genre, l'estimation d'un modèle logistique indique que dans les deux pays, la participation des hommes au travail est essentiellement dépendant de son expérience et de son parcours antérieur, tandis que chez les femmes, les événements familiaux et le manque d'éducation sont les facteurs qui freinent l'obtention d'un emploi.

L'auteur explique qu'il est plus contraignant pour les actifs féminins d'une famille nombreuse d'assurer leur indépendance, mais, elles sont plus présentes dans les emplois salariés et aides familiaux. En outre, la localisation géographique, le niveau d'éducation, l'âge et la taille du ménage influent significativement sur la force de participation féminine au travail. En plus, les femmes ayant terminées au moins l'enseignement secondaire ont, par rapport à celle ayant au plus une éducation primaire, plus de chance d'occuper les emplois sécurisés (Rodgers et al. 2006). Kabeer (2012) relève alors que le secteur



manufacturier africain emploi seulement 16% de la main d'œuvre féminine contre 26% de celle des hommes en 2008. Partant, dans la mesure où les inégalités fondées sur le sexe se traduisent essentiellement par la différence de salaire et des conditions du travail, l'éducation pourra de ce fait jouer un rôle de lissage des inégalités entre hommes et femmes (Sackey, 2005).

### III. DONNÉES ET MÉTHODOLOGIE DE L'ÉTUDE

#### a) Données et mesure des variables

Les données utilisées dans cette étude sont celles de la deuxième enquête sur l'Emploi et le Secteur

Informel (ESSI 2) réalisée par l'institut Nationale de la Statistique (INS) en Janvier 2010. Cette enquête à vocation nationale, porte sur le milieu urbain et rural au Cameroun. Au total, 34500 individus ont été interrogés sur leur situation d'activités et la question selon laquelle *pourquoi êtes-vous sans emploi ou à la recherche d'un emploi ?* permet de déceler les déterminants de la participation au travail. Pour la variable d'intérêt de cette étude qui est la « mobilité socio-professionnelle », on se réfère à la question suivante: *aviez-vous eu une promotion au sein de votre entreprise ?* Nous avons ci-dessous les taux de réponse (tableau 1)

Tableau 1: Genre et mobilité socio-professionnelle

<b>oui</b>	<b>3,47</b>	<b>2.23</b>
<b>non</b>	<b>96,53</b>	<b>97,77</b>
<b>ensemble</b>	<b>100</b>	<b>100</b>

Source: auteurs à partir de l'INS (ESSI 2, 2010)

De ce tableau, il en découle que 2,85% des actifs occupés ont répondu par oui, parmi lesquels 2,23% et 3,47% sont respectivement des actifs féminins et masculin. En revanche, sur 97% des employés n'ayant eu aucune promotion dans leur travail, 97,7% sont féminins, contre 96,53% d'homme. En définitive, la promotion au sein des entreprises camerounaises, notamment celle des femmes n'est pas une panacée chez les employeurs. Ceci réduit ainsi leur possibilité de faire carrière, et il importe dès lors de questionner les facteurs explicatifs de cette évolution.

#### b) Mesure des Variables

Dans l'ensemble, l'étude fait appel à deux variables dépendantes.

- *Mobilité socio-professionnelle*: qui est une variable binaire valant 1 pour les actifs ayant connu une promotion au moins une fois au sein de leur entreprise, et 0 sinon.
- *Participation au marché du travail*: Cette variable possède deux modalités: recherche d'un nouvel emploi (N\_emploi) qui est une variable dichotomique valant 1 si l'individu est un actif précédemment occupé et 0 sinon; et être à la recherche du premier emploi (Pr\_emploi) vaut 1 si oui, et 0 dans le cas contraire.

Les variables susceptibles d'influencer l'activité des hommes et/ou des femmes sont: la catégorie socioprofessionnelle du père (CSP\_P) et de la mère (CSP\_M), qui sont des variables binaires (CSP\_ =1 si Salarié et 0 sinon), cette variable est supposée avoir un effet positif sur l'activité des actifs masculin et féminin. Le statut matrimoniale (sat\_mat) et groupe d'âge du chef de ménage (gragecm). Il est théoriquement admis que l'effet d'âge sur l'activité humaine a une évolution en

cloche: avant la période de la jeunesse, l'intensité de l'activité croît, pour diminuer après l'âge de 35ans.

La vérification de cette hypothèse nécessite d'introduire dans la régression le carré de l'âge des actifs (age2, dans notre cas). D'autres variables de contrôles telles que la mobilité résidentielle (Mob\_resid) qui prend la valeur 1 si l'actif a changé sa région de résidence et 0 dans le cas contraire, la catégorie socioprofessionnelle dans l'emploi antérieur (CSP\_ant =1 si l'individu était salarié, et 0 sinon), le milieu de résidence de l'actif (milieu) qui est une variable dichotomique valant l'unité si l'actif réside en zone urbaine, et 0 sinon. Le niveau d'étude mesuré par le diplôme le plus élevé obtenu par l'actif interrogé (Dip\_max); la variable formation- emploi (Form\_emploi) qui permet d'étudier l'adéquation formation acquise-emploi recherché (Form\_emploi =1, en cas d'adéquation et 0 sinon).

Ainsi, après avoir analysé les déterminants de l'activité féminine et masculine, la seconde étape de notre analyse consiste à évaluer l'impact de celle-ci sur la mobilité socioprofessionnelle des actifs, en mettant en évidence l'effet genre.

#### c) Méthodologie

Si l'on dispose à partir des données disponibles les informations relatives au statut de la femme après sa participation au marché du travail, on en sait rien sur leur situation *ex ante* (Clément, 2006). De telles situations ont fait l'objet d'une vaste évaluation empiriques et la solution préconisée pour venir à bout de cette difficulté informationnelle est le recours aux méthodes quasi-expérimentales. C'est une méthode permettant de vérifier les hypothèses causales, en identifiant les groupes témoins qui doivent être aussi proche que possible des groupes expérimentaux sur la base de leurs caractéristiques observables. Cette

technique est relativement sophistiquée puisqu'elle permet d'éliminer le biais de sélectivité (dû aux variables inobservables) et offre un support intéressant pour l'analyse de l'impact (Clément, 2006).

Par ailleurs, plusieurs techniques d'appariement peuvent être identifiées, bien qu'elles ont pour objectif commun la réduction du biais de sélection au cours de l'estimation des effets d'impacts: la méthode par randomisation (RM) qui est la plus efficace, car elle permet de mieux contrôler le biais de sélection. La méthode de double différence (DD) qui se limite sur le seul usage des données de panel. Et ce qui n'est pas le cas dans le cadre des données sur le marché du travail camerounais; la méthode des variables instrumentale (IV), qui a la particularité d'être applicable sur les données aussi bien en panel qu'en coupe. Cependant, son efficacité repose sur la qualité des instruments, ce qui complexifie sa mise en application. La méthode par discontinuité et la méthode d'appariement ou des scores de propensions (PSM). Selon Diagne et Diagne (2015), la méthode par discontinuité qui est une extension de la méthode IV. Ici, le choix de manière efficace d'un critère d'éligibilité en vue de définir un seuil de comparaison des effets de la participation à un programme est la principale limite adressée à cette approche.

Comme dans le cadre de plusieurs travaux empiriques sur l'évaluation des effets du passage par un programme à partir des données en coupe instantanées, la présente étude fait recours à l'estimation par la méthode des scores de propensions. Selon Caliendo et Kopeinig (2008) la technique des scores de propension permet de trouver pour chaque individu traité, un individu non traité (témoin) et semblable sur la base de leurs caractéristiques observables. Cette approche est simple puisqu'elle permet de regrouper en un vecteur unidimensionnel les

probabilités conditionnelles aux caractéristiques observables, sous la base de l'hypothèse d'indépendance conditionnelle (Rosenbum et Rubin 1983). L'avantage de cette hypothèse est qu'elle assure l'obtention des résultats proches de ceux obtenu dans une expérience aléatoire (Fougère, 2007).

d) *Mobilité sur le marché du travail : Une application de la technique d'appariement par les scores de propensions*

Les actifs masculins et féminins ne peuvent être directement comparables entre eux. Cela exige la construction d'un groupe aussi semblable que possible à celui des participants sur la base de certaines caractéristiques observables, dans le but d'obtenir les résultats non biaisés. L'une des premières étapes de cette approche consiste à prédire à partir d'une fonction logistique les scores de propensions. Ces scores sont les probabilités de participation au marché du travail, conditionnellement aux caractéristiques individuelles observables (Ahmed et Mesfin, 2017). C'est une phase informative, mais, il faut savoir que l'objectif ici se limite tout simplement à la description des variables nécessaires pour vérifier la propriété d'indépendance, et non une détermination aussi fidèle des probabilités de participation au travail (Brodsky et al., 2002).

En outre, l'intensité de participation au travail est conditionnée par son utilité espérée. Soit  $A_i = \{femme\ ou\ homme\}$  une variable dichotomique de participation tel que ( $A_i = 1$  en cas de participation, et  $A_i = 0$  sinon),  $\epsilon_i^1$  le terme d'erreur iid. Cependant, la décision de participation  $A_i$  est endogène et inobservable. Selon Heckman (1993), cette décision est déterminée par une équation de sélection conditionnant l'utilité espérée aux caractéristiques individuelles ( $X_i$ ). La fonction de de participation est donnée par:

$$A_i = \begin{cases} 1 & \text{si } A_i * = \delta_i X_i + \epsilon_i > 0 \\ 0 & \text{si } A_i * \leq 0 \end{cases} \mu_i \rightarrow \mathcal{N}(0, \sigma^2) \quad (1)$$

La transformation de cette fonction est:

$$Prob(A_i = 1) = prob(\epsilon_i \sigma > -W_i \delta_i \sigma) = prob(\epsilon_i \sigma < W_i \delta_i \sigma) \quad (2)$$

L'estimation de la forme logarithmique de cette équation peut effectuer par la technique du Maximum de vraisemblance, donnée par :

$$l = \sum [A_i \ln \Phi(W_i \delta_i \sigma) + (1 - A_i) \ln(1 - \Phi(W_i \delta_i \sigma))] \quad (3)$$

Où  $\delta_i$  est le vecteur  $n \times 1$  des paramètres à déterminer,  $\Phi(\cdot)$  la fonction de répartition de la loi normale standard et  $\sigma$  la variance du terme d'erreur supposée constante.

Selon Caliendo et Copeinig (2008), lorsque ces probabilités de participations au programme (« traité ») ont été bien déterminées, il reste à savoir si cette participation a influencé ou non le statu initial du bénéficiaire: l'effet moyen du traitement sur les traités (ATT) qui est la différence entre le statut des actifs occupés (femmes et des hommes) et celui des actifs non-participants ayant un support commun, eu égard de leurs scores de propensions.

<sup>1</sup> Dans la mesure où ce terme d'erreur vaut Zéro, une innovation ne sera utilisée que si la productivité espérée des utilisateurs est élevée, comparativement à leur complémentaire

<sup>2</sup> Ce qui aboutit à:  $\delta = \argmax\{\delta\} l[\delta_i \sigma]$

Soit  $T$  une variable dichotomique tel que  $T = 1$  si l'actif est de sexe féminin ou le ménage possède un de sexe féminin (bénéficiaire), et  $T = 0$ , sinon (non bénéficiaire). soit  $W$  la variable qui renseigne sur le statut socio-professionnelle des actifs. Elle prend la valeur 1 si une femme active a reçu une promotion au sein de son entreprise, et 0 sinon. Ainsi, l'ATT montre que:

$$Pi = W(T=1) - W(T=0) \quad (4)$$

Cependant,  $W(T=1)$  et  $W(T=0)$  ne peuvent être observés simultanément pour un actif à une période donnée, ce qui a conduit Imbens et Wooldridge (2009) à spécifier l'effet moyen de l'activité féminine comme suit:

$$\Delta ATT = E(W=1/T=1) - E(W=0/T=1) = 0 \quad (5)$$

$\Delta ATT$  est l'effet moyen de traitement sur les traité (participant);  $E(W=1/T=1)$  le nouveau statut d'un actif féminin et  $E(W=0/T=1)$ , le statut qu'aurait une femme en âge de travailler si elle avait participé effectivement au marché du travail, mais n'ayant pas

$$E(W=1/T=1, X) - E(W=0/T=1, P(\epsilon_i)) - E(W=0/T=0, P(\epsilon_i)) \quad (9)$$

Avec  $\epsilon_i$  (*iid*) le terme d'erreur. L'estimation de la composante inobservable est donnée par:

$$\Delta ATE = \Delta ATT + (W=0/T=1, P(\epsilon_i)) - E(W=0/T=0, p(\epsilon_i)) \quad (10)$$

Dans cette écriture, seule la différence  $E(W=0/T=1) - E(W=0/T=0)$  pose problème, puisque sa vérification justifierait l'absence du biais d'auto sélection; lequel biais, dans la mesure où il n'est pas neutralisé, induirait des estimations non robustes (Rosembum, 2002). Pour réduire ce biais, Abebaw et Haile (2013) proposent d'inclure dans un modèle logistique un nombre important de co-variables. Ce biais traduit le fait que le statut moyen des bénéficiaires n'aurait pas été le même que celui des non bénéficiaires en cas de non-participation. Pour éliminer ce biais, la situation  $W=0$  et  $T$  doivent être indépendant (Fougère, 2007). La seconde hypothèse qui permet de rassurer la robustesse des résultats est celle du support commun, c'est-à-dire que  $0 < Pi < 1$

Dans cette étude parmi les méthode d'estimations existantes celle du voisin le plus proche (nearest neighbor Matching) et l'estimation de la fonction de densité de Kernel sont les plus usitées. En effet, ces deux approches permettent de neutraliser la différence entre la variables observable ou non observable (Bouoiyour, 2013). De ce fait, la différence de sexe serait la seule cause des différences relatives entre le statut des actifs masculins et féminins. L'obtention d'un estimateur d'appariement nous conduit à vérifier si le traitement (participation des actifs féminins) a effectivement eu un effet sur leur mobilité individuelle (ATT) et sur celle du ménage d'appartenance (ATE).

fait. Or ce dernier scénario est non observable, et par conséquent, ne peut permettre d'évaluer l'ATT. Pour contourner cette difficulté, le modèle peut être mis sur la forme suive

$$E(W=1/T=1) - E(W=0/T=1) - E(W=0/T=0) = \Delta ATT + E(W=0/T=1) - E(W=0/T=0) \quad (7)$$

Toutefois, Brotdy et al. (2002) présentent l'estimateur final pour l'effet moyen du traitement ( $\Delta ATT$ ) obtenu comme la moyenne des écarts de la situation des ménages traité et de celle de leurs contrefactuels. Soit:

$$\Delta ATT = 1/N \sum (N_i = M(W=1) - (W=0)) \quad (8)$$

Par ailleurs, la PSM qui est donc la probabilité d'être promu ( $P_i$ ) permet d'apparier chaque ménage ou chaque femme en activité à un groupe témoin, il convient de récrire cette équation de la manière suivante:

#### IV. IMPLÉMENTATION ÉMPIRIQUE

Les tableaux ci-dessous indiquent les déterminants de l'activité (recherche d'emploi) aussi bien pour les actifs précédemment occupés que pour les chômeurs de premier insertion, et différenciés selon le genre.

##### a) Déterminants de la participation au marché du travail

##### • Actifs de premier insertion

Les résultats (tableaux 2 et 3) indiquent que la durée du chômage est un facteur qui détermine l'activité des hommes et des femmes. La Catégorie socioprofessionnelle du père n'as aucun effet sur l'activité des jeunes filles comme des garçons, alors que celle de la mère influence significativement, mais négativement l'activité de la jeune fille. Cela traduirait le fait que lorsqu'une femme exerce un emploi, elle est généralement substituée dans ses tâches ménagères, traditionnellement reconnues, par les jeunes filles, tandis que les garçons sont davantage impliqués dans les activités économiques. Une remarque fondamentale et particulière que nous relevons est que le niveau d'éducation influence significativement et positivement l'activité des individus et ce indépendamment du sexe. Cependant, cet effet est plus fort chez les femmes que chez les hommes (Niimi, 2009; Anyanwu et Augustine, 2012). On peut ainsi conclure que l'éducation est le levier du taux d'activité féminine et de la réduction des inégalités sur le marché du travail. Ce résultat corrobore Eyene (2012) et Sackey (2005).

- Actifs précédemment occupés

Dans l'ensemble, il en ressort des tableaux 4 et 5 que les covariables retenues ont un impact quasi négatif sur les possibilités de réinsertion des actifs, indépendamment du genre, mais, l'ampleur de ces effets diffère fortement entre les deux groupes. En effet, la catégorie socioprofessionnelle dans l'emploi antérieurement occupé réduit significativement les possibilités de chance de réinsertion aussi bien chez les femmes que chez les hommes, mais les femmes précédemment occupées ont moins de chance de décrocher un nouvel emploi, par rapport à leur homologue de sexe masculin. Cette différence peut être associée à la différence de leur position initiale. En effet, les femmes occupent dans leur grande majorité les emplois précaires et domestiques et de ce fait sont moins impliquées dans les activités économiques, contrairement aux hommes qui consacrent en grande partie leur temps aux activités productives. Ce résultat est en conformité avec ceux de Rodgers et al., (2006) et Onyeiwu (2015).

Contrairement aux actifs féminins, la catégorie socio-professionnelle du père n'a aucun effet significatif sur l'intensité d'activité des hommes. En revanche, son influence sur l'activité des filles est significativement négative, indiquant de ce fait que la mesure de la mobilité intergénérationnelle expliquerait la dynamique du marché du travail et le maintien des inégalités d'accessibilité aux emplois entre les hommes et les femmes. En effet, dans les pays en développement, les pères investissent davantage pour le progrès de leurs enfants garçons que celui des filles, supposant que ces dernières, contrairement aux garçons, quitteront la famille pour rejoindre celle de son conjoint potentiel, et investira moins dans sa famille d'origine.

Cependant, le statut matrimonial et la mobilité résidentielle sont les facteurs incitatifs des seules activités des hommes: ils sont perçus comme une condition importante d'accès au travail afin de subvenir au besoin de sa famille, contrairement aux femmes où le regroupement familial est généralement la condition de leur déplacement. En outre, le diplôme le plus haut obtenu et la correspondance formation-emploi précédemment exercé impactent significativement l'activité des femmes. Le premier facteur a un effet négatif contrairement au second. La prédominance de cette catégorie dans notre échantillon justifie en quoi la présence de cette covariable réduirait les chances de réinsertion; mais par contre, la disponibilité des emplois correspondant à ceux précédemment occupés accroît davantage leur activité des actifs féminins.

De plus, un second constat à relever repose sur les différences observées du point de vue des déterminants de première insertion et ceux de la réinsertion.

- Première insertion versus réinsertion féminine sur le marché du travail

Si les disparités intergroupes sont déjà remarquables à plusieurs niveaux, il sied de mentionner qu'elles sont aussi présentées au sein d'un même groupe. Les différences d'activités entre les femmes de première et de réinsertion sont notables à plus d'un niveau. Les facteurs explicatifs sont multiples: le niveau de diplôme, indépendamment de leur statut contribue significativement à l'activité des actifs féminins, de même que le carré de l'âge. Cependant, on remarque que l'obtention d'un diplôme supplémentaire offre plus des possibilités de première insertion. En outre, la catégorie socioprofessionnelle du père influence positivement les chances de réinsertion des femmes ayant perdues ou quittées leurs emplois, mais cet effet n'est pas observé chez celles qui n'ont jamais exercées un emploi. On note aussi qu'il existe plusieurs facteurs conditionnant la réinsertion féminine, contrairement à leur homologue primo-demandeurs d'emploi. Cet état de chose serait lié au fait que les actifs féminins précédemment occupés seraient plus exigeantes en terme des conditions du travail, étant donné qu'elles possèdent déjà une expérience et une connaissance meilleure du fonctionnement de ce marché.

- Première insertion versus réinsertion masculine sur le marché du travail

Les différences sont plus frappantes au sein des actifs masculins. L'intensité de l'activité des actifs masculins antérieurement occupés est insensible aussi bien au niveau du diplôme, qu'avec le statut socio-économique de leur parent. En revanche, chez les primo-demandeurs d'emploi, l'obtention d'un diplôme supplémentaire est favorable à leur possibilité d'insertion. Cependant, la catégorie socio-économique de la mère réduirait ses chances de réinsertions, alors que la mobilité résidentielle influence positivement sur l'activité des hommes ayant perdu leur emploi.

*b) Impact de la participation féminine au travail sur la mobilité professionnelle*

Pour examiner l'effet causal de la participation au marché du travail sur la mobilité professionnelle des femmes, la technique d'appariement des scores de propension a été utilisée. Cette approche sur l'idée de base selon laquelle la comparaison des résultats de la participation sur la mobilité professionnelle des actifs féminins avec celle des hommes est susceptible de réduire le biais de sélection (Kousar, 2013). Les résultats des estimations de ces participations sur la mobilité professionnelle des actifs féminins précédemment employées et ainsi que sur leur ménage d'appartenance sont présentés respectivement. De plus, l'hétérogénéité liée au milieu de résidence (rural/urbain) semble être justifiée. Ainsi au seuil de 5%, on peut dire que la zone urbaine offre plus de



possibilités d'ascensions professionnelles aux actifs féminins ainsi qu'à leur ménage. En effet, l'estimation de l'ATT indique que la participation des femmes au marché du travail urbain accroît de 0,231 point la chance de promotion au sein de leur entreprise; alors que celle de l'ATE montre que cette participation accroît de 0,167 point les possibilités de mobilité socioprofessionnelles de leur ménage d'appartenance. Ces effets impliquent que l'intensification de la participation des actifs féminins améliore non seulement la mobilité socio-professionnelle mais aussi de celle de l'ensemble de leur ménage d'origine. Cela suggère que l'activité féminine devrait être autant plus encouragées que celle de leur homologue de sexe masculin, en particulier dans les centres urbains.

De plus, l'estimation non paramétrique de la fonction de densité de Kernel (graphique 3 et 4) permet de relever une différence nette entre l'intensité de l'activité de première insertion et de la seconde insertion. En effet, la probabilité d'insertion des actifs féminins de première insertion évolue de manière croissante; en revanche, les anciens actifs occupés sont moins actifs. Mettant évidence le rôle de l'expérience dans la processus d'insertion professionnelle, ce résultat rejoint ceux de Bourguignon et al., (2001).

Par ailleurs, le milieu rural semble ne pas être un catalyseur du progrès socioéconomique des actifs féminins. En effet (tableaux 6 et 7), l'impact de l'activité féminine n'a statistiquement aucun effet sur la mobilité de ces dernières ainsi que celle de leur famille, comparée à l'ATT et ATE. Ce fait peut être associé à la structure du marché du travail en zone rurale. Contrairement à la structure du marché du travail urbain, celle du milieu rural est essentiellement agricole, destinée prioritairement à subvenir aux besoins de bases de la famille, et qui de ce fait repose sur un système de production archaïque et offrant ainsi moins de perspectives aux différents exploitants de connaître les possibilités d'ascensions professionnelles et sociales. Ce qui est conforme aux conclusions de Zamo (2018) et Onyeiwu (2015).

## V. CONCLUSION

L'objectif de ce travail est d'évaluer l'impact de la participation des actifs féminins au marché du travail sur leur mobilité socio-professionnelle ainsi que celle de leur ménage au Cameroun. Pour ce faire, l'étude utilise les données issues de la deuxième enquête sur l'emploi et le secteur Informel réalisé par l'institut Nationale de la Statistique en 2010. L'impact causal de la participation féminine au travail est analysé en deux étapes: La première estime un modèle probit binaire pour déterminer les facteurs influençant, distinctement, la participation selon le genre au marché du travail, afin de déceler l'hétérogénéité liée au sexe. La deuxième, fait appel à la technique d'appariement par les scores de

propension pour examiner l'effets de cette participation sur la possibilité de promotion au sein de leur entreprise. Afin d'évaluer et de vérifier la robustesse des résultats, l'estimation par la méthode du plus proche voisin (nearest neighbor Matching) et de Kernel (fonction noyau) séparément pour le milieu rural et urbain a permis de mettre en évidence l'hétérogénéité spatiale. Les résultats indiquent que le niveau de diplôme semble être l'un des facteurs importants de la différence d'activité femme/homme au travail. De ce fait, une action urgente visant à mettre davantage l'accent sur l'éducation de la jeune fille afin de réduire les inégalités fondées sur le genre est nécessaire. Cela est d'autant plus pertinente dans la mesure où l'étude montre que, bien que la fréquence de participation féminine au travail reste faible devant celles des actifs masculins, elle contribue au mieux à leur mobilité socio-professionnelle ainsi que celle de leur ménage d'appartenance, comparé à celle des hommes, notamment en milieu urbain.

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## ANNEXES

Tableau 2: Estimation des scores de propension de la première insertion des actifs féminins

Nombre d'observations = 138						
LR chi2(10) = 77.77			Prob > chi2 = 0.0000			
Log likelihood = -56.7695			Pseudo R2 = 0.4065			
pre_emp	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
Dur_moy_ch	.0307845	.0071687	4.29	0.000***	.0167341	.0448348
CSP_père	.0211462	.0677891	0.31	0.755	-.111718	.1540104
CSP_mère	.05337	.0873789	0.61	0.541	-.1178895	.2246294
Mob-resid	.2219979	.2988963	0.74	0.458	-.3638281	.8078239
Dip-max	.3792407	.0988022	3.84	0.000***	.1855919	.5728895
age2	-1.606088	.2908004	-5.52	0.000***	-2.176046	-1.03613
milieu	-.0579146	.3651812	-0.16	0.874	-.7736565	.6578274
gragecm	.0493219	.0587072	0.84	0.401	-.0657422	.1643859
Stat-mat	.0209317	.1384195	0.15	0.880	-.2503656	.2922289
religion	-.0415511	.1459036	-0.28	0.776	-.3275169	.2444147
_cons	5.224518	1.614779	3.24	0.001***	2.059608	8.389427

\*\*\* indique la significativité à 1%. Source: auteurs à partir de l'INS (EESI 2, 2010)

Tableau 3: Estimation probit des scores de propension de la première insertion masculine sur le marché du travail

Nombre observations = 316						
LR chi2(10) = 119.66			Prob > chi2 = 0.0000			
Log likelihood = -158.69341			Pseudo R2 = 0.2738			
Pre_emp	Coef.	Std. Err.	Z	P> z	[95% Conf. Interval]	
Durm_cho	.0093526	.0019105	4.90	0.000***	.005608	.0130972
Csp_père	.032895	.0444796	0.74	0.460	-.0542834	.1200734
Csp_mère	-.135524	.05979	-2.27	0.023**	-.2527103	-.0183378
Mob-resid	-.4162217	.1821219	-2.29	0.022**	-.7731741	-.0592692
Dip_max	.179877	.0525569	3.42	0.001***	.0768674	.2828866
age2	-1.078129	.142296	-7.58	0.000***	-1.357024	-.7992342
milieu	.1363168	.223355	0.61	0.542	-.301451	.5740846
gragecm	.0281196	.0321165	0.88	0.381	-.0348277	.0910669
Stat_mat	-.0472812	.0478097	-0.99	0.323	-.1409865	.0464242
religion	.1195706	.0670402	1.78	0.074*	-.0118258	.250967
_cons	5.658319	.9242226	6.12	0.000***	3.846876	7.469763

\*\*\*, \*\* et \* correspondent aux seuil de significativités à 1%, 5% et 10% respectivement sources : Auteurs à partir des données de EESI 2 (INS, 2010)

Tableau 4: Estimation des scores de propension de réinsertion féminine sur le marché du travail

Nombre observations = 1077						
LR chi2(10) = 73.07			Prob > chi2 = 0.0000			
Log likelihood = -225.13872			Pseudo R2 = 0.1396			
N_Emp	coef	Std. Err.	z	P> z	[95% Conf. Interval]	
CSP_ant	-.1528286	.0350658	-4.36	0.000***	-.2215564	-.0841008
CSP_Père	-.0678623	.0332313	-2.04	0.041**	-.1329944	-.0027301
CSP_mère	-.071944	.0449245	-1.60	0.109	-.1599945	.0161065
Stat_mat	.0108472	.0462659	0.23	0.815	-.0798323	.1015266
mob_resid	-.1466364	.1364634	-1.07	0.283	-.4140997	.1208269
Dipl_max	-.1493615	.0498797	-2.99	0.003***	-.2471239	-.0515991
age2	-.2622403	.0797692	-3.29	0.001***	-.418585	-.1058956
Form_emp	.1950367	.0792433	2.46	0.014**	.0397227	.3503507
gragecm	-.0160809	.0250264	-0.64	0.521	-.0651318	.0329699
milieu	-.5166806	.1617678	-3.19	0.001***	-.8337397	-.1996216
_cons	2.809541	.6726286	4.18	0.000***	1.491213	4.127869

\*\*\* et \*\* correspondante aux seuil de significativités à 1% et 5% respectivement Source : auteurs à partir de l'INS (EESI 2, 2010)

Tableau 5: Estimation probit des scores réinsertions masculine sur le marché du travail

Nombre d'observations = 3976						
LR chi2(10) = 104.87			Prob > chi2 = 0.0000			
Log likelihood = -618.35727			Pseudo R2 = 0.0782			
N_emp	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
CSP-emp_ant	-.0556949	.0206706	-2.69	0.007***	-.0962084	-.0151813
CSP_Père	-.0273531	.0207227	-1.32	0.187	-.0679689	.0132628
CSP_Mère	-.0072266	.0144733	-0.50	0.618	-.0355937	.0211405
Stat_Mat	.0421693	.0222669	1.89	0.05**	-.0014731	.0858117
Mob-Resid	.1565697	.0895682	1.75	0.080*	-.0189807	.33212
Dip_Max	-.0265987	.0250031	-1.06	0.287	-.0756038	.0224064
age2	-.2296993	.0494238	-4.65	0.000***	-.3265682	-.1328304
Form-emp	-.000839	.0717227	-0.01	0.991	-.1414129	.1397348
gragecm	.0172972	.0173664	1.00	0.319	-.0167403	.0513346
milieu	-.6028026	.0947567	-6.36	0.000***	-.7885223	-.417083
_cons	.4512886	.4036976	1.12	0.264	-.3399442	1.242521

\*\*\*, \*\* et \* correspondante aux seuil de significativités à 1%, 5% et 10% respectivement source : auteurs à partir de l'INS (EESI 2, 2010)

Activité des femmes et mobilité socio-professionnelle de leur ménage et par milieu de résidence

Tableau 6: Milieu Rural

Treatment-effects estimation (Robust)						nombre d'observation = 5271	
Estimator : nearest-neighbor matching						Matches: requested =	1
Outcome model : matching						min =	1
Distance metric: Mahalanobis						max =	30
Mob_socio-prof		Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
sexcm (féminin vs masculin)	ATET	-.0053515	.0085975	-0.62	0.534	-.0222023	.0114993
	ATE	.0031279	.0051096	0.61	0.540	-.0068867	.0131425

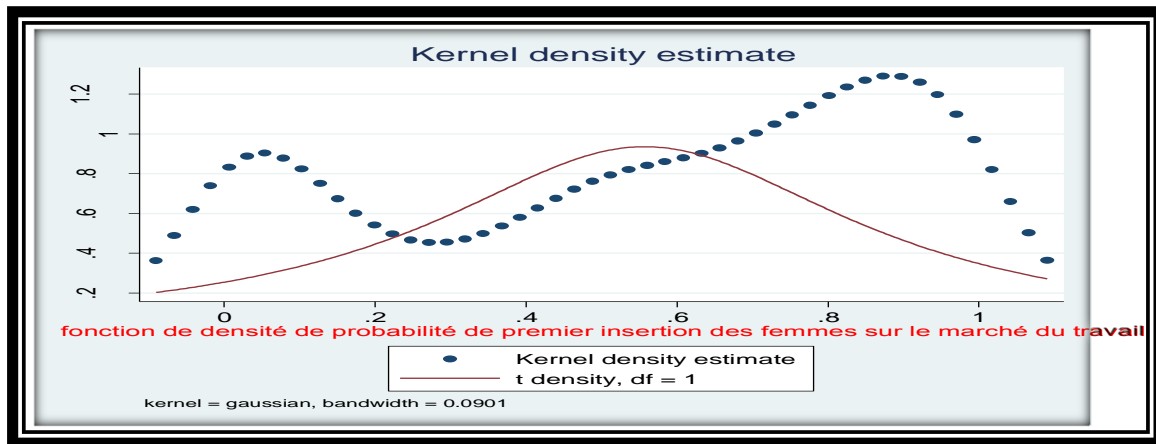
Source: auteurs à partir de l'INS (EESI 2, 2010)

Tableau 7: Milieu Urbain

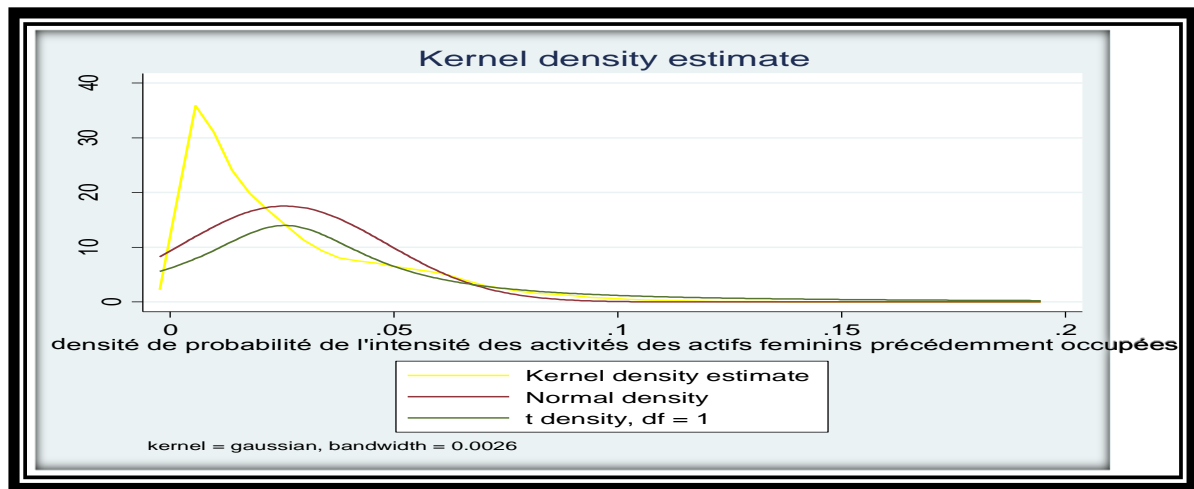
Treatment-effects estimation (Robust)						Nombre observation = 6540	
Estimator : nearest-neighbor matching						Matches: requested =	1
Outcome model : matching						min =	1
Distance metric: Mahalanobis						max =	13
Mob-Socio-Prof		Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
sexcm (féminin vs masculin)	ATET	.0231408	.0079027	2.93	0.003***	.0076518	.0386299
	ATE	.0167095	.0075125	2.22	0.026**	.0019852	.0314338

Source: auteurs à partir de l'INS (EESI 2, 2010)

## ANNEXE 2



Graph 3: Fonction de densité de Kernel de première insertion des Femmes sur le marché du travail



Source: auteurs à partir de l'INS (EESI 2, 2010)

Graph 4: Fonction de densité de Kernel de réinsertion des Femmes sur le marché du travail



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# Determine the Factors Influencing the Investors' Participation to Adopt Takaful in Turkey

By Emine Ebru Aksoy & Ayse Yildiz

*Ankara Hacı Bayram Veli University*

**Abstract-** In Muslim countries such as Turkey, it can be seen a rapid trend towards the Islamic financial instruments. The takaful system is also such an instrument developed against the conventional insurance system and becoming widespread in Muslim countries. Therefore, this study aims to determine what the effective factors in people's participation in the takaful system in Turkey and have some implications for the increase in participation. In order to achieve this goal, evaluations were carried out on a sample of 422 responders whose age were 18 and over and having salary. The responders were asked to respond about their socio-demographic characteristics such as gender, age, education level and their risk profiles. In addition, in order to reveal opinions of responders about the conventional and takaful system, self-administered survey questionnaire including 30 items based on five-point Likert scale were developed with reviewed literature studies and considering Turkish case.

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**GJMBR-B Classification:** *JEL Code: M20*



*Strictly as per the compliance and regulations of:*



# Determine the Factors Influencing the Investors' Participation to Adopt Takaful in Turkey

Emine Ebru Aksoy<sup>α</sup> & Ayse Yildiz<sup>σ</sup>

**Abstract-** In Muslim countries such as Turkey, it can be seen a rapid trend towards the Islamic financial instruments. The takaful system is also such an instrument developed against the conventional insurance system and becoming widespread in Muslim countries. Therefore, this study aims to determine what the effective factors in people's participation in the takaful system in Turkey and have some implications for the increase in participation. In order to achieve this goal, evaluations were carried out on a sample of 422 responders whose age were 18 and over and having salary. The responders were asked to respond about their socio-demographic characteristics such as gender, age, education level and their risk profiles. In addition, in order to reveal opinions of responders about the conventional and takaful system, self-administered survey questionnaire including 30 items based on five-point Likert scale were developed with reviewed literature studies and considering Turkish case. To reveal the structure of the developed scale questions, Explanatory Factor Analysis (EFA) was conducted. However, in this analysis, unlike many other studies using like IBM SPSS software package based on Pearson correlation, the FACTOR package, which was specially developed for Likert-type ordinal scales was conducted. As a result of this EFA analysis, three different factors (dimensions) were obtained. When the questions related to the factors were examined, it was seen that the first factor about the conventional system, the second factor about awareness and the last one about the compatibility of the takaful system. Thus, along with socio-demographic characteristics and risk profiles of individuals, these factors were determined as variables that could be effective in the participation of the takaful system. To determine how effective these variables for participation of the respondents to the system, Binary logistic regression was conducted. As a result of the analysis, it was revealed that while socio-demographic characteristics were found to have no effect, people with high risk perception were statistically significantly more likely to participate in the system than those who were insensitive to the risk (reference category). Also, it was found that the awareness and compatibility of the takaful system were not effective factors but the first factor regarding opinions about conventional insurance system statistically significant. Thus, insurance companies and policy makers who want to develop the takaful system should make promotional activities to increase awareness of this system and take initiatives to explain their superiority over the conventional insurance system.

**Keywords:** *takaful (islamic insurance), factor, principal component analysis, binary logistic regression.*

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## I. INTRODUCTION

Individuals are exposed to several risks, which they can and cannot control, throughout their life. These risks include illness, old age, death, etc. individual risks, as well as fire, earthquake, flood, etc. natural risks. Individuals take precautions to eliminate and reduce these risks that they are exposed. One of the ways that people can reduce their risks is insurance. Insurance is a system designed to provide protection to individuals and businesses against risks. The insurance guarantees the damages that will arise as a result of the risks with the premiums collected from individuals or businesses that are exposed to the same risks. In this sense, insurance is an economic tool that allows individuals or businesses to meet a small amount of premium rather than large amounts of financial losses (Vaughan & Vaughan, 2003, 34).

Insurance systems don't contradict the Islamic rules because it is a system of mutual help. But conventional insurance includes the factors of uncertainty and gambling in the insurance contract, and interest in its investments, which don't comply with the requirements of the Islamic rules (Fitriah & Amin, 2011). Uncertainty can be in terms of the contract terms and the claim payments' source, and gambling may arise from any speculative factors present in the insurance contract (Redzuan, Rahman, & Aidid, 2009). Financial interest can be received from the investment of funds collected from the participants. These factors cause Islamic people to stay away from the conventional insurance system because of their religious rules. Therefore, Islamic insurance system has been developed to attract the Islamic people in the insurance system. Thus, insurance can be classified as a conventional insurance and an Islamic insurance, and they have different structure. Islamic insurance is known as takaful. Takaful and conventional insurance structure base on different principles. Takaful is an insurance system that suites to Islamic regulations.

The takaful system was laid in 1970s for people who don't want to enter the conventional insurance system due to the necessity of Islamic religion. The growing needs of the Muslims for an insurance protection triggered the Islamic insurance, and the first practice of takaful experienced in Sudan in 1979. takaful stands for guarantee, and the word is derived from the Arabic word Al-Kafala. This guarantee signifies mutual

solidarity, cooperation and mutual guarantee. In other words, takaful is an Islamic insurance system and operates the principle of cooperation and donation (Maysami & Williams, 1999). It is created a unity by a group of people who exposed same risks to guarantee one another from certain risks. Moreover, risk is divided collectively the group of participants in takaful. Individuals get over together the consequences of the possible risks in takaful designed as a mutual insurance scheme. However, the uncertainty, gambling and interest elements that are considered to be the cause of the conventional insurance being incompatible with the Islamic principles are not included in takaful (Razak, Idris, Yusof, Jaapar, & Ali, 2013).

Takaful participants provide jointly financial contribution to any members in risk, therefore they guarantee and protect one another against defined risks mutually (Hassan, Jusoh, & Hamid, 2014). As a result of the participants' financial contribution as donations, a co-operative pool can be formed. In other words, insured of takaful pay contributions on the basis of donation and the accumulated funds are managed according to interest-free basis. The individuals are both the participants and the owners of the funds in takaful, so takaful involve both a mutual cooperation among participants in dealing with losses and sharing investment income between the insurer (Kwon, 2007). As a result, takaful is based on three basic principles. These principles are mutual and shared responsibility, co-operation with one another and mutual protection, and joint indemnity from risks results with contribution.

Turkey is a country where the majority of population belonging to Islamic religion. Therefore, determining the factors affecting individuals towards takaful is important in terms of the system development. Thus, in the study, the relationship between the socio-demographic characteristics with risk profiles of the individuals and participation in the takaful system was investigated. In literature, no study was found in which risk was considered as an influencing factor. Moreover, the current study is aimed to determine take the opinions of individuals on conventional insurance and to determine the awareness of takaful with compability for Turkish people.

In this framework, the study consists of four sections. The following section includes literature review. In the second section, information about the methodology is given and in third section analysis results are explained. The last part is devoted to the general evaluation.

## II. LITERATURE REVIEW

Many studies have been made about takaful, after the emergence of the system and putting into practice of the system. Initial studies have been aimed to explain the operation of the system entirely. After the

understanding of the operation of the system by the societies, further studies have been applied on the system from different scope. In other studies, many analyzes have been carried out, such as preferences, and awareness of takaful and conventional Insurance, analysis of takaful demand and determinants of takaful individual or corporate demand, determinants of financial performance of takaful firms, the relationship between takaful and Islamic principles, et.al. The most of the research on takaful has been made in Malaysia, which has the most developed takaful system.

The prerequisite for the takaful system development is to be aware of the existence, to be had knowledge about the operation of the system, and to be understood differences between conventional insurance by societies. Based on this idea, Maysami & Williams (2006) studied the association between the awareness of the existence takaful and religious perceptions of this financial services empirically. They defined that Muslims were largely unaware of the existence of takaful, and Muslims with 'conservative values' are less aware of Islamic insurance than Muslims with 'liberal values. Similarly, Matsawali et. al. (2012) examined the public preferences and understanding between takaful and conventional insurance. They identified that despite respondents couldn't understand takaful, a big majority of the respondents preferred takaful more than conventional insurance. Therefore, this study proposed that the takaful companies had to educate the public to increase their understanding. A similar study was also done by Coolen-Matari (2013) and the awareness and real demand for takaful products among Muslims in the UK was examined in this study. The findings showed that awareness about takaful insurance wasn't enough, but they were only aware of the Riba and Maysir concepts. Moreover, about half the respondents weren't sure whether takaful insurance was in accordance with Islam. Getting takaful with banking channels rather than with independent takaful institutions and using for the Islamic insurance Arabic terms was chosen most of respondents. Salman, Rashid, & Hassan (2017) examined the non-Muslim and Muslim insurance policy holders' awareness and knowledge of insurance and takaful in India. According to the results of the study that awareness and knowledge of takaful in India was very low. Moreover, owners of non-Muslim insurance policies didn't know that the insurance involves interest, uncertainty and gambling, but most of Muslims know. Muslims thought that conventional insurance had to be prohibited based on religious teachings, unlike non-Muslim. Takaful and conventional insurance across 14 countries, and the difference in the insurance demand dynamics of the two insurance types over the 2005–2014 period were evaluated by Akther, Pappas, & Khan (2017). Their methodology was based on panel regressions and took into account the periods during

and after the global financial crisis. The demand of takaful and conventional insurance was negatively affected by GDP/capita, but takaful had a greater resilience during crisis. The conventional insurance was negatively related to saving rate, this result showed that conventional saving products were replacing as conventional insurance. Moreover, average income had positively (negatively) relation with takaful demand in the Middle East (ASEAN), this result was evaluated with difference practices relating to Islamic finance in the two regions.

Another important issue is the determination of factors affecting takaful demand. There are a lot of studies on this subject, especially about family takaful. The economic indicators were used by Redzuan, Rahman, & Aidid (2009). They studied the driving force of family takaful consumption in Malaysia for the period 1985-2007. According to this study results, income per capita was a robust predictor of family takaful demand, long-term interest rate and composite stock index had, but inflation and savings rates hadn't significant relationship with family takaful consumption. Yazid, Arifin, Hussin, & Daud (2012) handled economic indicators together with socio-economic factors. Because the percentage of society covered by family takaful contracts in Malaysia was lower than conventional insurance, a conceptual framework for the determinants of family takaful demand was investigated. The seven socio-demography (life expectancy, dependency ratio, education, age, urbanization, household size, employment status) and nine economic factors (income, inflation, interest rate, financial developments, savings, unemployment rate, pensions, stock, price of takaful) were found the main determinants of family takaful. Sherif & Shaari (2013), determinants of demand on family takaful in Malaysia taken the economic indicators and social demographic factors such as Yazid et.al. The driving forces that influence economics and socio-demographic variables family takaful demand in Malaysia were detected. They indicated that income, Islamic banking development, education, dependency ratio and Muslim population factors were positively, inflation, real interest rate, financial development and life expectancy were negatively related to family takaful demand. Redzuan (2014) investigated the driving force consumption of the life insurance and family takaful, it was found that income, education level, and employees' provident fund were among significant predictors of the life insurance and family takaful consumption.

Sherif & Hussnain (2017) aimed to examine same factors affecting the family takaful demand in the 15 countries from the Middle East and North Africa (MENA) region. Their results proved that the relationship between the demand for family takaful in MENA and Islamic banking deposits, education, dependency rate, female, life expectancy and Muslim

population had significantly a positive relationship, but inflation, financial development and male life expectancy had significantly a negative relationship. The factors that influence the demand for family takaful and conventional insurance were investigated by Abdullah (2012). He used multiple regressions model for the period of 1990-2009. This study results indicated that GDP per capita, saving and religion related to the demand for family takaful and the demand for life insurance, but education related to the demand for only family takaful. On the other hand customer price index and saving negatively influenced the demand for family takaful and, age, saving and religion had a negative effect on life insurance. Moreover even behavioral factors could affect consumer's intention to participate in family takaful. Husin & Ab Rahman (2013) found that intention toward participating in family takaful scheme was affected by attitude, subjective norm and perceived behavioral control, moderating factors like demographic variables, consumer knowledge, situational factors and consumer level of religiosity. Even the conditions for the takaful system may be effective, and Arifin & Sulong (2013) demonstrated that, agency system reputation of takaful operators, products and services, marketing and advertising of takaful products were the main determinants for family takaful demand. On the other hand, corporate demand could be effected by many factors about takaful. Hamid, Osman, & Nordin (2009) examined empirically the determinants of corporate demand for takaful using data from public listed companies at Bursa Malaysia the period of 2002-2006. They found that leverage, expected bankruptcy costs, tax considerations, company size, and managerial ownership had a significant influence.

In order to evaluate takaful firms and conventional insurance, it can be studied determinants of financial performance. In this context, Ismail (2013), examined the determinants of financial performance of takaful and conventional insurance companies in Malaysia for the period of 2004 to 2007. According to the results of panel data analysis, company size, takaful and solvency margin were statistically significant determinants of performance in takaful companies. On the other hand, profit/interest rate levels, company size, reinsurance, solvency margin, liquidity, and premium growth were statistically significant determinants in conventional insurance.

Most of the studies carried out in Turkey have attempted to develop systematic suggestions by presenting the function of the system. Therefore, studies conducted in this way have been carried out as theoretical study without empirical study. There are various problems of takaful practices in Turkey which limits the growth of the takaful market despite its high growth potential, for this reason takaful implementations cannot meet the expectation of the Turkish market (Aslan, 2015). Similarly, Sezal (2017) arrived result that





Turkey takaful system has many problems which limits the growth potential of the takaful market, so this system cannot meet the needs of the Turkish market. In the study of Altıntaş (2016) asserted that Turkey takaful insurance system would increase insurance premium production in the near future, but prerequisites for achieving this result were developing the legal infrastructure and ascending public awareness on takaful. In this context, unlike previous studies, this study aims to determine what the effective factors in people's participation in the takaful system in Turkey.

### III. RESEARCH METHODOLOGY

This research uses explanatory model which explores the impact of cause and reason and attempts to justify the hypotheses developed based on literature and considering Turkish case of takaful system. To obtain this relationship explanatory variables are defined as follows. The first one is socio-demographic characteristics and risk profiles and the second one including opinions obtained regarding the conventional and takaful system with the scale developed. For the second factor, survey questionnaire containing 30 items scaled at five- point Likert scale was prepared based on literature and individuals' participation in takaful system in Turkey. With these questions, it was aimed to reveal the factors affecting the participation to the takaful system and on the basis of these factors, the hypotheses of study were developed.

#### Hypotheses developments:

$H_0$ : Socio-demographic attributes of individuals influence individual's participation in takaful system.

$H_1$ : Socio-demographic attributes of individuals do not influence individual's participation in takaful system.

$H_0$ : Risk profiles of individuals influence individual's participation in takaful system.

$H_1$ : Risk profiles of individuals do not influence individual's participation in takaful system.

$H_0$ : Conventional insurance system influences individual's participation in takaful system.

$H_1$ : Conventional insurance system do not influence individual's participation in takaful system.

$H_0$ : Awareness of individuals regarding takaful system influences individual's participation in takaful system.

$H_1$ : Awareness of individuals regarding takaful system do not influence individual's participation in takaful system.

$H_0$ : Compability of the takaful system influences individual's participation in takaful system.

$H_1$ : Compability of the takaful system do not influence individual's participation in takaful system.

Considering that hypotheses are evaluated over null hypotheses, it is more appropriate to express the related hypotheses as above. Thus, while alternative hypotheses indicate the claims that to be proven, the evaluations regarding the null hypotheses were taken into consideration to test the accuracy or validity of the claims.

The model to be developed and tested with this perspective is as shown in Figure 1.

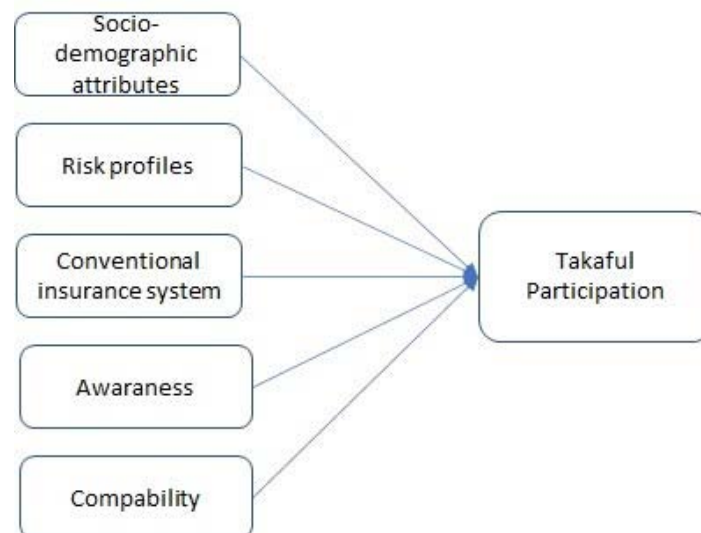


Figure 1: Conceptual Model for Determinants of Takaful Participation

In the study, 422 salaried individuals with an age 18 years old and over was selected as a sample. They were asked questions regarding socio-demographic attributes such as gender, age, education level etc. and other scaled item questions to reveal the factors namely

opinions of conventional insurance system, awareness and compability of takaful system. Due to monetary and time constraints convenient sampling approach was applied and the sample data obtained via online. The

data analyzed using IBM SPSS and FACTOR statistical package programs.

#### IV. METHODS

Three different methods were used in this study for data analysis which are univariate descriptive analysis, factor analysis and binary logistic regression analysis, respectively. Firstly, a univariate descriptive analysis was conducted to determine the socio-demographic attributes of the respondents such as gender, age etc and their risk profiles.

After that, Exploratory Factor Analysis (EFA) was performed to reveal the dimensions (factors) of the self-administered survey-based questionnaire regarding takaful system. EFA is useful for assessing the dimensionality of questionnaire scales that measure underlying latent variables. From a practical standpoint, a researcher might want to know if a new scale can be considered uni-or multi-dimensional. Responding to this can help researchers reduce the total number of variables into smaller number of factors, which are composed of highly related variables. EFA remains a very popular data analysis technique. However, criticism of conventional EFA practices have frequently been stated for ordinal scale variables. The reason is that EFA practices has been restricted by the range of options available in commercial statistical packages (Baglin, 2014).

Dealing with this common situation of analyzing ordinal data as derived from Likert-type scale is handled FACTOR package computer program which is free, stand alone, easy-to-to use and powerful for EFA analysis. The EFA analysis based polychoric correlations instead of Pearson correlation most computer package used. The package also produces reliability analysis via Cronbach alfa index which is very common to evaluate reliability for these kinds of scale questions (Lorenzo-Seva & Ferrando, 2006).

Lastly, determining the independent variables, Binary logistic regression analysis was performed to determine the effects of these variables on determining the intention to purchase takaful products. Logistic analysis for binary outcomes attempt to model the odds of an event's occurrence and to estimate the effects of independent variables on these odds. The odds for an event compares the probability of an event occurs to the probability of an event not occur (Equation1).

$$Odds = \frac{p(x)}{1-p(x)} \quad (1)$$

In order to ensure that the odds ratio does not take any value below zero, the logarithm of odds is taken and logit values are obtained. Logit values can be calculated using Equation 2 for a single explanatory variable.

$$\ln = p \left( \frac{y=1}{y=0} \right) = \ln \left( \frac{p}{1-p} \right) = e^{(\beta_0 + Bx_1)} \quad (2)$$

These logit values give exponential logistic coefficients.  $\beta_0$  is constant and  $\beta$  is the regression coefficient. The impact of predictor variable is usually explained in terms of odds ratios.

After analyzing regression, the model developed must be tested and confirmed to be used in decision analysis. For this aim, Omnibus test of the model coefficients, Hosmer-Lemeshow goodness of fit test, measures of explanation variance via pseude  $R^2$  values such as Cox & Snell  $R^2$  and Nagelkerke  $R^2$  and classification success analysis results were obtained.

#### V. ANALYSIS RESULTS

Univariate descriptive analysis was carried out to reveal the general structure of the sample before proceeding with the analysis aimed at determining the factors affecting the participation of the Takaful system. Then, the EFA analysis was performed to reveal the structures of the questionnaire developed. Lastly, with obtaining inputs binary logistic regression analysis conducted.

##### a) Descriptive Analysis Results

In this section, descriptive statistical analysis results are included in order to have general information about the sample. The outputs are illustrated in Table 1.

Table 1: Descriptive Analysis for Socio-Demographic Attributes with Risk Profiles

D.V. #	Measures	Scale	Frequency	Frequency %
1	Gender	Female	165	39.1
		Male	257	60.9
		18-24	56	13
		25-34	181	42.9
2	Age	35-44	148	35.1
		45-54	33	7.8
		55-over	4	.9
3	Marital Status	Married	249	59.1
		Single	173	40.9
		Primary/Secondary	28	6.6
4	Education	High school	88	20.9
		University	240	56.9
		Graduation	66	15.5
		Very low income	37	8.8
5	Income Level	Low income	86	20.4
		Middle income	121	28.7
		High income	178	42.2
6	Occupation	Public	172	40.8
		Private	240	56.9
		Other	10	2.3
7	Risk Attitude	Risk Lover	142	33.6
		Risk-averse	231	54.7
		Risk-neutral	49	11.6
8	Takaful Participation	Participation	185	43.9
		Non-participant	237	56.1

According to Table 1, 60.9 percent of the respondents are male, while 39.1 percent are female. In terms of age majority of the respondents are between 25-34 with 42.9 percent and follows 35-44 age range with 35.1 percent. The married respondents has 59.1 percent while single respondents with 40.9 percent. In terms of the level of education, the majority of the respondents has university degree with 56.9 percent. Regarding income level, with 42.2 percent high income level constitute the vast majority. In terms occupation, 56.9 percent of the respondents are working in the private sector. Most of the respondents has risk averse with 54.7 percent. takaful participation is 43.9 percent and non-participation percent are 56.1.

#### b) Factor Analysis Results

In order to determine the intention of the respondents to participation of the takaful products, a scale with 30 items was prepared regarding their

opinions about conventional insurance system and takaful system. To test the structural validity of this scale, the FACTOR program specifically developed for Likert-type ordinal questions was used. Firstly, Kaiser-Meyer-Olkin (KMO) and Barlett sphericity test values were obtained to determine the suitability of the dataset for factor analysis, The KMO sample adequacy value was founded as .83 and this size is sufficient for EFA analysis. Also, significance of Barlett test of sphericity indicates that correlation relations between items are appropriate for analysis ( $\chi^2_{406} = 4403$ ,  $p < .01$ ). Then Principal Component analysis was performed with Varimax rotation to ensure full independence between variables.

As a result of the analysis, it was determined that the 30-item scale has a three-factor structure and these factors explain 61% of the total variance. The factor loads of the items were above .05. EFA results for these items and their factor loadings are shown in Table

2. Values with a factor load of less than .3 were not shown in table. As seen in Table 2, after the rotation, the first factor explained the variance by .348, the second factor .156 and third factor .109 explained remaining

variance respectively. Considering the items under the factors, the factors were named conventional system, awareness and compability of the takaful system.

Table 2: Rotated Loading Matrix

Factors	Items /Questions	Conventional insurance	Awareness	Compability
Conventional System	I think the conventional insurance system is necessary	0.847		
	I think the conventional insurance system is useful	0.848		
	I think the conventional insurance system is an effective tool to manage risk	0.803		
	I know the payment will be made in conventional insurance system when the risk occurs	0.736		
	The conventional insurance system is enough to protect me	0.737		
Awareness	I know how insurance premiums are evaluated		0.430	
	I have all kinds of information about the takaful		0.805	
	I know how takaful system works		0.830	
	I know investment tools of takaful system		0.890	
	I know how the insurance premiums I invested are evaluated in takaful system		0.843	
	I know that participants have own funds in takaful system		0.815	
	I know that participants share the profit and loss resulting from fund management in takaful system		0.788	
	I know that takaful system is more risky for participants		0.648	
	I know that if there is a delay in paying my contributions, I would not be charged with default interest		0.687	
	I know that the payments I make in takaful system are donations		0.705	
	I know that payment will be made in takaful system when the risk occurs		0.509	
Compability	I am uncomfortable with the premiums I have deposited are being used in investment instruments with interest			0.750
	I trust takaful system			0.597
	I think takaful system is necessary			0.808
	I think that takaful system is useful			0.793
	I think that the takaful system will be developed in Turkey			0.701
	I think that takaful system is an efficient tool to manage risk			0.651
	takaful system is enough to protect me			0.548
	I prefer takaful system instead of conventional insurance system			0.841
	I care non-interest insurance system			.726
	I find tekaful system is more appropriate than conventional insurance for me			0.834
Eigen Values		10.11	4.55	3.171
Proportion Variance		0.348	0.156	0.109
Total Variance		0.616		
Reliability		0.857	0.908	0.905

\*Loadings lower than absolute 0,3 omitted

In this study, Cronbach's coefficient alfa was used to calculate the internal consistency coefficients of the items included in the questionnaire through 422 individuals questioning. Forthe overall reliability, the Cronbach's alpha value was .893. The alpha values of

the conventional insurance, awareness and compability of the subscales were, .857, .908 and .905 respectively indicate that the the level of construct validity and internal consistency of this questionnaire were provided.



c) *Binary Logistic Regression Results*

In this research, binary logistic regression analysis was performed in accordance with the dependent variable indicating "0" value is set for non-participants of takaful and "1" is set for takaful participants. As independent variables, socio-

demographic characteristics, risk profiles and factors obtained as a result of factor analysis and named as conventional insurance system, awareness and compability were used. Table 3 shows the results of binary logistic regression analysis performed using these variables.

*Table 3:* Binary Logistic Regression Results

Variables	bj	S(bj)	Wald	df	p	Odds Orani Exp (bj)	95% C.I for Exp (b)	
							Lower	Upper
Gender (1)	.089	.0269	.110	1	.741	1.093	.646	1.850
Age			4.411	4	.353			
Age(1)	-1.908	1.312	2.116	1	.146	.148	.011	1.940
Age (2)	-2.172	1.257	2.984	1	.084	.114	.010	1.340
Age (3)	-1.738	1.245	1.949	1	.163	.176	.015	2.018
Age (4)	-1.664	1.293	1.656	1	.198	.189	.015	2.388
Marital Status (1)	.222	.328	.457	1	.499	1.248	.656	2.374
Risk Attitude			3.972	2	.137			
Risk Lover	.799	.436	3.356	1	.057	2.223	.946	5.22
Risk-averse	.358	.410	.762	1	.383	1.430	.641	3.19
Security system			3.033	2	.220			
Security system (1)	-.376	.843	.199	1	.656	.687	.132	3.58
Security system (2)	.122	.837	.021	1	.884	1.130	.219	5.823
Household income			13.858	4	.008			
Household income (1)	.576	.353	2.658	1	.103	1.779	.890	3.556
Household income (2)	-.290	.415	.491	1	.484	.748	.332	1.686
Household income (3)	-.756	.488	2.421	1	.120	.470	.181	1.217
Education level			8.501	3	.037			
Education level (1)	-1.140	.609	3.502	1	.061	.320	.097	1.055
Education level (2)	-.306	.449	.465	1	.495	.736	.305	1.775
Education level (3)	.330	.365	.816	1	.366	1.391	.680	2.844
Conventional_Security	-1.543	1.613	77.346	1	.000	.214	.152	.301
Awaraness	-.059		.207	1	.649	.942	.729	1.217
Compability	.202		2.278	1	.131	1.224	.941	1.591
Constant	1.466		.827	1	.363	4.334		

As can be seen from Table 3, rather than socio-demographic characteristics, the risk profiles of the participants were found as an effective variable toward takaful participation and its odds ratio was 2.223 (95% confidence interval was .946-5.22). This ratio indicates that, with controlling other variables, risk-lovers (high risk perception) responders are 2,223 times more likely to participate in takaful system than risk-neutral participants.

Table 3 shows that the conventional insurance system was statistically significant factor for the

participation of takaful system. Odds ratio for this variable was founded .214 (.152 and .301 at 95% confidence interval). This means that when other variables are controlled, a 1-unit change in thoughts about the conventional insurance system will lead to .214 times decrease in the probability of participating in the takaful system. It is important to determine the validity and accuracy of this developed the binary logistic model in order to use these results to be used by decision makers, The evaluations of the model are shown in Table 4.



Table 4: Evaluation of the Model

Tests	$\chi^2$	df	Value	$p$
Omnibus Test	145.320	20		.000
Hosmer & Lemeshow Test	4.05	8		.895
Cox&Snell R <sup>2</sup>			.31	
Nagelkerke R <sup>2</sup>			.41	
Classification Success			75%	

As seen in Table 4, the omnibus test of model coefficients indicated that the new model including all explanatory variables improved model accuracy with comparing baseline model including only intercept variable ( $\chi^2 = 145.320$ ,  $df = 20$ ,  $p < .05$ ). No statistically significant Hosmer & Lemeshow of the goodness of fit test result indicated that the model is good fit to the data as  $\chi^2 = .895$ ,  $p > .05$ .  $R^2$  values, which show the rate of change of the determined variables in the dependent variable, were found as .31 for Cox & Snell  $R^2$  and .41 for Nagelkerke  $R^2$  respectively. These findings show that the variance of 31% to 41% in the takaful participation of the responders was explained by these variables. The classification success value also indicated that the model is successful at a rate of 75% in classifying the respondents as participating in the system or not. All of these analysis results imply that overall the developed model is valid and has good classification capability. Thus, the results can be used for any decisions regarding takaful participation in Turkey.

## VI. CONCLUSION

People use insurance to protect themselves from the risks they are exposed to. Insurance can be classified as a conventional insurance and an Islamic insurance (takaful). Islamic insurance is known as takaful. It is expressed that conventional insurance includes the factors of uncertainty and gambling, and interest in its investments, which don't comply with the requirements of the Islamic rules. Therefore, since Turkey is a country where the majority of the population belongs to the Islamic religion, the takaful system is expected to be more easily accepted. For this reason, determining the factors affecting participation in the takaful system is of great importance for the development of the system. The objective of the current study is to explore the participation of the Turkish people into the takaful system and to determine the variables that may influence it. Unlike other studies, this study included socio-demographic characteristics as well as risk profiles of individuals as an influential factor.

In the study, a sample of 422 responders asked to respond about their socio-demographic

characteristics such as gender, age, education level and their risk profiles. In addition, in order to reveal opinions of responders about the conventional and takaful system, self-administered survey questionnaire including 30 items based on five-point Likert scale were developed with reviewed literature studies and considering Turkish case. In an addition, this study was carried out EFA analysis using FACTOR program which was developed much more appropriate for Likert type questions. Thus, more accurate results were obtained in the evaluation of the conceptual structure. As a result of the analysis, socio-demographic characteristics and risk profiles of individuals were determined as variables that could be effective in the participation of the takaful system. Binary logistic regression was conducted, to define how effective these variables for participation of the respondents to the system. As a matter of fact, the results obtained were found to be effective factors in the risk profiles of the responders with the opinions of the conventional insurance system. These findings have significant implications for the theory, for policy makers and regulators as well as for practitioners. Hence the takaful companies and takaful policies' providers are required to emphasize this aspect i.e. risk, in order to popularize these services and convince customers to adhere to them instead of only conventional insurance services.

The extension of this study can be made to compare the factors with other Muslim countries, in addition, the viewpoints of Islamic religion and levels of religious life that are expected to affect individuals can be included in the future studies.

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# Ownership Structure and Earnings Quality of Listed Financial Firms in Nigeria

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**GJMBR-B Classification:** *JEL Code: B26*



*Strictly as per the compliance and regulations of:*



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**Abstract-** The study determined the effect of ownership structure on earnings quality of listed financial firms in Nigeria. The study employed secondary data. The study population comprised all the 16 listed financial firms on the Nigerian Stock Exchange. Purposive sampling technique was adopted to select top 10 banks whose shares are consistently traded on the stock market. Data for ownership structure and earnings quality were sourced from the audited financial statements of the selected firms and the Nigerian Stock Exchange Fact book over a period of 10 years (2009-2018). Collected data were analyzed using pooled ordinary least square, fixed effect and random effect estimation techniques. The result from the study showed that institutional ownership ( $t=4.3$ ,  $p<0.05$ ) had a positive and statistically significant relationship with earnings quality while ownership concentration ( $t=-2.5$ ,  $p<0.05$ ) had a negative and significant relationship with earnings quality. The study recommended that the institutional ownership which shows a positive relationship with earnings quality enables improved earnings of the sampled listed banks. More institutional participation should be allowed in the Nigerian listed banks as it was proved that they have the power to monitor the affairs of managers as this will have a positive impact on earnings. Concentration ownership gives managers incentives to manage earnings to achieve short term opportunistic interest; therefore it should not be encouraged.

**Keywords:** ownership concentration, institutional ownership, managerial ownership, earnings quality.

## I. INTRODUCTION

Since the end of 20<sup>th</sup> century the issue of corporate governance has become the topic of significant discussion in the business environment around the globe. The widely belief view, that corporate governance determines firm performance, perpetuity and protect the shareholders' interest has led to increasing global attention of its importance. One of the most desirable mechanisms of corporate governance for reducing agency cost and mitigate earnings management incentives relates to the structure of ownership of a firm. Ownership structure is defined as the sharing of the equity of a company with respect to asset contribution, rights to vote and the identification of equity contributors.

In line with the agency theory, increase in the accuracy of financial reports are expected to be greatly influenced by the components of corporate governance with a resulting effect on the quality of earnings reported

to users of financial information (John and Senbet, 1998). However, investors have lost confidence in the ability of these mechanisms of governance to enhance adequacy of earnings information due to the pervasive financial reporting scandals. Corporate governance reforms have been given a high preference and the need for earnings quality improvement has been highly required as a result of these scandals because investors need information without prejudice to make futuristic decisions.

The need to enhance the system of corporate governance in both local and international level was prompted by the tragic fall and destruction of big international firms like WorldCom international, Enron Corporation, and Tyco international in the United States of America to mention a few. These companies were perceived to be well regulated and also have capital market efficiency. Also the case of Parmalat in Italy which revealed financial statement misrepresentation has caused a great concern for the reforms of corporate governance around the globe due to the need of users of financial information without prejudices and enhancement of the quality of earnings to boost the confidence of investors.

African countries are not left out of these governance failures which have resulted in the destruction of many corporations. The cases of Capital Finance Ltd, The Continental Bank of Kenya Ltd, Consolidated Bank of Kenya Ltd and Trust Bank of Kenya amongst others have prompted the need for corporate governance. In Nigeria, there have also been reported cases of financial scandals of several multinational and conglomerate such as Lever Brothers Nigeria Plc, Cadbury Nigeria Plc, Bank PHB Plc, Oceanic Bank Plc, Abacus Merchant Bank Nigeria Limited, Royal Merchant Bank Limited, Rims Merchant Bank Limited, Financial Merchant Bank Limited, Progress Merchant Bank Plc, and Republic Merchant Bank Limited and the recent case of Skye Bank amongst others. Majority of the cases listed are predominant in the financial sector which is perceived as the backbone of any economy. This facilitated the launch of the code of corporate governance. One of the major issues emphasized by the code is the ownership structure of firms; this is in cognizance of the principal-agent conflict where managers are serving their self-interest and exhibit opportunistic behaviour which usually tends to affect reported earnings adversely.

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This study therefore attempts to examine empirically the relationship between ownership structure and earnings quality in the listed financial firms in Nigeria.

## II. LITERATURE REVIEW

### a) *Theoretical Framework*

The theoretical framework for this study is centered on the agency theory. The agency theory simply deals with the operational relationship existing between one party, the principal, who delegates work to another party referred to as the agent. According to the agency theoretical framework, this study includes the composition ownership structure to provide evidence of their monitoring role as a main agent of corporate governance systems to reduce agency costs and thus enhance the quality of earnings. As corporate governance varies across institutional environments and reflects differences in ownership patterns, this study includes ownership structure to present institutional characteristics of governance to provide evidence of their impact on earnings quality.

In line with this framework, the ownership structure was examined from three dimensions: institutional ownership, managerial ownership and ownership concentration while the earnings quality which was proxied by: accrual quality and earnings persistence.

### b) *Ownership Structure*

Ownership structure is the distribution of a company stock among its major shareholders. Agency theory suggests that ownership concentration which is a form of ownership structure will enhance the monitoring system installed in an organization thereby leading to eradication of principal-agent problem (Jensen and Meckling, 1976). The separation of ownership and control gives rise to the clash of interest between owners and those charged with the responsibility of managing the affairs of a business. Jensen and Meckling, (1976) explained that agents who are the managers control the activities of an organization in the place of the principals who are the owners of the organization. This association gives managers the liberty to direct the affairs of an organization and the exclusive power to make decisions on behalf of the owners. It is evident in literature the structure of ownership can be viewed in two directions; one, when managers of an organization also own some shares in the organization. Secondly, when the shareholders of an organization are most dominated by outside owners who have power to influence and monitor the activities of the managers which will cause a reduction in earnings management practices. As such, ownership structure is expected to have a positive relationship with earnings quality.

### c) *Managerial Ownership*

Managerial ownership can be viewed as the proportion of shares attributed to insiders and block holders of a company to total number of shares issued. Managerial ownership is viewed as a relevant tool of ownership structures used to control the differences between owners of business and their managers (Gulzar, Wuham & Wang, 2011; Liu, 2012). Also, when managers of a firm possess a significant amount of share in that firm, the tendencies of managers acting in their self-interest will reduce because their focus will be on the attainment of the overall organizational (Jensen and Meckling, 1976). The use of information not yet made public by managers for their own advantage will be reduced since the interests of both parties have been aligned (Warfield, Wild, and Wild, 1995). Prior studies have shown that organizations where significant number of shares are owned by managers seem to be associated with reduced earnings management practices (Bradbury, Mak and Tan 2006; Salleh, Stewart and Manson 2006). Vafeas (2005) asserts that the quality of earnings information is enhanced when insider owners account for a larger portion of the total shares. Likewise, Zhou (2008) observed that increased insider ownership will cause an improved quality of earnings information.

In line with the agency theory, managers tend to act in line with other shareholders to achieve organizational goal when they themselves are also shareholders. A closer relationship can be achieved between owners and managers when the CEO is also a shareholder. Therefore, it is expected that managerial ownership will help to align the interest of owners with that of the managers and as such reduces earnings management practices. The findings of Ali, Salleh and Hassan (2008), Banderlipe (2009), Dhaliwal, Salamon and Smith (1982), Ebrahim, (2007), Klein (2002) and Warfield et al. (1995) shows that management shareholdings is negatively related with earnings management.

When the owner-agent relationship are not well bonded, managers may tend to sideline the organizational goal for their own personal objectives without fright of sanction in spite of owning shares in the organization (Denis and McConnell 2003; Fama and Jensen 1983; Weisbach 1988). Therefore, based on the above statement, what motivates earnings management practices might increase despite the CEO's shares ownership thereby giving managers more opportunity to pursue personal interest. (Fama & Jensen 1983). Based on these researches, it was suggested that CEOs act in their own self-interest and not in the overall organization's interest (Cheng and Warfield 2005; Healy 1985; Holthausen, Larcker and Sloan 1995). Even managers with a high number of shares might profit from smoothing of earnings to achieve an increased



share price and their worth (Yang, Lai and Tan 2008). Therefore, an increase in managerial shareholdings might enhance earnings management practices. Hence, the following hypothesis is developed:

*Ho1:* There is no significant relationship between managerial ownership and earnings management.

*d) Institutional Ownership*

Institutional ownership is referred to as the proportion of institutional involvement in the overall shares of an organization. Institutional ownership was viewed as the proportion of shares owned by the largest corporate investors to total number of shares issued (Hashim & Devi, 2008). In addition, to this explanation and in order to have a clear view on the type of institutional investors Bushee (2001) classified them into three:

- (a) Transient institutional investors: these are class of institutional owners with large asset and manage different investment portfolios in various entities. They are mostly interested in brief period investment where the result of the investment can be quickly achieved. Overseeing the affairs of managers is not what motivates them to invest and they are not bordered about issues related to achieving long-term organizational goals.
- (b) Quasi-indexers: these are different class of institutional owners with small assets but they are interested to hold their investment for a long period of time. Their motivation is toward achieving the long-term goal of an organization including increase in its value and success. This class of investors is commitment to monitoring the affairs of the manager of organizations they have invested.
- (c) Active institutional ownership: this is referred to as the proportion of shares active institutional owners possess. They usually invest averagely and are usually interested in the long term value of an organization. They are dedicated to oversee the activities of managers and interested in the future prospects of the organization.

Consistent with the agency theory, institutional owners' monitoring activities seems to be a relevant component of governance. According to Almazan, Hartzell, and Starks (2005), adequate overseeing function can be achieved from institutional owners which might be less possible inactive or smaller investors. Thus, the opportunistic behaviour of managers can be curbed to some extent with the presence of institutional owners. The efficient overseeing hypothesis shoes that there exist a negative association between institutional shareholdings and earnings management practices. Likewise, prior research revealed that earnings management is reduced with the involvement of institutional investors (Bange and De Bondt, 1998; Bushee, 1999; Cornett, Marcus and Tehranian, 2008; Ebrahim, 2007; Koh, 2003).

However, few studies do not agree that the presence of institutional investors will help to oversee the affairs of managers (Claessens & Fan, 2002; Porter, 1992). Institutional investors in most cases are inactive and might dispose their shares when they perceive low performance rather than contributing to the organization (Duggal and Millar 1999). Institutional owners might not be able to adequately oversee the activities of managers or take actions against them because it might lead to an undesired business relationship with the organization. Accordingly, institutional investors may collude with management (Pound, 1988; Sundaramurthy, Rhoades, and Rechner, 2005). Some studies revealed that institutional owners are more concerned with the short term goals and therefore, incapable of overseeing the activities of managers (Bushee, 1998; Porter, 1992). As such, achieving short term income will be highly prioritized by managers. The above reveal that institutional owners might increase incentives for managers to manage earnings which will result in negative effect on earnings quality. Therefore, the following hypothesis is also developed:

*Ho2:* There is no significant relationship between institutional ownership and earnings management.

*e) Ownership Concentration*

Ownership concentration is a measure of the existence of large block holders in a firm (Thomsen and Pedersen, 2000). Normally, a shareholder who holds 5% or more of a corporation common stock is considered a major shareholder or block holder. The shareholding of an owner should be significant enough to provide for monitoring the action of the management. The major shareholder can be an individual, a domestic foreign corporation, an institutional investor and or the state. Large block holders are more motivated to oversee the activities of managers because they tend to gain more from monitoring in comparison to the cost involved. Demsetz and Lehn (1985) and Stiglitz (1985) found that large block holders have the incentive to bear fixed cost of gathering information and to perform oversight functions on management. On the contrary, mixed ownership results in poor monitoring system. That is in a situation where the shareholders hold lower stock in a firm the motivation to oversee is low because the costs involved in monitoring outweigh the benefits to be derived.

Divergence of interest may arise between major shareholders and other shareholders when block holders are predominant in an organization. In most cases, large block holders seem to use their powers to create opportunities for their own advantage which can deprive holders with few shares of their rights. Likewise, they go to the extent of prioritizing their own interests at the expense of other shareholders (Shleifer and Vishny 1997). Consequently, large block holders might be highly involved in management affairs thereby creating

avenues for managers to manage earnings for their personal interest (Jaggi and Tsui 2007). Incentives to manage earnings are provided for managers due to fear of expected adverse result if the options from large shareholders are downturned. Also, the following hypothesis is equally necessary:

*Ho 3:* There is no significant relationship between ownership concentration and earnings management.

#### f) *Earnings Quality*

Earnings quality is referred to as an increased level in the quality of earnings which make available more detailed financial information about an organization to its individual users in decision making (SFAC No. 1). From the above explanation three characteristics that defines earnings quality are pointed out: earnings quality is centered around the provision of important decision by the an organization to the investors and other users: the second part is related to the informativeness of the figures presented to capture the financial performance of an organization and the third part look into how relevant are these information in decision making and if it actually represent the actual performance of the organization. Also, Penman & Zhang (2002) view earnings quality as that earnings stated on the financial statement, before identifying the extraordinary items, is regarded as an adequate signal for futuristic earnings. Therefore, it is assumed that a high level of earnings quality relates to a desired sustainability of earnings while unsustainability is related to a low level of earnings quality. According to the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) did not define earnings quality in their common Conceptual Framework, but rather itemized a number of qualitative features expected in earnings to be regarded as of a high quality, amongst them are relevance, faithful representation, comparability, verifiability, timeliness, and understandability (IASB, 2010).

Earnings quality will be of no meaning if its decision application is not well defined because important characteristics of individual firm's earnings method are quite distinctive in making resolutions (Dechow, Ge and Schrand2009). There are two pretexts from which earnings quality can be viewed; essential characteristics and fiscal characteristics. When earnings is being observed from the important characteristics, it is viewed as accounting viability to access the firm's future performance while from the other perspective, earnings shown on the face of the financial statement are not too good indicators of the actual performance of a firm. Earnings quality is regarded as the level of exactness by which the book value of earnings shows the real earnings; as earnings increases, so also do reported earnings swiftly express the current worth of expected dividend (Yee, 2006).

Present and previous operational performance of a firm can be truthfully shown by high quality of earnings. Earnings quality reveals expected operational performance produce consistent estimation for a firm notwithstanding the level of earnings. The presence of low earnings quality is not always indicative of earnings smoothing practices; it might be as a result weakened essential factors in prior years. Dechow and Dichev (2002) state that the factors that determine the quality of earnings include the size of a firm, percentage of loss, unpredictability of cash flow and operating cycle. Stickney, Brown and Wahlen (2004) note that qualitative financial statement should depict the true and whole information concerning an organization's financial performance and potential future risk. Also, information pertaining to anticipated earnings and cash movements of an organization should be adequately revealed through a quality financial report. Ebrahim (2007) maintains that due to the fact that financial statements are influenced by discretions of the management, their opportunistic behaviour is reflected in the reporting process. Kanagaretnam, Lobo and Mathieu (2004) investigated bank manager's use of discretion in estimating loan loss provision to reduce earnings variability while Zoubi and Al-Khazali (2007) asserts that managers of banks in the Gulf Cooperation Council (GCC) region use the loss provision among other things to smooth earnings to achieve certain objectives.

Earnings quality is also viewed as the ability of reported earnings to be useful for decision making. There are diverse determinants of the quality of financial information, majority of which arises as a result of request of such information to access some important financial benefits and also from other factors that motivate managers to smooth earnings. The need to unnecessarily maintain high earnings leads many managers into trying to manage their earnings.

### III. EMPIRICAL STUDIES

#### a) *Ownership Structure and Earnings Quality*

Ayadi and Boujelbena (2014) conducted a study entitled: *"the relationship between ownership structure and earnings quality in the French context"*. The study explores the association among diverse types of ownership structure and earnings quality proxied earnings management and informativeness in the French companies belonging to SBF 250. The study sample consists of 117 French companies excluding all the financial companies because they are characterized by specific regulations related to financial statement presentation and governance. The finding of the study shows that there exist a negative relationship between managerial ownership and earnings management and also revealed that ownership concentration has a significant positive relationship with earnings informativeness. The study only used two indicators of

earnings quality based on earnings management and informativeness, it would have been interesting to extend the study by incorporating other components of earnings quality which includes accrual quality, persistence, predictability, conservatism and time liness.

Hashim and Devi (2012) conducted a study entitled: *"institutional monitoring and earnings quality in Malaysia"*. The purpose of the study was to investigate the association between institutional ownership and earnings quality of Malaysian firms. The sample consists of 592 non finance related firms quoted on the Malaysia's exchange. The study proxied earnings quality with accrual quality model. It also revealed that institutional owners which mainly dominates the structure of ownership, gives greater monitoring opportunity. The finding shows that institutional owners tend to assume monitoring duties due to their large investment. The focus of this study was based only on institutional ownership; the study would have been more interesting if other forms of ownership structure: management ownership, foreign ownership family ownership and ownership concentration which affects earnings quality was considered.

Sousa and Galdi (2016) conducted a study entitled: *"the relationship between equity ownership concentration and earning quality: evidence from Brazil"*. The purpose of the study was to examine the effect of ownership concentration in Brazilian companies on earnings quality. Earnings persistence and asymmetric timeliness (conservatism) were the two proxies used to measure earnings quality. The sample of the study comprises of firms quoted on the Sao Paulo stock exchange excluding financial firms between 1999 and 2014. The results of the study indicated that accounting conservatism has a positive and significant relationship with ownership concentration. It also showed that as the ownership concentration has a negative relationship with earnings persistence. However, the impact of institutional ownership was not clearly captured in the study.

Hsu and Wen (2015) conducted a study entitled *"the influence of corporate governance in Chinese companies on discretionary accruals and real earnings management"*. The purpose of the study was to investigate ownership structure and board characteristics on discretionary accruals and real earnings management. The sample comprises of 1858 firms quoted on the Chinese shanghai and Shenzhen stock exchange securities market from 2000-2012. The findings of the study revealed that firms with high ownership concentration tend to provide motivation for managers to manage earnings so as to achieve short-term goals. Increase in managerial ownership can adequately control their earnings management activities which is harmful to the value of the firm. The establishment of independent directors on the board has not been able to monitor the opportunistic

behaviour of managers. High rate of earnings management activities will be experienced with the presence of CEO duality. Board size seems to have a negative significant relationship with earnings management.

Amos, Ibrahim, Nasidi and Ibrahim, (2016) conducted a study entitled: *"the impact of institutional ownership structure on earnings quality of food/beverages and tobacco firms in Nigeria"*. The study sampled 16 food/beverage and tobacco firms in Nigeria between 2005 -2013. The regression analysis technique was used to estimate the model. The findings of the study showed that the variable institutional ownership is significant while firm size is insignificant. Since institutional investors help in monitoring managers activities, it was recommended by the study that SEC should encourage more institutional participation in the food/beverage and tobacco companies in Nigeria. The sample size used in the study is small compared to the number of food/beverage and tobacco in Nigeria and also the study neglect other forms of ownership structure but rather focused solely on institutional ownership.

Moradi and Nezami (2011) conducted a study entitled *"influence of ownership structure on earnings quality in listed firms of Tehran stock exchange"*. The aim of the study was to investigate the relationship between ownership concentration, institutional ownership and earnings quality. The sample of the study comprises of quoted companies in the Tehran stock exchange between 2006 and 2010. Six criteria were used for measuring earning quality: operating cash ratio to operating earnings, accruals volume, persistent growth rate of earning, gross earnings ratio, earning persistence, receivable accounts quality. The results of the study revealed that there is a significant relationship between ownership concentration and persistent growth rate of earning. There is also a significant relationship between earning consistent and institutional ownership. However there is no significant relationship between ownership concentration and institutional ownership with the other criteria for evaluating earning quality. Although the study observed two forms ownership structure but there are other form (managerial ownership, foreign ownership and family ownership) which could as well be considered in relation to earnings quality. Also a wider period coverage in the study would have enhanced the result of the study.

Shaikh, Iqbal, Shah and Bhutto (2012) conducted a study entitled *"institutional ownership and discretionary accruals: empirical evidences from Pakistani listed non-financial firms"* The aim of the research was to investigate the relationship between institutional ownership and discretionary accruals. The sample selected for the study was 68 non-financial quoted firms on the Karachi stock exchange between 2006 and 2010. The finding of the study showed a

negative and insignificant relationship between institutional ownership and discretionary accruals. The study considered only one form of ownership structure, whereas other forms are also important.

Al-Zyoud (2012) conducted a study entitled “*the effects of chairman independence and ownership structure on Earnings Management*”. The aim of the study was to examine the effects of chairman independence, ownership structure and earnings management. The sample of the study consisted of 91 largest firm by market capitalization quoted on the London stock exchange in 2005. Earnings Management was measured by Modified Jones Model. The results of the study revealed that there is a negative relationship between chairman independence and Earnings Management, institutional ownership is negative and significant and managerial ownership is negative but not significant. The time frame considered in the study is small; a wider time frame would produce more viable result.

Ostaa and Naderi (2012) conducted a study entitled “*the effects of ownership structure on corporate value in the Tehran Stock Exchange*”. The purpose of the research was to examine the effects of ownership structure on corporate value of firms quoted on the TSE. The sample of the study consisted of 90 firms listed on the TSE from 2001 to 2008. The finding of the study revealed that corporate ownership has positive effect on

corporate value; however, the degree of corporate ownership concentration and corporate value is not significant, which means that there is no significant relationship between degree of corporate ownership concentration and corporate value. According to the results of the institutional ownership and corporate value a statistically negative relationship was revealed, but, the degree of institutional ownership concentration and corporate value did not indicate a not statistically negative relationship. Also, for management ownership ratio is a statistically negative association with corporate value. As for the degree of management ownership concentration, there is no significant relationship between management ownership concentration and corporate value.

#### IV. METHODOLOGY

The data for this study was obtained from secondary source. This study used panel data to establish the relationship between ownership structure and earnings quality in Nigerian financial firms, therefore, the population of this study consisted of all the 16 deposit money banks in Nigeria as at 31<sup>st</sup> December, 2019. The purposive sampling techniques was adopted in selecting the top 10 deposit money banks whose annual reports were adequately available over a period of 10 years (2009-2018).

##### a) Variable Measurement

Variables	Measurement	Source
Earnings Quality (EQ)	Earnings Quality measured by discretionary loan loss provision (DLLP). $LLP_{it} = \beta_0 + \beta_1 NPL_{it-1} + \beta_2 \Delta NPL_{it} + \beta_3 \Delta TL_{it} + \mu_{it}$	Beaver and Engel (1996)
Institutional Ownership (INTOWN)	Measured using proportion of shares owned by institutional investors to total number of shares issued, expressed in percentage.	Amos <i>et al.</i> , (2016)
Managerial Ownership (MANOWN)	Measured using proportion of shares owned directly (shares own by the director only) or indirectly (When the director represents the interest of others) by directors to total number of shares issued, expressed in percentage.	Moradiet <i>al</i> (2014)
Ownership Concentration(OWNCON)	Herfindal index is used to determine the ownership concentration. It is approximated by the sum of squares of all reported holdings. $HHI = \sum I^2$	Moradiet <i>al</i> (2014)
Firm Size (FRSIZ)	Natural log of total assets	Waweru and Riro (2013),
Leverage (LEV)	Ratio of total debt and total equity	Bala and Kumai (2015)

Source: Author's Compilation, 2020

The model to capture the relationship between ownership structure and earnings quality of deposit money banks in Nigeria was specified as follows:

$$EQ = \beta_0 + \beta_1 INTOWN_{it} + \beta_2 MANOWN_{it} + \beta_3 OWNCON_{it} + \beta_4 FIRMSZ_{it} + \beta_5 LEV_{it} + \mu_{it}$$



Where;

*EQ* = Earnings Quality

*INTOWN* = Institutional Ownership

*MANOWN* = Managerial Ownership

*OWNCON* = Ownership Concentration

*FIRMSZ* = Firm Size

*LEV* = Leverage

## V. RESULTS AND DISCUSSIONS

The variables (managerial ownership, institutional ownership and ownership concentration) used in estimating ownership structure are tested to check for the problem of multi-collinearity. From the

result in Table 1, it was evident that low degree of correlation exists between managerial ownership and firm size showing a correlation of 0.01. Ownership concentration also showed a low level of correlation with firm size with a correlation figure of 0.00. In addition, low degree of correlation of 0.02 was observed between leverage and institutional ownership. The result of the correlation shows that the variables (ownership concentration, managerial ownership, leverage, institutional ownership and firm size) observed exhibited low degree correlation among each other which suggested that the effect of multi-collinearity is insignificant.

*Table 1:* Correlation Matrix of Ownership Structure and Earnings Quality

Correlation						
Probability	EQ	FSIZE	INTOWN	LEV	MANOWN	OWNCON
EQ	1.00					
	-----					
FSIZE	-0.00	1.00				
	0.97	-----				
INTOWN	-0.26	0.07	1.00			
	0.04	0.58	-----			
LEV	-0.09	0.69	0.30	1.00		
	0.46	0.00	0.01	-----		
MANOWN	0.18	-0.35	-0.69	-0.59	1.00	
	0.14	0.01	0.00	0.00	-----	
OWNCON	0.09	-0.37	-0.10	-0.28	0.31	1.00
	0.48	0.00	0.40	0.02	0.01	-----

Source: Author's Compilation, 2020

Table 2 shows the empirical results of the relationship between ownership structure and earnings quality among the selected listed banks in Nigeria. The three models of fixed effect, random effect and ordinary least square were estimated. The result of the Hausman test (0.71,  $p > 0.05$ ) (table 3) indicates that the fixed effect will not be the most appropriate model and the Lagranger multiplier test (0.31,  $p > 0.05$ ) (table 4) showed that the ordinary least square is better than the random effect. The explanatory power of the model showed that 67.61% of the variation was captured by the explanatory variables, while 60.83% (table 3) was captured by the variables after adjusting for the loss in degree of freedom.

The results showed that institutional ownership has a positive and significant relationship earnings quality, with coefficient of 7.18 ( $t$ -value=4.3,  $p < 0.05$ ), this signified that a unit increase in the number of institutional ownership will increase earnings quality by 7.18%. In addition, it was revealed in prior studies that institutional involvement helps to curb earnings management practices as a result of high level of monitoring emanating from them. This finding is consistent with the works of Dalhat (2014), Amos *et al.*, (2013), Hashim and Devi (2012), Aggarwal, Erel, Ferreira

and Mato (2010), and Koh (2003) but contrary to the work of Raheel (2017).

Managerial ownership did not exhibit statistical relationship with earnings quality ( $t = -0.11$ ,  $p < 0.05$ ) this implied that management ownership does not influence the earnings quality of the selected listed banks at 5% level of significance. The coefficient of 0.53 showed that managerial ownership contributes positively towards earnings quality, however not significant. As expected, the presence of management in the ownership structure of a firm should positively affect the quality of earnings in that firm. The empirical result is consistent with the empirical work of Al-Zyoud (2012) which revealed the existence of a positive association between managerial ownership and earnings quality but not significant. However, this was not in accordance with the findings of Ayadi and Boujelbena (2014) and Dalhat (2014) which found a significant and negative relationship between managerial ownership and earnings quality.

Ownership concentration negatively affect earnings quality with coefficient of -0.019 ( $t = -2.59$ ,  $p < 0.05$ ). Thus, the coefficient of -0.019 implied that a unit increase in ownership concentration causes earnings quality of the selected listed banks to reduce by 2.5%. This goes in the direction of the empirical



works of Sousa and Galdi (2016), Waweru and Riro (2013) and Al-Fayoumi, Abuzayed and Alexander (2010) which found a negative and significant relationship between ownership concentration and earnings quality but in contrast with the work of Moradi and Nezami (2011) and Ayadi and Boujelbena (2014) whose findings maintained that ownership concentration positively influence the quality of earnings.

The result of the leverage ratio exhibits positive and statistically significant relationship with earnings

quality ( $t=2.3, p<0.05$ ), this implied that a unit increase in debt to asset ratio of the selected banks will lead to increase in earnings quality. In addition, banks tends to reduce their earnings management practices due to the fact that a high level of disclosures will be required in order to access debt facilities and this will in turn boost and improve the quality of their earnings. This is consistent with the findings of Hassan and Farouk (2014).

**Table 2:** Model Estimate of the Relationship between Ownership Structure and Earnings Quality

Dependent Variable: Earning Quality						
	Pooled OLS		Fixed Effect		Random effect	
	Coefficient	t-statistics	Coefficient	t-statistics	Coefficient	t-statistics
INTOWN	7.18*	4.4	2.49	0.31	7.18	1.30
MANOWN	-0.53	-0.1	7.26	0.96	0.53	0.11
OWNCON	-0.01*	-2.6	-0.02	-0.55	-0.01	-0.56
FSIZE	-5.46	-1.5	-12.57	-0.70	-5.46	-0.43
LEV	1.41*	2.3	0.09	0.01*	1.41	0.31
C	9.38	0.1	18.89	0.11	9.38	0.07

Source: Author's Computation, 2020

**Table 3:** Model Estimate of the Relationship between Ownership Structure and Earnings Quality

Dependent Variable: EQ				
Method: Panel Least Squares				
Date: 07/17/19 Time: 11:53				
Sample (adjusted): 2007 2016				
Periods included: 10				
Cross-sections included: 7				
Total panel (unbalanced) observations: 70				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
INTOWN	7.182258	1.645583	4.36457	0.0001
MANOWN	-0.531202	4.506258	-0.11788	0.9066
OWNCON	-0.019402	0.007491	-2.59012	0.0076
FSIZE	5.464651	3.754871	1.45535	0.0807
LEV	1.413101	0.605734	2.33288	0.7405
C	9.380819	120.2006	0.07804	0.9381
R-squared	0.676103	Mean dependent var		28355.80
Adjusted R-squared	0.608350	S.D. dependent var		777121.2
S.E. of regression	780359.1	Akaike info criterion		30.06754
Sum squared resid	3.29E+13	Schwarz criterion		30.27697
Log likelihood	-896.0261	Hannan-Quinn criter.		30.14946
F-statistic	94.92281	Durbin-Watson stat		1.904465
Prob(F-statistic)	0.000450			
Hausman Test		0.71(p>0.05)		

Table 4: Lagrange Multiplier Tests for Random Effects

Null hypotheses: No effects			
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives			
	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.022169 (0.8816)	0.292447 (0.5887)	0.314616 (0.5749)
Honda	-0.148894 --	-0.540784 --	-0.487676 --
King-Wu	-0.148894 --	-0.540784 --	-0.495618 --
Standardized Honda	0.396903 (0.3457)	-0.330020 --	-3.743344 --
Standardized King-Wu	0.396903 (0.3457)	-0.330020 --	-3.742611 --
Gourieriou, et al.*	--	--	0.000000 (>= 0.10)

## VI. SUMMARY AND CONCLUSION

A positive significant relationship was established between institutional ownership and earnings quality and this is consistent with findings of Hashim and Devi (2012). However, the association between ownership concentration and the quality of earnings were found to be significantly negative. This is in line with findings of Sousa and Galdi (2016). Managerial ownership was found to be statistically insignificant with earnings quality. This conforms to the findings of Ayadi and Boujelbena (2014).

It was concluded from the findings of this work that the presence and the increase of institutional ownership will enhance and improve earnings quality. Earnings management practices were observed to be geared with the increase in the number of ownership concentration. Managerial ownership does not however affect earnings quality.

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Credibility

Exclusive

Reputation

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The primary objective is to recognize the leaders in research and scientific fields of the current era with a global perspective and to create a channel between them and other researchers for better exposure and knowledge sharing. Members are most eminent scientists, engineers, and technologists from all across the world. Associate membership can later be promoted to Fellow Membership. Associates are elected for life through a peer review process on the basis of excellence in the respective domain. There is no limit on the number of new nominations made in any year. Each year, the Open Association of Research Society elect up to 12 new Associate Members.





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Career

Credibility

Reputation

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Financial



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<b>\$4800</b> lifetime designation	<b>\$6800</b> lifetime designation	<b>\$12500.00</b> organizational	<b>APC</b> per article
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# PREFERRED AUTHOR GUIDELINES

## **We accept the manuscript submissions in any standard (generic) format.**

We typeset manuscripts using advanced typesetting tools like Adobe In Design, CorelDraw, TeXnicCenter, and TeXStudio. We usually recommend authors submit their research using any standard format they are comfortable with, and let Global Journals do the rest.

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Authors should submit their complete paper/article, including text illustrations, graphics, conclusions, artwork, and tables. Authors who are not able to submit manuscript using the form above can email the manuscript department at [submit@globaljournals.org](mailto:submit@globaljournals.org) or get in touch with [chiefeditor@globaljournals.org](mailto:chiefeditor@globaljournals.org) if they wish to send the abstract before submission.

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2. Authors must accept the privacy policy, terms, and conditions of Global Journals.
3. Ensure corresponding author's email address and postal address are accurate and reachable.
4. Manuscript to be submitted must include keywords, an abstract, a paper title, co-author(s) names and details (email address, name, phone number, and institution), figures and illustrations in vector format including appropriate captions, tables, including titles and footnotes, a conclusion, results, acknowledgments and references.
5. Authors should submit paper in a ZIP archive if any supplementary files are required along with the paper.
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- Ideas
- Findings
- Writings
- Diagrams
- Graphs
- Illustrations
- Lectures





- Printed material
- Graphic representations
- Computer programs
- Electronic material
- Any other original work

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2. Drafting the paper and revising it critically regarding important academic content.
3. Final approval of the version of the paper to be published.

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### Acknowledgments

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Authors can submit papers and articles in an acceptable file format: MS Word (doc, docx), LaTeX (.tex, .zip or .rar including all of your files), Adobe PDF (.pdf), rich text format (.rtf), simple text document (.txt), Open Document Text (.odt), and Apple Pages (.pages). Our professional layout editors will format the entire paper according to our official guidelines. This is one of the highlights of publishing with Global Journals—authors should not be concerned about the formatting of their paper. Global Journals accepts articles and manuscripts in every major language, be it Spanish, Chinese, Japanese, Portuguese, Russian, French, German, Dutch, Italian, Greek, or any other national language, but the title, subtitle, and abstract should be in English. This will facilitate indexing and the pre-peer review process.

The following is the official style and template developed for publication of a research paper. Authors are not required to follow this style during the submission of the paper. It is just for reference purposes.



### ***Manuscript Style Instruction (Optional)***

- Microsoft Word Document Setting Instructions.
- Font type of all text should be Swis721 Lt BT.
- Page size: 8.27" x 11", left margin: 0.65, right margin: 0.65, bottom margin: 0.75.
- Paper title should be in one column of font size 24.
- Author name in font size of 11 in one column.
- Abstract: font size 9 with the word "Abstract" in bold italics.
- Main text: font size 10 with two justified columns.
- Two columns with equal column width of 3.38 and spacing of 0.2.
- First character must be three lines drop-capped.
- The paragraph before spacing of 1 pt and after of 0 pt.
- Line spacing of 1 pt.
- Large images must be in one column.
- The names of first main headings (Heading 1) must be in Roman font, capital letters, and font size of 10.
- The names of second main headings (Heading 2) must not include numbers and must be in italics with a font size of 10.

### ***Structure and Format of Manuscript***

The recommended size of an original research paper is under 15,000 words and review papers under 7,000 words. Research articles should be less than 10,000 words. Research papers are usually longer than review papers. Review papers are reports of significant research (typically less than 7,000 words, including tables, figures, and references)

A research paper must include:

- a) A title which should be relevant to the theme of the paper.
- b) A summary, known as an abstract (less than 150 words), containing the major results and conclusions.
- c) Up to 10 keywords that precisely identify the paper's subject, purpose, and focus.
- d) An introduction, giving fundamental background objectives.
- e) Resources and techniques with sufficient complete experimental details (wherever possible by reference) to permit repetition, sources of information must be given, and numerical methods must be specified by reference.
- f) Results which should be presented concisely by well-designed tables and figures.
- g) Suitable statistical data should also be given.
- h) All data must have been gathered with attention to numerical detail in the planning stage.

Design has been recognized to be essential to experiments for a considerable time, and the editor has decided that any paper that appears not to have adequate numerical treatments of the data will be returned unrefereed.

- i) Discussion should cover implications and consequences and not just recapitulate the results; conclusions should also be summarized.
- j) There should be brief acknowledgments.
- k) There ought to be references in the conventional format. Global Journals recommends APA format.

Authors should carefully consider the preparation of papers to ensure that they communicate effectively. Papers are much more likely to be accepted if they are carefully designed and laid out, contain few or no errors, are summarizing, and follow instructions. They will also be published with much fewer delays than those that require much technical and editorial correction.

The Editorial Board reserves the right to make literary corrections and suggestions to improve brevity.



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***It is necessary that authors take care in submitting a manuscript that is written in simple language and adheres to published guidelines.***

All manuscripts submitted to Global Journals should include:

### **Title**

The title page must carry an informative title that reflects the content, a running title (less than 45 characters together with spaces), names of the authors and co-authors, and the place(s) where the work was carried out.

### **Author details**

The full postal address of any related author(s) must be specified.

### **Abstract**

The abstract is the foundation of the research paper. It should be clear and concise and must contain the objective of the paper and inferences drawn. It is advised to not include big mathematical equations or complicated jargon.

Many researchers searching for information online will use search engines such as Google, Yahoo or others. By optimizing your paper for search engines, you will amplify the chance of someone finding it. In turn, this will make it more likely to be viewed and cited in further works. Global Journals has compiled these guidelines to facilitate you to maximize the web-friendliness of the most public part of your paper.

### **Keywords**

A major lynchpin of research work for the writing of research papers is the keyword search, which one will employ to find both library and internet resources. Up to eleven keywords or very brief phrases have to be given to help data retrieval, mining, and indexing.

One must be persistent and creative in using keywords. An effective keyword search requires a strategy: planning of a list of possible keywords and phrases to try.

Choice of the main keywords is the first tool of writing a research paper. Research paper writing is an art. Keyword search should be as strategic as possible.

One should start brainstorming lists of potential keywords before even beginning searching. Think about the most important concepts related to research work. Ask, "What words would a source have to include to be truly valuable in a research paper?" Then consider synonyms for the important words.

It may take the discovery of only one important paper to steer in the right keyword direction because, in most databases, the keywords under which a research paper is abstracted are listed with the paper.

### **Numerical Methods**

Numerical methods used should be transparent and, where appropriate, supported by references.

### **Abbreviations**

Authors must list all the abbreviations used in the paper at the end of the paper or in a separate table before using them.

### **Formulas and equations**

Authors are advised to submit any mathematical equation using either MathJax, KaTeX, or LaTeX, or in a very high-quality image.

### **Tables, Figures, and Figure Legends**

Tables: Tables should be cautiously designed, uncrowned, and include only essential data. Each must have an Arabic number, e.g., Table 4, a self-explanatory caption, and be on a separate sheet. Authors must submit tables in an editable format and not as images. References to these tables (if any) must be mentioned accurately.



## Figures

Figures are supposed to be submitted as separate files. Always include a citation in the text for each figure using Arabic numbers, e.g., Fig. 4. Artwork must be submitted online in vector electronic form or by emailing it.

## PREPARATION OF ELETRONIC FIGURES FOR PUBLICATION

Although low-quality images are sufficient for review purposes, print publication requires high-quality images to prevent the final product being blurred or fuzzy. Submit (possibly by e-mail) EPS (line art) or TIFF (halftone/ photographs) files only. MS PowerPoint and Word Graphics are unsuitable for printed pictures. Avoid using pixel-oriented software. Scans (TIFF only) should have a resolution of at least 350 dpi (halftone) or 700 to 1100 dpi (line drawings). Please give the data for figures in black and white or submit a Color Work Agreement form. EPS files must be saved with fonts embedded (and with a TIFF preview, if possible).

For scanned images, the scanning resolution at final image size ought to be as follows to ensure good reproduction: line art: >650 dpi; halftones (including gel photographs): >350 dpi; figures containing both halftone and line images: >650 dpi.

Color charges: Authors are advised to pay the full cost for the reproduction of their color artwork. Hence, please note that if there is color artwork in your manuscript when it is accepted for publication, we would require you to complete and return a Color Work Agreement form before your paper can be published. Also, you can email your editor to remove the color fee after acceptance of the paper.

## TIPS FOR WRITING A GOOD QUALITY MANAGEMENT RESEARCH PAPER

Techniques for writing a good quality management and business research paper:

**1. Choosing the topic:** In most cases, the topic is selected by the interests of the author, but it can also be suggested by the guides. You can have several topics, and then judge which you are most comfortable with. This may be done by asking several questions of yourself, like "Will I be able to carry out a search in this area? Will I find all necessary resources to accomplish the search? Will I be able to find all information in this field area?" If the answer to this type of question is "yes," then you ought to choose that topic. In most cases, you may have to conduct surveys and visit several places. Also, you might have to do a lot of work to find all the rises and falls of the various data on that subject. Sometimes, detailed information plays a vital role, instead of short information. Evaluators are human: The first thing to remember is that evaluators are also human beings. They are not only meant for rejecting a paper. They are here to evaluate your paper. So present your best aspect.

**2. Think like evaluators:** If you are in confusion or getting demotivated because your paper may not be accepted by the evaluators, then think, and try to evaluate your paper like an evaluator. Try to understand what an evaluator wants in your research paper, and you will automatically have your answer. Make blueprints of paper: The outline is the plan or framework that will help you to arrange your thoughts. It will make your paper logical. But remember that all points of your outline must be related to the topic you have chosen.

**3. Ask your guides:** If you are having any difficulty with your research, then do not hesitate to share your difficulty with your guide (if you have one). They will surely help you out and resolve your doubts. If you can't clarify what exactly you require for your work, then ask your supervisor to help you with an alternative. He or she might also provide you with a list of essential readings.

**4. Use of computer is recommended:** As you are doing research in the field of management and business then this point is quite obvious. Use right software: Always use good quality software packages. If you are not capable of judging good software, then you can lose the quality of your paper unknowingly. There are various programs available to help you which you can get through the internet.

**5. Use the internet for help:** An excellent start for your paper is using Google. It is a wondrous search engine, where you can have your doubts resolved. You may also read some answers for the frequent question of how to write your research paper or find a model research paper. You can download books from the internet. If you have all the required books, place importance on reading, selecting, and analyzing the specified information. Then sketch out your research paper. Use big pictures: You may use encyclopedias like Wikipedia to get pictures with the best resolution. At Global Journals, you should strictly follow here.



**6. Bookmarks are useful:** When you read any book or magazine, you generally use bookmarks, right? It is a good habit which helps to not lose your continuity. You should always use bookmarks while searching on the internet also, which will make your search easier.

**7. Revise what you wrote:** When you write anything, always read it, summarize it, and then finalize it.

**8. Make every effort:** Make every effort to mention what you are going to write in your paper. That means always have a good start. Try to mention everything in the introduction—what is the need for a particular research paper. Polish your work with good writing skills and always give an evaluator what he wants. Make backups: When you are going to do any important thing like making a research paper, you should always have backup copies of it either on your computer or on paper. This protects you from losing any portion of your important data.

**9. Produce good diagrams of your own:** Always try to include good charts or diagrams in your paper to improve quality. Using several unnecessary diagrams will degrade the quality of your paper by creating a hodgepodge. So always try to include diagrams which were made by you to improve the readability of your paper. Use of direct quotes: When you do research relevant to literature, history, or current affairs, then use of quotes becomes essential, but if the study is relevant to science, use of quotes is not preferable.

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**11. Pick a good study spot:** Always try to pick a spot for your research which is quiet. Not every spot is good for studying.

**12. Know what you know:** Always try to know what you know by making objectives, otherwise you will be confused and unable to achieve your target.

**13. Use good grammar:** Always use good grammar and words that will have a positive impact on the evaluator; use of good vocabulary does not mean using tough words which the evaluator has to find in a dictionary. Do not fragment sentences. Eliminate one-word sentences. Do not ever use a big word when a smaller one would suffice. Verbs have to be in agreement with their subjects. In a research paper, do not start sentences with conjunctions or finish them with prepositions. When writing formally, it is advisable to never split an infinitive because someone will (wrongly) complain. Avoid clichés like a disease. Always shun irritating alliteration. Use language which is simple and straightforward. Put together a neat summary.

**14. Arrangement of information:** Each section of the main body should start with an opening sentence, and there should be a changeover at the end of the section. Give only valid and powerful arguments for your topic. You may also maintain your arguments with records.

**15. Never start at the last minute:** Always allow enough time for research work. Leaving everything to the last minute will degrade your paper and spoil your work.

**16. Multitasking in research is not good:** Doing several things at the same time is a bad habit in the case of research activity. Research is an area where everything has a particular time slot. Divide your research work into parts, and do a particular part in a particular time slot.

**17. Never copy others' work:** Never copy others' work and give it your name because if the evaluator has seen it anywhere, you will be in trouble. Take proper rest and food: No matter how many hours you spend on your research activity, if you are not taking care of your health, then all your efforts will have been in vain. For quality research, take proper rest and food.

**18. Go to seminars:** Attend seminars if the topic is relevant to your research area. Utilize all your resources.

**19. Refresh your mind after intervals:** Try to give your mind a rest by listening to soft music or sleeping in intervals. This will also improve your memory. Acquire colleagues: Always try to acquire colleagues. No matter how sharp you are, if you acquire colleagues, they can give you ideas which will be helpful to your research.

**20. Think technically:** Always think technically. If anything happens, search for its reasons, benefits, and demerits. Think and then print: When you go to print your paper, check that tables are not split, headings are not detached from their descriptions, and page sequence is maintained.





**21. Adding unnecessary information:** Do not add unnecessary information like "I have used MS Excel to draw graphs." Irrelevant and inappropriate material is superfluous. Foreign terminology and phrases are not apropos. One should never take a broad view. Analogy is like feathers on a snake. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Never oversimplify: When adding material to your research paper, never go for oversimplification; this will definitely irritate the evaluator. Be specific. Never use rhythmic redundancies. Contractions shouldn't be used in a research paper. Comparisons are as terrible as clichés. Give up ampersands, abbreviations, and so on. Remove commas that are not necessary. Parenthetical words should be between brackets or commas. Understatement is always the best way to put forward earth-shaking thoughts. Give a detailed literary review.

**22. Report concluded results:** Use concluded results. From raw data, filter the results, and then conclude your studies based on measurements and observations taken. An appropriate number of decimal places should be used. Parenthetical remarks are prohibited here. Proofread carefully at the final stage. At the end, give an outline to your arguments. Spot perspectives of further study of the subject. Justify your conclusion at the bottom sufficiently, which will probably include examples.

**23. Upon conclusion:** Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium through which your research is going to be in print for the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects of your research.

## INFORMAL GUIDELINES OF RESEARCH PAPER WRITING

### Key points to remember:

- Submit all work in its final form.
- Write your paper in the form which is presented in the guidelines using the template.
- Please note the criteria peer reviewers will use for grading the final paper.

### Final points:

One purpose of organizing a research paper is to let people interpret your efforts selectively. The journal requires the following sections, submitted in the order listed, with each section starting on a new page:

*The introduction:* This will be compiled from reference matter and reflect the design processes or outline of basis that directed you to make a study. As you carry out the process of study, the method and process section will be constructed like that. The results segment will show related statistics in nearly sequential order and direct reviewers to similar intellectual paths throughout the data that you gathered to carry out your study.

### The discussion section:

This will provide understanding of the data and projections as to the implications of the results. The use of good quality references throughout the paper will give the effort trustworthiness by representing an alertness to prior workings.

Writing a research paper is not an easy job, no matter how trouble-free the actual research or concept. Practice, excellent preparation, and controlled record-keeping are the only means to make straightforward progression.

### General style:

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

**To make a paper clear:** Adhere to recommended page limits.

### Mistakes to avoid:

- Insertion of a title at the foot of a page with subsequent text on the next page.
- Separating a table, chart, or figure—confine each to a single page.
- Submitting a manuscript with pages out of sequence.
- In every section of your document, use standard writing style, including articles ("a" and "the").
- Keep paying attention to the topic of the paper.



- Use paragraphs to split each significant point (excluding the abstract).
- Align the primary line of each section.
- Present your points in sound order.
- Use present tense to report well-accepted matters.
- Use past tense to describe specific results.
- Do not use familiar wording; don't address the reviewer directly. Don't use slang or superlatives.
- Avoid use of extra pictures—include only those figures essential to presenting results.

#### **Title page:**

Choose a revealing title. It should be short and include the name(s) and address(es) of all authors. It should not have acronyms or abbreviations or exceed two printed lines.

**Abstract:** This summary should be two hundred words or less. It should clearly and briefly explain the key findings reported in the manuscript and must have precise statistics. It should not have acronyms or abbreviations. It should be logical in itself. Do not cite references at this point.

An abstract is a brief, distinct paragraph summary of finished work or work in development. In a minute or less, a reviewer can be taught the foundation behind the study, common approaches to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Use comprehensive sentences, and do not sacrifice readability for brevity; you can maintain it succinctly by phrasing sentences so that they provide more than a lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study with the subsequent elements in any summary. Try to limit the initial two items to no more than one line each.

*Reason for writing the article—theory, overall issue, purpose.*

- Fundamental goal.
- To-the-point depiction of the research.
- Consequences, including definite statistics—if the consequences are quantitative in nature, account for this; results of any numerical analysis should be reported. Significant conclusions or questions that emerge from the research.

#### **Approach:**

- Single section and succinct.
- An outline of the job done is always written in past tense.
- Concentrate on shortening results—limit background information to a verdict or two.
- Exact spelling, clarity of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else.

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The introduction should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable of comprehending and calculating the purpose of your study without having to refer to other works. The basis for the study should be offered. Give the most important references, but avoid making a comprehensive appraisal of the topic. Describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will give no attention to your results. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here.

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- Present a justification. State your particular theory(-ies) or aim(s), and describe the logic that led you to choose them.
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**Approach:**

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*Materials may be reported in part of a section or else they may be recognized along with your measures.*

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- Report the method and not the particulars of each process that engaged the same methodology.
- Describe the method entirely.
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- Simplify—detail how procedures were completed, not how they were performed on a particular day.
- If well-known procedures were used, account for the procedure by name, possibly with a reference, and that's all.

**Approach:**

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**Approach:**

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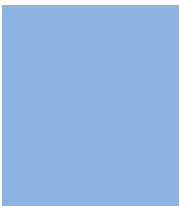


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