Loan Strategies to Small and Medium Size Enterprises: An Analysis of Determining Factors of “Subsidiary Banks” in the Cameroonian Context

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This paper proposes to present an overview of determining factors of the granting of loan to Small and Medium Size Enterprises (SMSE) by the subsidiaries of multinational banks in Cameroon. The analysis of the data collected following interviews with banking employees conducted in accordance with the method of thematic content analysis reveals that two categories of factors play a major role in the decision of the banker: parameters relating to the characteristics of the SMSE applying for a loan and elements specific to the context of study. The combination of these factors contributes to the reinforcement of the already transactional attitude of these subsidiary banks in the area of experimentation of the study.

Keywords: loan strategies, subsidiary banks, multinational banks, determining factors, SMSE

Introduction

The financial environment of Small and Medium Size Enterprises (SMSE) in Africa is historically dominated by the subsidiaries of western multinational banks. This passion for the black continent goes back to 1940s notably with the establishment of major French Banks such as Credit Lyonnais and SocieteGenerale. Almost all the subsidiaries were then managed by expatriates appointed from the parent companies of origin in the Western World. However, this logic of expatriation went under severe strain with the independence in the 1960s by the said policies of “Africanisation” imposed on foreign subsidiary banks (Vuerings, 1964). The idea behind this important reform was to make local governments participate in the share capital of banks. This argument is justified by the idea that in general, the objectives of foreign subsidiaries are in contradiction with those of host countries (Ghauri&Mayrhofer, 2016).

In this trend, the influence of local authorities in the management of subsidiary banks comes to fruition in
the Economic and Monetary Community of Central African States (CEMAC)\(^1\) context through the possibility recognized to states to hold at least one-third of their share capital. In Central Africa and most particularly in Cameroon, the order of 30 August 1973, completed by the order No.85/002 of 31 August 1985 relative to the conditions for exercising banking activity, in its Article 5, stipulates that “the share capital structure of banks must include the presence of public interests that cannot be inferior to one third of subscribed shares”. In Congo and in Central African Republic, this more important participation was estimated at 51% of the share capital.

Meanwhile, this participation is going to pave the way for interference of public authorities in the functioning of banks (Pelletier, 1993). Thus, most public sector debt turned out to be of questionable quality because of laxity in the assessment process of loans (Joseph, 1998; Tamba&Tchamambé, 1995). This situation is the source of financial fragility of most banking institutions. Then, it appears that the implementation of “Africanisation” policies mentioned above was the cause of organization aldy functions that led to the liquidation of most subsidiaries by their parent companies in the late 1980s (Ezé-Ezé, 2001). Consequently, the African banking sector found itself in the inability to meet the financial needs of financing the economy.

In the face of such difficulties, reforms proved to be necessary to put an end to the degradation of the banking system of CEMAC member states. They consisted in giving it a new organisation at the technical level resulting in the disengagement of the public authorities from the capital of banks for the benefit of private interests, the redefinition of the rules of banking supervision, and the liberalisation of the financial sector (Tchakounte&Bita, 2009).

The least one can point out is that the operationalisation of the reforms that have just been highlighted led to the recomposition of the banking sector in most African countries. To such an extent that the banking sector in Cameroon for example evolves in a “hybrid” environment marked by the presence of foreign-owned banks and African-owned banks.

It should nevertheless be noted that the consequences of the crisis at the source of the reforms that have just been mentioned remains an issue given the persistence of the contraction phenomenon of banking financial offer to SMSE.

In fact, from the consultation of official documents (COBAC Activities reports) relative to the activities of operational banks in Cameroon, it appears that the subsidiaries of western multinational banks are more successful in funds raising activities (deposits) than in activities relative to the offer of loans to enterprises (COBAC, 2017). “In Liberia for example, the market offers few credit instruments to the private sector. The development of the financial market is conditioned by the establishment of an appropriate legal and accounting infrastructure” (Souleymanouet Hikkerova, 2018, p.106). These foreign banks that thus occupy the first places in the ranking in terms of volume of deposits also seem to glow by a strong reluctance to financially assist SMSE. Furthermore, CEMAC is ranked among the regions of the world where the phenomenon of financial exclusion is the most important with only 4% of the population benefitting from a lending from a formal financial institution (Dermigue-Kunt&Klapper, 2012)\(^2\).

It appears to us that, this reluctance of banks to issue loans may compromise the ambitions of economic emergence of the continent, which implies a real involvement of banks in supporting Small and Medium-Size Enterprises.

\(^{1}\) The Economic and Monetary Community of Central African States (CEMAC) includes Cameroon, Central African Republic, Congo, Gabon, Equatorial Guinea, and Chad.

\(^{2}\) This data comes from an extensive survey carried out by the services of the World Bank in 2011.
Given the above, this article proposes to highlight, from the examination of the content of bankers’ declarations, the factors that guide the decision to offer loans to SMSE within the Cameroonian subsidiaries of western multinational banks.

After this introduction, the article continues as follows. The first point situates the specificity of our field of investigation (1). The second point analyses the banking funding issues of SMSE (2). The third point clarifies the empirical research protocol (3). The discussion of results shall be carried out in the fourth point (4).

**A Banking Sector with Established Specificities**

This paper is particularly interested in the situation of banks in Cameroon. In this country of Central Africa, often presented as Africa in miniature (Apitsa, 2013), the market is presently shared by 16 banks (COBAC, 2017).

This refers in particular to:
- the subsidiaries of western multinational banks: Société Générale-Cameroun (SG-C), Banque Internationale du Cameroun pour l’Épargne et le Crédit (BICEC), Citibank S.A., Standard Chartered Bank (SCB);
- African subsidiaries or panafrican banks or regional banks: Banque Atlantique, Union Bank for Africa (UBA), BGFI Bank, Union Bank of Cameroon (UBC), Ecobank, Société Commerciale de Banque au Cameroun (SCB-C), Bank of Africa Cameroun (BOA);
- domestic and local banks: Afriland First Bank, Commercial Bank of Cameroon (CBC), NFC-Bank, la banque camerounaise des PME (BC-PME) and Crédit Communautaire d’Afrique (CCA).

Depending on the origin of the majority shareholder, these banks are divided into two categories. On the one hand, the subsidiaries of western multinational banks established in Africa and particularly in Cameroon (four banks out of 16 currently operational) and on the other hand banks which are not subsidiaries that is Cameroon-owned or African-owned banks (12 out of 16 operating banks).

It appears that the banking sector in Cameroon evolves in a particularly “hybrid” environment marked among others by the presence of the subsidiaries of western multinationals, African subsidiaries or panafrican banks and domestic banks. This specificity allows a glimpse of difference in terms of banking strategies in accordance with Hofstede’s (1980) theoretical predictions. It justifies the merit in questioning the policy of loans by western multinational subsidiaries. Furthermore, they benefit from a wide geographical coverage in the area of experimentation of the study. Moreover, local studies on bank financing of SMSE do not exist, at least to our knowledge, having separated western subsidiaries from African-owned banks. All these observations justify the choice of subsidiary banks in this article.

After limiting our fieldwork, we shall strive in the next point to examine the particularities of SMSE bank financing.

**The Issues of SMSE Bank Financing**

Bank financing of SMSE and TPE displays a specific character and cannot be addressed in the same way as the one of a big company (Ferrier, 2002). In fact, if information asymmetry falls within a general order inherent of any type of financing, there is an agreement that the scope of information asymmetries in smaller companies is much bigger than in the domain of financing well established companies (Denis, 2004).

In particular and given the uncommon structure of their “financial statements”, when they exist, the one of their liabilities and their management centered around the only owner-manager, their financing can be conditioned either by supply, or by demand.
Laufer (1975) situates the problem of financing of small size enterprises on the demand side. In fact, according to the author, the will to keep the control of their activities prevents creators to associate with external investors (Charreaux, 1985) who may interfere in their daily management. In the same vein, Tioumagneng (2011) comes to quite similar conclusions by showing that Cameroonian SMSE invests in intangible assets to avoid resorting to bank loans. Within this framework of analysis, it is conceived that company managers can avoid bank indebtedness in order to free themselves from the extreme control that the banks carry out through loan activities (Alonzo, Lopez, & Sanz, 2005).

At opposite ends of previous researches, other studies have examined the financial problems of Small and Medium Size Enterprises (SMSE) by positioning themselves on the side of credit offer (Mayoukou, 1996). In this perspective, financing is determined by investors-holders of capitals who impose their eligibility criteria on financing. It is then a matter for enterprises qualified as “good risks” to stand apart from “bad risks”. Within this framework, the financial structure of the enterprise is determined by the only external forces (Stiglitz & Weiss, 1981).

This second wave of tests guides the conception of the article that addresses the issue of bank financing of SMSE by positioning itself on the side of the banker. Thus, the signal model (Spence, 1973) and the theory of incitement, from the feasibility of projects and solvency forecast respectively, then the capacity of the enterprise to provide the required money-back guarantee, account well for this logic.

**Signal Emitted by SMSE**

The decision of investment takes place in a context of uncertainty marked by information asymmetry (Stiglitz & Weiss, 1981). The contractor possesses a project without necessarily having at his disposal the financial resources enabling him to finance it. The investor finds himself on the other side, in the opposite situation. Moreover, the contractor has privileged information on his project, on the quality and modalities of his own management likely to be at the origin of the problem of moral hazard.

The investor has at his disposal only the information reported by the contractor, which is most often partial and incomplete. In this framework, in order to reduce information asymmetry, a solution suggested by the signal theory (Spence, 1973) is that the informed party (the project initiator) sends observable information signals to the less informed party (the investor). Thus, the enterprise that emits positive signals is therefore the one that finances itself in priority with its own funds or by debts and which, in accordance with its obligations, pays its debts as they become due.

Indebtedness is perceived as a positive signal indicating that the enterprise is successful, capable of creating value. It enables to differentiate between companies which encounter difficulties in paying back credits obtained. Thus, the SMSE which presents a good financial situation, which regularly and systematically pays its debts, proposes a viable project in its credit file, and participates in majority to the capital to be invested, is marked positively. By this, it emits signals that reassure the financial partners and stands out among “bad companies”.

Thus, the SMSE can convince on its capacity of paying back loans granted by banks and obtain from them the financing requested. This approach related to the signalization is completed by an analysis on incentives in credit relationship.

**Incentive Mechanisms**

Many studies on the major role of banks in the financing of small enterprises show that these structures once excluded from the classical system of bank financing given their opacity can be solvent customers (Servet,
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2006; Joseph, 1998). In this case, it is a matter of constructing incentive mechanisms (trust, guarantees, etc.,) in credit relationship.

Trust is presented as an essential element in the relations among economic agents. To Gambetta (1988), this notion has been developed in response to the climate of uncertainty and information asymmetry that exists between the supply and demand for capitals. Servet (1995) considers it as

a key element of any transaction that shows the state of a person, a group or an institution based on affective, intuitive elements or a set of information on a project, a mechanism or an institution enabling to appreciate the probability of a reaction in response to a given situation.

Beyond this, the bank is a specific company given particularly the nature of its activity which is one of the most governed by standards of foreign origins (Fama, 1985). The 2008 financial crisis, because of its effects, has it not led to a reinforcement of the regulatory process that considerably limits the capacity of banks to forge privileged relationships with their external partners?

Bank Financing Is a Supervised Activity

The activity of control is situated at two levels: the one of regulation of the banking activity particularly through the different Bâle agreements and the one of control carried out by the parent-companies of origin of subsidiaries on their daily steering.

The weight of regulation. One of the causes of wait-and-see attitude of banks in their loan relation to SMSE can be found in the regulation laid down by the different Bâle agreements, which oblige banks to require guarantees (mortgages, pledging of heavy machinery, etc.,) that the small size structures do not always possess to cover credit risk. These mechanisms designed to protect the bank against a hypothetical bankruptcy would thus result in a reduction of opportunities of access to bank loans by SMSE. Furthermore, the implementation and the efficiency of Bales agreements, including the most recent (Bales III) in developing countries seem today subject to questioning. In fact, most of these standards have been decreed in developed countries and seem not to comply any longer with the cultural realities of developing contexts, in this case, African countries. Because of the binding nature of the standards that have just been highlighted, the very limited space for maneuver of banks in this context does not allow them to forge privileged relationships with their partners.

Moreover, subsidiary banks are entities strongly influenced in their steering by parent-companies of origin given particularly the need of global integration in a perspective of globalization that arises to any foreign subsidiary in its capacity as active unit of the multinational.

The control carried out by parent-companies of origin. Studies on the governance of subsidiaries of western multinationals in developing contexts in general agree to recognize their strong tendency to ethnocentrism (Permulter & Heeman, 1977). In fact, it is an approach of control where values, practices, and know-how of the parent-house are considered as superior and for this reason, must be transferred to foreign subsidiaries since they are appropriate for the performance of companies (Godelier, 2012).

In this respect, several instruments are most often engaged by the headquarters in support of the control on the steering of subsidiaries. Among others, the portion of capital held by the parent-company of origin, the expatriation, the formalization of the organization, and the training of local personnel. This imprint of parent-companies of origin of the subsidiaries can explain why in some cases, the techniques of financial analysis used within most banks are less suitable to the reality of functioning of local companies (Ndjanyou, 2001).
All the previous development implies that: “the policy of granting loans in African subsidiaries by multinational banks integrates, beyond the specific characteristics of the entity to finance, contextual factors that contribute to explain their reluctance to finance local companies”.

In the following, we struggle to identify from an empirical investigation, factors likely to guide the decision of granting loans to SMSE in the Cameroonian subsidiaries of western banks. For that, we shall first present the methodological aspects of the research. The discussion of the results of the research will follow.

The Protocol of Empirical Research

This paragraph clarifies the procedures of sampling, of data collection on the field and their processing. Beforehand, it justifies the choice of the epistemological posture selected.

The Interpretativist Type of Approach

The interpretativist posture is justified by the fact that we wished to call upon internal actors who intervene directly in the decision of granting loans to SMSE in target banks. The idea is being to identify from the analysis of the content of speeches factors that guide the granting of loans to SMSE.

Constitution of Sample Elements

Cameroon represents the area of experimentation of the study and its banking sector of our field of investigation. It is the most important in CEMAC in terms of volume of deposits (42%) as well as loans to customers (39%) (COBAC, 2017).

Our sample of empirical study is made of three out of four subsidiary banks of western multinationals that currently animate the banking sector in Cameroon3. They have been selected from the consultation of official documents on the banking sector in Cameroon (COBAC, 2017; CNC4, 2015). They are two subsidiaries of French origin and one British subsidiary.

In clear, their identification proceeds from an effort of triangulation of data sources that led to the exploitation of official documents published on the Cameroonian-banking sector (COBAC, CNC Reports).

The following table presents the structure of the capital of target banks. For the purposes of anonymity5, they are coded in Bq1, Bq2, and Bq3.

Table 1
Structure of the Capital of the Banks of the Sample

| Types of banks | Sigles | % of state capital | % of the parent-company capital | Others |
|----------------|--------|--------------------|---------------------------------|--------|
| Bq1            | 17.5   | 61.22              | 21.28                           |        |
| Bq2            | 25.6   | 58                 | 16.4                            |        |
| Bq3            | /      | 100                | /                               |        |

Source: COBAC Report, 2017.

Collection and Data Analysis Process

The data of the empirical study is collected thanks to semi-structured interviews with officials in charge of

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3 We could not have access to one of the western subsidiary banking branches despite our request. We focused on the three remaining subsidiaries where access was made easy.

4 National Credit Council.

5 Let’s remind that access to the data of FMN, interviews are carried out on the conditions of anonymity.
loans previously mentioned. They are particularly 15 account managers and 10 branch chiefs on duty when the investigation took place.

The interviews took place in January and March 2019, mainly in the cities of Yaounde and Douala, in the political and economic capital of Cameroon respectively. These interviews lasted on average 45 minutes per person interviewed and occurred at the discretion of the availability of the respondents. Data collection was carried out by note taking of the interviewees. The data collection of the study is preceded by the elaboration of an interview guide centered around six themes.

The interviews carried out have eventually been subject to a processing in two stages. The first one concerns the full transcript of the discourses. The second stage is the manual processing of information, from a semantic point of view, according to the approach of thematic content analysis (Glaser & Strauss, 1967).

The synthesis of emerging categories of the stakeholders’ discourses is presented below.

Table 2

| Coding Table of Discourses Emerging Types of Meaning |
|-----------------------------------------------------|
| 1 | Emerging types of meaning | Coding |
|---|--------------------------|--------|
| | Personal contribution of the manager | APP |
| | Guarantee of the promoter | GUARANTEE |
| | Loans repayment slip | HIST-REMB |
| | Sectors of activity | ACTIVITE |
| | Trust in SMSE | CONF1 |
| | Manager’s sex | SEXE |
| | Manager’s level of study | ETUDE |
| | Manager’s region of origin | REGION |
| | COBAC regulatory system | REG |
| | Legal system | SYST-JUD |
| | Fiscal environment | FISCA |

Source: Authors from interviews.

The access of these authors is made possible by the exploitation of our relational capital but also thanks to our status as a bank user.

The processing of the data according to the procedure that has just been described has enabled to identify the main factors that guide the decision in granting loans to SMSE in the Cameroonian subsidiaries of western multinational banks.

**Determining Factors in Granting Loan: The Revelations of Bankers**

The exercise of evaluation of the content of stakeholders’ discourses reveals that a plurality of factors enter into the evaluation process of loan application files by enterprises, in this case SMSE. Among others, they are manager’s personal contribution and guarantees, repayment slip of loans, nature or sector of activity of the

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6 The difficulty to exchange directly with senior executives led us to exchange mainly with junior executives.

7 (a). Financial policy of the bank (privileged sectors, constraints, etc.); 
(b). Types of financing proposed to customers; 
(c). Conditions of access to bank loan; 
(d). Cases of rejection of the application; 
(e). Criteria of evaluation of credit application by SMSE; 
(f). COBAC regulatory system.
project, trust, owner-manager’s profile, regulation, quality of judicial system, and fiscal environment of the companies.

### Parametres Relating to the Specificities of SMSE

By basing the analysis on the signal theory and the one of incentive presented above, there seems to be in the discourse analysis the idea that the criteria of selection of projects to finance by the banks are favourable to SMSE which emit positive signals. The most mentioned in the interviews concern manager’s guarantees and personal contribution, sector of activity of the bank, repayment slip of loans, trust and profile of the owner-manager of the SMSE.

**Manager’s guarantees and personal contribution.** Results from the discourse analysis of respondents about manager’s personal contribution and guarantees are entered in the following table:

Table 3

|                      | Bq1 | Bq2 | Bq3 |
|----------------------|-----|-----|-----|
|                      | No  | Yes | No  | Yes | No  | Yes |
| APP                  | 26.5| 73.5| 2.9 | 97.1| 27.3| 72.7|
| GUARANTEE            | 32.4| 67.6| 55.9| 44.1| 24.2| 75.8|

Source: The authors.

The personal contribution and the guarantees of the promoter of the SMSE appear as crucial factors in the evaluation of loan application for close to 80% of respondents. In fact, according to them, the guarantee enables the bank to guard against the insolvency risk of the borrower SMSE. Thus, a branch manager declares (Bq1): “in case of non-payment of the loan by the SMSE, the realization of the guarantees would enable us to take possession of our funds, or at least, to minimize the losses”. Even if another branch manager (Bq2) nevertheless seems to relativise this declaration by indicating after all that, “it is not always easy to transfer a land certificate in an environment where the legislation in the field of land is not very clear”.

In connection with personal contribution, the majority of stakeholders interviewed think that it has to be consistent and estimated to at least one-third of the amount of credit requested. Thus, for bankers approached, the more important the owner-manager’s contribution will be, the less he will be tempted to adopt an opportunist behaviour in accordance with the property rights theory which defends the idea according to which the individual shall appear less opportunistic progressively as the property is going to tighten up around him (Alchian & Demsetz, 1972).

**The sector of activity, as subject of the project.** As far as the sector of activity, subject of the project is concerned, the analysis of the balance sheet of the opinions of investigations leads to the following results:

Table 4

|                      | Bq1 | Bq2 | Bq3 |
|----------------------|-----|-----|-----|
|                      | No  | Yes | No  | Yes | No  | Yes |
| ACTIVITY             | 10  | 90  | 8   | 92  | 2   | 98  |

Source: The authors.
The nature of the activity of the SMSE also seems to play a determining role in the bank financing of the SMSE insofar as 90% of bankers consider this factor prone to create value. According to many branch managers interviewed, an attractive and new sector of activity presenting tremendous potential in terms of profits remains a crucial element that plays in favour of the SMSE requesting a bank loan. An account manager (Bq1) emphasizes it in these terms: “the market analysis and the customers targeted as well as the specificity of products proposed by the company constitute elements of paramount importance for the granting of a bank loan to the SMSE in our bank”.

In this same logic, another stakeholder (account manager, Bq3) seems to insist on the fact that: “the business plan is a vital element during the evaluation of a credit application by the SMSE”.

**The historicity of loan repayment.** The repayment slip also appears as a determining factor that guides the decision of granting credits to SMSE. In fact, 60% of respondent perceive this criteria as element of paramount importance. The study of the credit file is based on the evaluation of the debt capacity of the company and therefore, on the analysis of the past of the SME qualified for a bank financing. To this effect, an SMSE account manager (Bq2) indicates that: “the fact that a company becomes indebted and succeeds in paying its debts as they become due is an important indicator of its solvency”.

**Trust in the SMSE.** Trust in the enterprise, as mentioned in literature as incentive component (Gambetta, 1988), is perceived as a privileged factor for granting financing to SMSE by only 30% of respondents; 70% believe the contrary. In fact, for the latter, an atmosphere of mistrust seems to exist between banking institutions and some SMSE promoters. Quite often, loans obtained do not serve in financing the projects and the needs contained in the credit application file submitted by promoters; a phenomenon well known as “moral ideal” (Stiglitz & Weiss, 1981). On the basis of many cases recorded, then experience of credits not paid back, it seems that banks are more and more suspicious and want to be reassured upstream as far as conditions of realization of profit are concerned.

**The owner-manager’s profile.** The evaluation of the content of discourses reveals that the banker is particularly sensitive to the personality of the owner-manager. The dimensions of the personality of the manager that are repeated in the respondents’ answers concern age, sex, region of origin, ethnic group, training, experience in business and reputation. In fact, a branch manager declares (Bq3): “credit firstly lays on the man or woman who creates the company and on the trust the banker can have in that man or that woman: trust in his honesty, loyalty, entrepreneurial mindset, his capacity of adaptation and his competence”. Thus, beyond objective factors previously identified, there exist more subjective factors related to the personality of the manager and whose impact on the functioning of the SMSE interests the banker.

Beyond previous factors related on the one hand to the signage of the SMSE, and on the other hand to the personality of the owner-manager of the SMSE, there also exist other factors related to the context of study that seem to contribute to the reinforcement of the reluctance of western subsidiary banks towards local companies.

**Contextual Factors**

Factors mentioned here by respondents are specific to the judicial system, to the regulatory system with which banks in CEMAC zone struggle and the fiscal environment of SMSE.

**The weakness of the judicial system.** To many bank stakeholders, the judicial system in Cameroon suffers from the laxity of judicial authorities in making people respect the laws and regulations, from a lack of efficiency in the processing of trade litigations files with a high number of procedures and very long settlement
periods. Consequently, banks do not wish to reach that stage of debt recovery because of these weaknesses. A branch manager (Bq1) emphasizes: “there always exists an uncertainty on the solvency of Small and Medium Size Enterprises and the current dysfunction of the judicial system in Cameroon and in Africa in general is far from being truly reassuring for us”. It seems that this parameter of the judicial environment of SMSE is quite likely to reinforce the reluctance of bank subsidiaries against local enterprises.

**The weight of regulatory standards.** Contrary to other organisations, banks constitute the category of enterprises whose activity is one of the most governed by standards of foreign origins. Therefore, they are not passive vis-à-vis regulatory constraints (Fama, 1985). The reinforcement of control standards and the banking activity the day after the 2008 financial crisis is said to have in fact created a rigidity of formalities required by banks in their relation to loans to SMSE. This reinforcement, according to stakeholders interviewed, considerably limits the space for manoeuvre of banks mainly in the domain of processing application for loans by SMSE. In order to confirm this declaration, an account manager, says: “the constraints of respect of solvency ratio and liquidity limit the commitment of banks in financing SMSE”. In other words, due to this reinforcement, banks cannot allocate consequent resources to SMSE.

Furthermore, a branch manager believes that “The resources of banks are essentially made of deposit demands and cannot be mobilised for long financing by virtue of the principle of financial orthodoxy”.

**The effects of taxation.** For bankers, Cameroonian SMSE evolve in a fiscal environment not really favourable to business if one trusts the last ranking carried out by *Doing Business, 2012* of the World Bank Group. In such a context, SMSE quite often tend to circumvent tax payment by tampering with accounting data, and this calls into question the reliability of accounting information thus contributing to fuel bankers’ suspicion regarding SMSE and to limit their interest in financing them (Ndjanyou, 2001; Lefilleur, 2008).

All the results obtained lead to the validity of our research proposal. In fact, the examination of the content of banquers’ discourses highlights a taking into consideration of factors relating to the characteristics of enterprises on the one hand, and on the other hand, contextual factors in the evaluation of loan application files by SMSE.

**Conclusion**

The subject of this article, on the basis of “the richness of words employed by stakeholders” (Miles & Huberman, 2003), consisted in identifying factors likely to guide the decision of granting loans to enterprises, particularly SMSE and the subsidiaries of western multinational banks in Cameroon. The approach adopted is the interpretativist one and the data is from three subsidiary banks. The diagnosis exercise of the content of discourses, following the approach of thematic content analysis, enables to highlight a diversity of decisive factors in the decision of granting loan to SMSE. In fact, besides the taking into consideration of objective and subjective data of the enterprise, factors specific to the context of study particularly interest the banker in the decision of granting loan to SMSE. The latter negatively influence the amount of credit granted to SMSE and contribute to the reinforcement of the already transactional attitude of these banks in this environment. In the absence of a framework for comparing actual governance practices with standard, entrepreneurs and praetors are subjectively assess the quality of corporate governance. Souleymanou &al. (2019, p.118) believe that this appreciation influences the granting of credit. So, "The analysis of a credit report is done from a number of elements that the company must respect in order to allow it access to the credits". The results of this work consequently call out public authorities on the necessity of improving the framework of governance in the
context of study (judicial reform, improvement of business environment) but also COBAC as a banking regulatory board on the necessity and emergency of adapting regulatory standards to the realities of developing economies.

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