



Informal sector and resilience: The example of hairdressers in the commune of bouaké (Côte D'ivoire)

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Abstract

Women's hairdressing is a highly competitive sector in Bouaké. In fact, many hairdressers close their workshops every year due to lack of clients. However, some are awarded and shown as examples by the Chamber of Trades and Crafts. In order to understand how they maintain their activities in this highly competitive environment, we conducted a study on the resilience of hairdressers in Bouaké with a sample of 30 award-winning female entrepreneurs in the field of hairdressing. We used questionnaire and interview to collect data. In order to analyze the data, theories including that of organizational resilience (Hollnagen, 2006; David, Woods, 2006; Levenson, 2012), economic models of the mix marketing (Mc Carthy, 1960), diversification theory (Ansoff, 1965; Drucker, 1973) and that of aligning the workforce with the needs of the organization (Dale, 1965; Noe, 2020) were mobilized. The results of the study show that those hairdressers use strategies to stay in business and dominate the women's hairdressing sector. These strategies are threefold: (i) hairdressers reduce product prices and services in crisis; (ii) they diversify their activities from hairdressing to the aesthetics of the entire body; (iii) hairdressers increase staff.

Keywords: Informal sector, resilience, hairdressers, Bouaké

Introduction

The beginning of this third millennium is marked by the renewal of the entrepreneurial spirit and behavior, which affect all countries and all areas of economic and social life (Fayolle, 2004). According to studies conducted by Birch (1970), the creation and development of small and medium-sized enterprises (SMEs) appears to be a potential source of job creation and a response to unemployment problems in the United States. Indeed, entrepreneurship is a field that can provide economic opportunities for individuals and communities. However, the entrepreneur may face challenges such as competition, financial and regulatory obstacles and economic uncertainties. Faced with these challenges, entrepreneurs can adopt resilience strategies to overcome obstacles and succeed. Globally, entrepreneurs' resilience strategies may vary depending on economic, political and cultural contexts. In some countries, entrepreneurs benefit from significant government support while in others they face significant obstacles. In Africa, where unemployment rates are high and formal employment opportunities limited, entrepreneurship is often seen as a solution to reduce poverty and boost economic growth (OECD, 2018). However, African entrepreneurs face specific challenges such as lack of access to finance, corruption and limited infrastructure.

Côte d'Ivoire is recovering from a military-political crisis that began in 2002 and lasted about a decade. Bouaké, the country's second city, paid a heavy price due to the occupation of the city by an armed rebellion. The industrial sector and the informal sector have been brutally weakened in favor of the informal sector (Yapi, 2023)^[14]. Some of the workers in the informal sector are women, many of whom lost their husbands during the armed conflict and who work in a highly competitive sector, that of hairdressing. This study aims to highlight the different resilience strategies adopted

by some of these women to maintain their activities. The observation of this reality resulted in findings, which led to this article. It is divided into two parts: (i) methodology; (ii) results and discussion. Three observations guided this research:

Observation 1: Determining products and services prices

When clients arrive for the first time, they ask the prices of products and services. Even when prices are displayed, hairdressers agree to bargain with clients to find a consensus. They rarely let clients leave the salon without purchasing or providing the service.

Observation 2: A variety of products and services in salons
Hair salons are like beauty stores. Indeed, hairdressers offer several items such as strands, hair products, false nails, false eyelashes, hair and body creams, etc. Additionally, services range from manicure, pedicure to massage.

Observation 3: A large number of employees

The proliferation of salons and competition have negative effects on the income of women's hair salons. Instead of reducing staff to contain fixed costs, we observed a relatively large number of employees in the surveyed salons. From these observations arises a series of questions, the main one of which is the following:

"How do hairdressers in Bouaké face entrepreneurial challenges?" The following specific questions are attached:

"How do hairdressers determine their prices?"

"How did we get from ladies' headdresses to this range of activities and services in salons?"

"What choice do hairdressers make in relation to staff numbers in difficult times?"

The hypotheses that guide the research are threefold. The first is that hairdressers in Bouaké reduce their prices (profit margin) to face competition. The second hypothesis seeks to

demonstrate that to remain in the activity, hairdressers in Bouaké diversify their services. Finally, the third hypothesis states that hairdressers in Bouaké increase staff during difficult periods. The objective of the study is to understand the process of resilience of hairdressers in Bouaké. There are specific objectives associated with this general one. The first explains the pricing strategy. The second objective analyzes the strategy of diversification of products and services. The third explains the hairdressers' staff strategy. In order to collect data, the research used a methodology.

1. Methodology

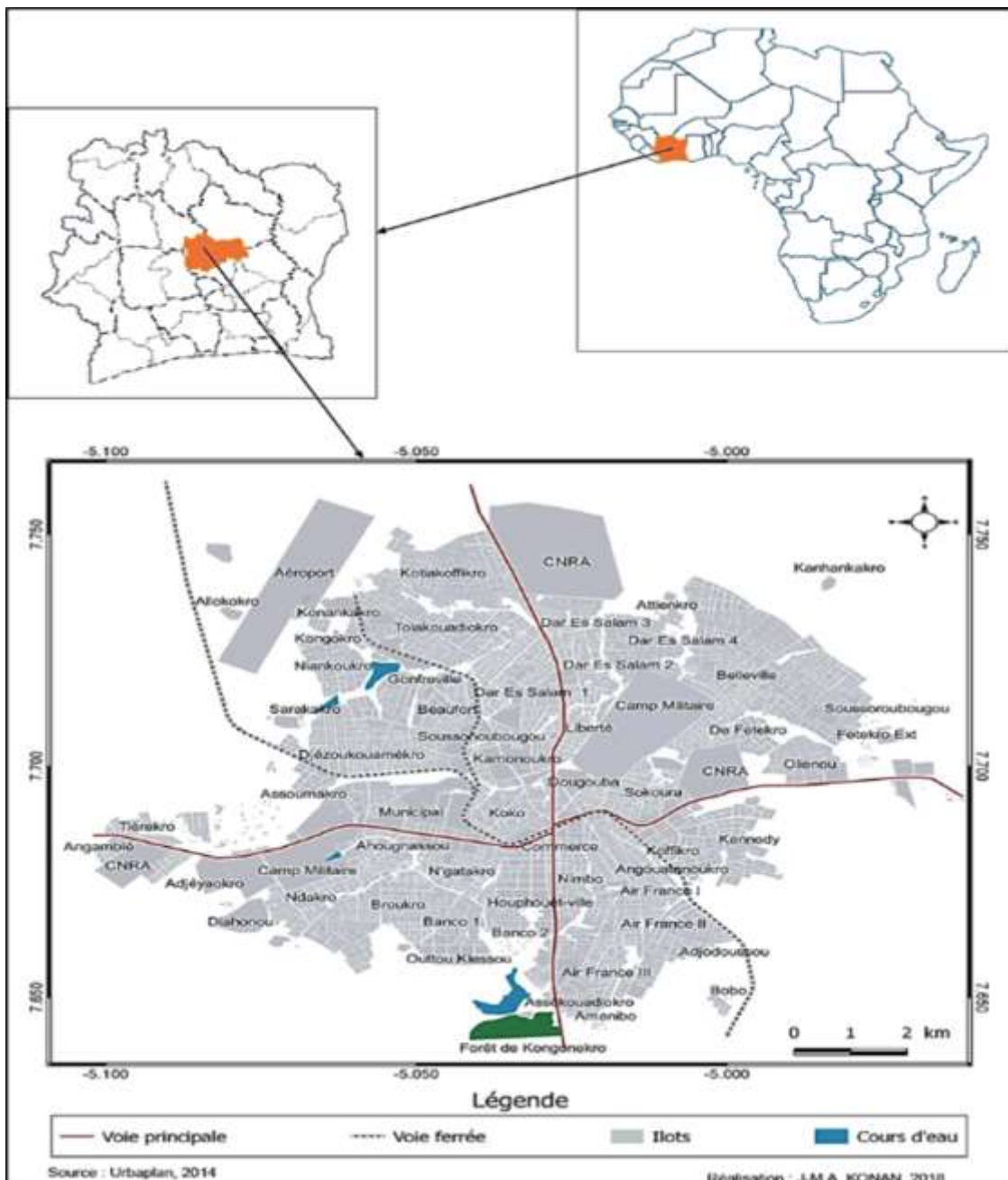
1.1 Study Site and Population

The city of Bouaké is located at latitude 7°69 N and longitude 5°030. It extends over an area of approximately 71.79 Km². The city is located on a plateau which altitude varies, between 320 to 400 meters above sea level, and favors human settlement and the practice of economic activities. Indeed, the city of Bouaké is one of the largest in

Côte d'Ivoire due to its surface area, economic weight and demography. The 2014 census estimates its population at 542,000 inhabitants. With an annual growth rate of 3%, it is estimated in 2022 at around 800,000 inhabitants.

The National Chamber of Trades and Crafts of Côte d'Ivoire was created by Decree No. 93-02 of January 7, 1993 and established its responsibilities, organization and its operation. Its mission is to contribute to economic and social development in the craft sector and trade businesses.

The Bouaké regional chamber of trades and Crafts has approximately 125,430 artisans listed as of February 22, 2022, including 813 hairdressers (Source: Bouaké regional chamber of trades and Crafts). In June 2022, the Chamber organized a competition at the end of which 30 women were awarded as best entrepreneurs in the field of women's hairdressing. The Chamber congratulated these women, recalling that the sector is highly competitive and many salons close each year.



Map 1: Study site

Sampling

The survey population therefore consists of 30 women who have years of experience, from 6 to 15 years. For purposes of anonymity, the first names included in the verbatim are borrowed first names. The sample also consists of these 30 women (Kryce and Morgan, 1970).

Data collection techniques and tools

The questionnaire and the interview guide were the two instruments that enabled the collection of field data. The questionnaire relating to the products, activities and organization of the salons was administered to 30 respondents. An interview guide was administered to half of the respondents (15 women) in order to comprehend motivations behind the choice of resilience practices or strategies.

Data processing and analysis

SPSS software was used to quantitatively process the questionnaire and the qualitative data were manually processed. For data analysis, theories were mobilized. The theory of organizational resilience and the economic models of the mix marketing, diversification and the theory of aligning the workforce with the needs of the organization. Organizational resilience theory is a concept from organizational psychology and risk management that focuses on an organization's ability to resist, adapt and recover effectively in case of disruptions, crises or shocks, while continuing to achieve its main objectives (Hollnagen, 2006; David, Woods, 2006; Levenson, 2012). To resist and adapt, hairdressers adopt practices whose understanding requires the mobilization of the economic 4P models of marketing, the strategy of diversification and finally the theory of adjustment. The 4P model of the mix marketing initiated by Mc Carthy, which explains that the product, the place (location), the promotion as well as the price are levers for increasing the company's sales (Mc Carthy, 1960). Diversification strategy involves expanding a company's activities into new markets or products, usually with the aim of reducing risk or stimulating growth (Ansoff, 1965; Drucker, 1973). As for the theory of workforce adjustment, it emphasizes on the importance of aligning the size of the workforce with the needs of the organization to ensure its effectiveness and profitability (Dale, 1965; Noe, 2020).

2. Results and Discussion

The results of the survey show that hairdressers use three strategies to sustain their activities: the price reduction strategy, the diversification strategy and the staff strategy.

2.1 Products and services prices strategy

The increase in the number of hair salons has created competition in the sector to such an extent that actors are adopting practices to respond to the cyclical effects of the market. A large number of hairdressers interviewed, 24 out of 30, or 80%, estimated during our surveys that they regularly make discounts on the prices of services and products they offer because of the difficult economic situation.

2.1.1 Difficult economic situation

This situation is summarized as follows by Aicha:

“For two months, I have been sitting here, without having a single client, what should I do? I have rent, water and

electricity bills to pay. If I do not make a decision soon, I will close. Therefore, I can no longer let clients ask prices and leave. I have to work”

Thus, prices of services are constantly questioned and negotiated by clients as stated by Ahou:

“Yes, often when you give the price, they say sorry go down. If a client asks how much is this thing, when you give the price, she says that I don't have it, oh, this is what I have, sorry, you have to reduce it; you know yourself that at the moment it's harsh everywhere. When I do not decrease, I go home with no money.

Economic difficulties and the scarcity of clients have gradually led hairdressers to comply as much as possible with market demand and that of customers, namely price reductions.

2.1.2 Reduce prices or close

To keep the salon open, it was necessary to make the decision to reduce prices, at least during difficult times. Not reducing means refusing the few clients who come and being forced to close. In this regard, Affoué states:

“Someone is going to come in here and shows me the hairstyle she wants. I am going to say 5000 francs but she is going to say that she does not have it, so I try to reduce it a little bit. I do not like reducing prices. But what can I do? There are many salons now. If she is one of your old clients, she can stay because she knows your work. If she is a new one, as soon as you say the price, she goes away. You have to reduce it a little first before telling her, otherwise she will leave immediately.”

This strategy, which could weigh on the profitability of their activities, allows them to increase the number of their clients and make up for the shortfall. Indeed, the reduction in service cost is not a coincidence. This choice is made by hairdressers to acquire more clients and maintain the existing one. Anita explains:

“We always reduce prices, especially when it's the first time the client comes here. If she liked the hairstyle, tomorrow she will come again or guess yourself (shrugs her shoulders, a clever laugh). So you reduce it a little bit so as to keep her and then you start to have a lot of clients.”

Josephine adds:

“When you lower the price, she stays. In addition, when she is happy, another day she comes with her friends to do her hair at your place. Therefore, you do not lose. It becomes like a technique to have many clients. So I always agree on the price with customers. If she likes it and another day comes to do another hairstyle, I will make up for it on the price. That's how we do it oh.”

This practice used by hairdressers is not different from that recommended by the 4P model of the mix marketing initiated by McCarthy (1960). Indeed, the price, just like the product, the place (location), and the promotion are levers for increasing the company's sales. Pricing strategy in the 4Ps model involves determining how the company prices its product or service in order to maximize its sales and profits while satisfying client needs and expectations. Companies have various pricing strategy options including dynamic pricing which is adjusted based on demand. Indeed, price can significantly influence consumer behavior and company profitability (Kotler, 2019). To the pricing strategy, hairdressers add that of diversification of products and services.

2.2 Products and services diversification strategy

Women's hairdressing today is no longer only interested in the simple hairstyle aspect. Hair salons offer other product lines. More than a hair salon, they have become today beauty salons offering clients a variety of services such as hairdressing and aesthetics.

2.2.1 The simple or lady's hairstyle valued during feasts

Competition is pushing hairdressing actors to diversify their services. The period when the simple hairstyle aspect is successful is that of feasts. It represents peak times for women's hairdressing. On this subject, Marguerite says:

“When there are feasts, I earn money. Even if I did not get millions, I do not complain. During feasts, I can often get one hundred thousand francs, often fifty thousand per day. However, after these moments, time becomes hard. The salon is empty and difficult times begin. »

Aicha adds: *“If you only want to do hairdressing, you will open during feasts and close afterwards. Because you are not going to have any clients. Every month you are going to pay for the store and then you are going to come and sit without working. You have to do and sell little things to keep going.”*

Faced with this situation, hairdressers have had to diversify to stay on the market. The survey results show that the majority of hair salons surveyed offer multiple services.

2.2.2 Resisting the competition through a global approach to body aesthetics

The diversification of sources of income in hairdressing salons responds to an imperative for the survival and development of the business when the traditional sector of activity is threatened due to the scarcity of customers. In order to sustain the activity, some hairdressers are attentive to rapid changes in the market. The results of the survey show that 90% of the hairdressers surveyed have several sources of income in the same salon. Indeed, parts of them now offer services and products for the aesthetics of the whole human body. Aicha describes her activities as follows:

“We sell strands, earrings, I do nails, I sell varnishes, makeup, I do the ladies' hairstyles, eyelashes, and facial treatments. I make money. I can pay for my store without problem and I make a profit. I couldn't do it with the simple hairstyle.”

The following table corroborates this diversity of activity.

Table 1: Proportion of hairdressers offering complementary services

Sales of products related to hairdressing and aesthetics	Percentage (%)
Manicure and Pedicure	90
Sale of strands	78
Sale of hair care and beauty products	56
Loincloths and other items	36

Source: Surveys, May 2023

From the table we see that the hairdressing salons surveyed offer a range of products outside of hairdressing, which is the main activity of their business. Among these products, the sale of strands is by far the product found most in hairdressing salons, because 90% of the salons visited sell strands. The sale of hair products comes in second place

with 56.6% of salons visited. The sale of loincloths and other items represent respectively 36% and 30%. Indeed, in almost all hair salons, we find the sale of these products alongside hairstyle. The simple hairdressing business is no longer viable.

Numerous authors and researchers (Chandler, 1962; Ansoff, 1965; Drucker, 1973) have explored the strategy of diversification in economics. In fact, it consists of extending the activities of a company into new markets or new products, generally with the aim of or stimulating growth. A diversification of services and of sources of income allows hairdressing salons to survive but also to increase their income. Nevertheless, this approach beyond the economy responds to a socio-anthropological requirement to the extent that in matters of aesthetics of the human body and in particular that of women, the whole takes precedence over the parts. The hairdressing is only part of the whole portrait. An approach to aesthetics centered on the whole is more relevant. Consequently, it constitutes a strategy for hairdressing actors to adapt to the market. In addition to reducing prices and aesthetics that focus on the entire human body, hairdressers are also playing the personnel card to be more competitive.

2.3 Staff increase strategy

The results of the surveys show that on average, a hair salon has ten (10) employees. How can we justify such a large staff when hairdressers complain about the effects of competition?

2.3.1 A large and diverse workforce

Hair salons has average of ten (10) employees. Why do they have so many employees when they complain about the difficult economic situation?

We asked Fanta the question and the answer is:

“Before, for a salon, we didn't need a lot of girls to work? Two or three girls were enough. Now it is different. We need many girls to work. Some do the hair while others do the hands and feet. If you have many clients at the same time, it is complicated because they do not like to wait. So you need a lot of girls to work well.”

Following Fanta, Angèle adds: *“You can have ten girls or even fifteen to work with. It is good. Because on weekends when there are many clients, if you do not have many girls you will not be able to take care of the clients. If you have twenty girls, it is okay. The work goes quickly and the clients are happy.”*

The large number of employees in hairdressing salons is necessary to ensure the profitability, as Affoué's comments also show:

“The more there are of us, the faster things go. For example, when a client comes around, when all my girls (apprentices) are there. I grab the bottom of the hair, others finish and others cut on it, which means that in a day if there are a lot of clients, we can braid a lot of people.”

Indeed, in the majority of hairdressing salons, we observe a number of employees varying from 8 to 15. This number allows for a better distribution of tasks. Some employees take care of hairdressing and manicure-pedicure; others are responsible for applying false eyelashes and false nails. The salon can save time get money, as activities are well coordinated. Staff in hair and beauty salon businesses play a vital role. Activities are multiplied into a multitude of tasks, which require a relatively large workforce. A single client can mobilize four employees. A large staff is therefore a

way to ensure productivity of hairdressing salons. These salons operate in a difficult economic environment and one wonders how do hairdressers manage to pay such a large staff?

2.3.2 Free labor

How do hairdressers cope with the salary costs of so many employees?

Aicha responds to this concern: *“If you come and say you want to learn, that suits me oh, because I need girls. Nevertheless, the membership fee is 2000f a month. If I take a lot of girls, I make more money.”*

Generally, the personnel found in hairdressing salons are apprentices and pay an apprenticeship fee each month to the hairdresser. In this vein, Fanta states:

“Each girl pays me three thousand francs per month. I have ten apprentices. I earn around 30,000 francs per month. This can already allow me to pay for my store. What the clients pay me I take a little to pay for water and electricity bills. What is left is my profit.”

The employees are trainees who are learning hairdressing. These girls are generally aged 12 to 18 years old. They come from rural and urban areas. Some have never been to school and those who have been to school rarely exceed the level of primary school. Hairdressing is therefore an opportunity for these young girls to pursue a profession. During the apprenticeship period, the learner pays the hairdresser a sum ranging from two to five thousand francs per month. After one to three years, the apprentice acquires skills and can set up on their own. Hairdressers therefore use this more or less qualified workforce to meet the multiple needs of clients who want to spend as little time as possible in the salon. This strategy is supported by workforce adjustment theorists (Dale, 1965; Noe, 2020), that emphasize the importance of aligning the size of the workforce with the needs of the organization to ensure its efficiency and profitability.

Conclusion

The objective of this study is to understand resilience strategies of hairdressers in Bouaké based on the example of the 30 best hairdressers of 2022. We had three hypotheses. The first is that hairdressers in Bouaké reduce their prices (profit margin) to resist competition. The second hypothesis seeks to demonstrate that to remain in the activity, hairdressers in Bouaké diversify their services. Finally, the third hypothesis states that hairdressers in Bouaké increase staff during difficult periods. The results of the survey confirm the three hypotheses. Indeed, hairdressers in Bouaké are reduce the prices of their services in the face of a shrinking clientele. Then they diversify their services by offering a variety of services ranging from women's hairdressing to the aesthetics of the entire body. Finally, to be competitive in the sector, hairdressers increase their staff so that clients spend as little time as possible in salons and leave satisfied. In conclusion, let's remember that to maintain and make their mark in the women's hairdressing sector in Bouaké, hairdressers must practice price flexibility, diversification of products and services and have a large staff.

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