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RESEARCH PAPER

The Nexus Between Non-Oil Firms and Profitability: A Systematic Literature Review from the Last Two Decades

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ABSTRACT

Non-oil enterprises' financial performance in oil-producing nations has frequently been eclipsed by the attention on big industry participants. The volatility of oil prices, on the other hand, has highlighted the significance of diversification for these countries, encouraging oil producers to seek alternate revenue streams. Oil price fluctuations put enormous strain on oil companies, highlighting the importance of non-oil businesses. As these businesses strive to contribute to the economy, their profit methods become critical obstacles. This study intends to examine two decades of research in order to get insights into the future prospects of non-oil enterprises in oil-producing countries, especially in terms of profitability. We obtained pertinent data from Web of Science and Scopus using the PRISMA statement 2020, resulting in 46 papers for evaluation. The findings were classified using the VOS viewer programme. The article investigates the profitability of non-oil enterprises in-depth taking into account company size, market share, governance structure, and capital management, and closes by recommending topics for further research on firm profitability in connection to the operational economy. The study emphasises three important streams: company size, capital management, and profitability. Notably, the findings show a positive relationship between firm size and profitability. According to the research, effective capital management emerges as a significant determinant in maximising corporate profitability, with the board of directors playing a critical role. Nonetheless, researchers continue to be interested in the factors that influence profitability.

KEYWORDS: *Profitability; Non-oil firms; Firm size; Board of directors; Capital management; Firm value.*

1. Introduction

Economic development in oil-producing countries are mainly driven by oil revenue, investments by the oil industry and government spending [8]. According to [3], the non-oil export sector's challenges are not that the oil export trade is overshadowing it but are traceable to declining non-oil export and loss of market share in the non-oil trade globally, which is clear evidence of how the non-oil sector's competitiveness has been consistently eroded over the last three decades. Non-oil exports may act as a powerful complement to oil exports, assisting in improving the country's balance of payment situation, resolving the acute debt burden, and increasing the stock of foreign exchange balances [65]. Furthermore, because of the economies' large-scale reliance on oil production, profitability is a significant challenge for non-oil firms [19]. Oil exports have the most significant impact on economic development, followed by oil industry investment and government spending - a natural conclusion, particularly in oil-rich countries where oil or gas exports dominate [8]. According to [3], the challenges of the non-oil export sector are not that the oil export trade is overshadowing it, but traceable to declining non-oil export and loss of market share in the non-oil trade globally is clear evidence of how the non-oil sector competitiveness has been consistently eroded over the last three decades.

The relationship between non-oil enterprises and profitability has received a lot of attention in

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recent study literature [58]. Understanding the financial performance of non-oil enterprises becomes critical for economic stability and growth as oil-producing nations face the problems of fluctuating oil prices and seek diversification [11]. Several studies have looked at this link, providing light on numerous variables influencing the success of non-oil businesses [2]. One line of inquiry focuses on the impact of business size on profitability. Larger non-oil enterprises may benefit from economies of scale, allowing them to spread expenses more efficiently and perhaps create larger profits [40]. Studies in this field have discovered a positive relationship between business size and profitability, showing that larger organisations do better financially [74]. The function of capital management in influencing profitability is another significant topic examined in the literature [43]. The effective allocation and utilisation of financial resources can have a substantial influence on the bottom line of a non-oil corporation [44]. According to [57], the importance of careful financial decision-making, proper debt-equity ratios, and strategic investment planning in maximising profitability cannot be overstated. Governance structure appears as an important element influencing the profitability of non-oil enterprises [45]. Several studies have been conducted to investigate the influence of board composition, leadership quality, and corporate governance practices on financial performance [7]. Strong and effective governance processes have been shown to improve profitability through increasing transparency, accountability, and long-term strategic planning [21].

Adenugba & Dipo, (2013) found that Nigerian non-oil exports have not performed to expectations, suggesting its export promotion strategies have not been effective, which could be the reason for or caused by its reliance on oil exports. Similar studies should be done for other oil-producing developing countries to uncover if the experience is common. Despite research on financial sector development and economic growth producing mixed results, Oro & Alagidede (2018) found that financial development in non-oil-producing countries was more developed than in oil-producing countries, citing Beck's (2010) economic resource curse. Due to the tremendous pressure on oil corporations in recent years, the expansion of non-oil enterprises has become critically vital [28]. According to [52], non-oil sectors are classified as follows: construction (building); telecommunication services; financial services (banking and insurance); tourism (hotels, restaurants, parks, carnivals, movies; wholesale and retail trade); health services; export trade; agricultural activities; mineral activities; power (conventional and renewable); transportation services (road transportation, rail transportation, water transportation, air transportation, and post and courier services) are serious potential to contribute in economies of oil-producing countries [20]. However, the non-oil industry has not been thoroughly examined and discussed in prior publications [61].

This study's research goal is to evaluate the literature on the profitability of non-oil-generating firms in oil-producing nations. The research intends to analyse and synthesise studies published over the previous two decades, with an emphasis on the financial performance of non-oil enterprises in oil-rich nations. The study aims to shed light on the essential elements determining the profitability of non-oil firms and their potential contributions to the economy of oil-producing nations by pulling relevant publications from the Scopus and Web of Science databases. This study makes a significant addition by offering a detailed examination of the relationship between non-oil enterprises and profitability in oil-producing nations. The research attempts to improve our understanding of the financial dynamics and issues encountered by non-oil firms in the context of reliance on oil exports, changing oil prices, and the need for economic diversification by reviewing the literature. The combination of data from numerous research on company size, capital management, and governance structure will provide significant insights into how these variables influence non-oil business profitability.

Overall, the contribution of this study is to provide a consolidated and up-to-date review of the literature, providing policymakers, investors, and business leaders with valuable insights into the factors influencing non-oil firm profitability and the potential role of non-oil sectors in promoting economic growth and stability in oil-producing countries. The findings are intended to add to the continuing debate on economic development methods, underlining the need for long-term growth that is not dependent on oil exports and stimulating further study in this critical area.

2. Materials and Methods

The study applied the Preferred Reporting Items for Systematic Reviews and Meta-Analyses Statement (PRISMA) statement 2020 to include and exclude records for the study. The, PRISMA Statement is the most used reporting guidelines for systematic reviews including the literature search component [63]. The analysis incorporates content

from Scopus and Web of Science; the search terms "profitability" AND "non-oil firms" were used for the literature search, limiting the scope to only articles, review papers, and book chapters in the English language . Initially, 320 records were retrieved, from which, Economics, Econometrics and Finance, Business, Management and Accounting, Environmental Science, Engineering, computer science, Agricultural and Biological Sciences, and Arts and Humanities were chosen. The selection of subjects narrows down the number of records to 155. After eliminating duplicate records, unnecessary materials, and missing documents 46 papers were chosen for inclusion in the synthesis assessment. Figure 1 displays the PRISMA 2020 statement selection and rejection mechanism used in the investigation.

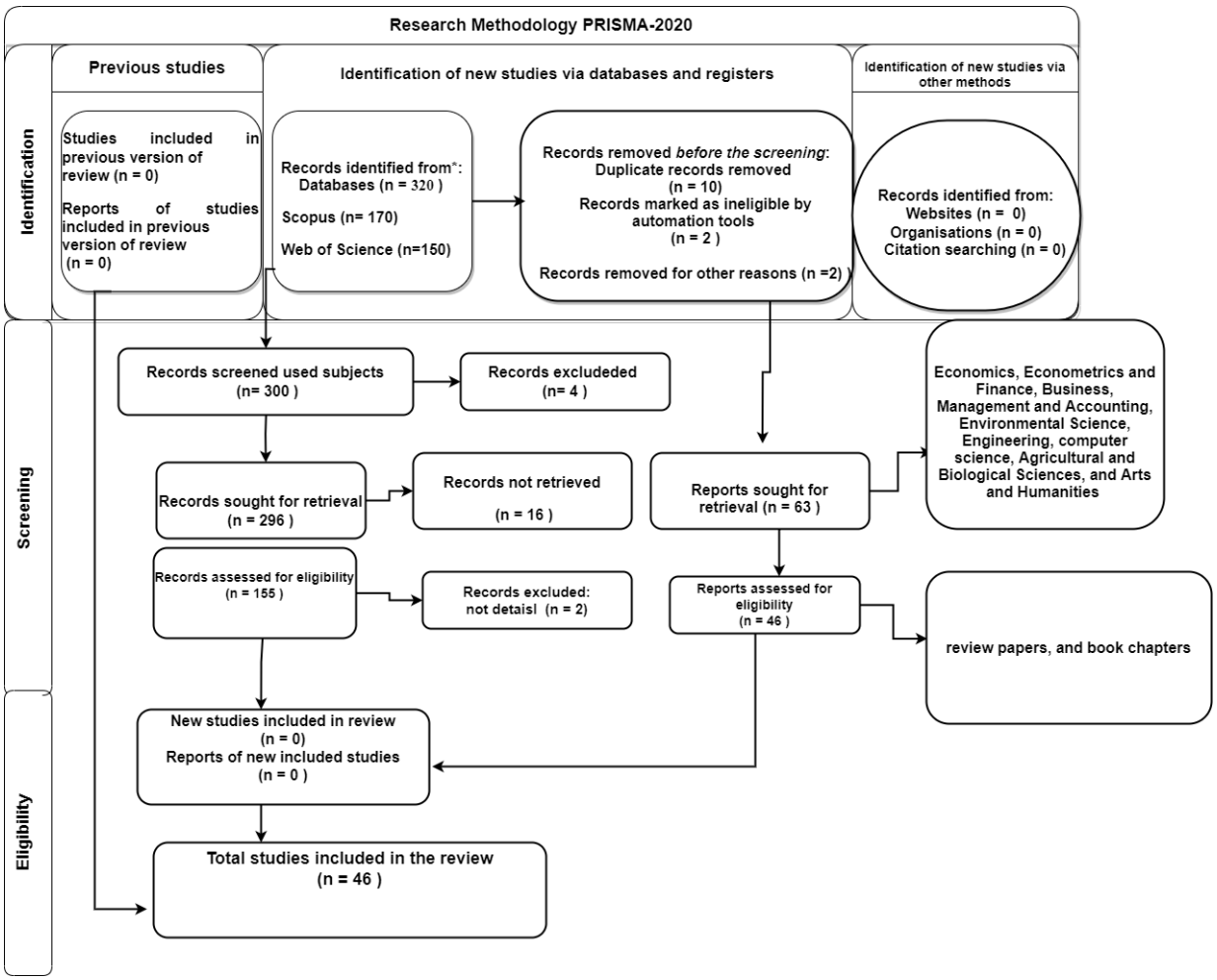

Fig. 1. PRISMA statement 2020 inclusion and exclusion process (Rethlefsen et al., 2021b)

Figure 2 shows the number of reviewed papers' according to year of publication.

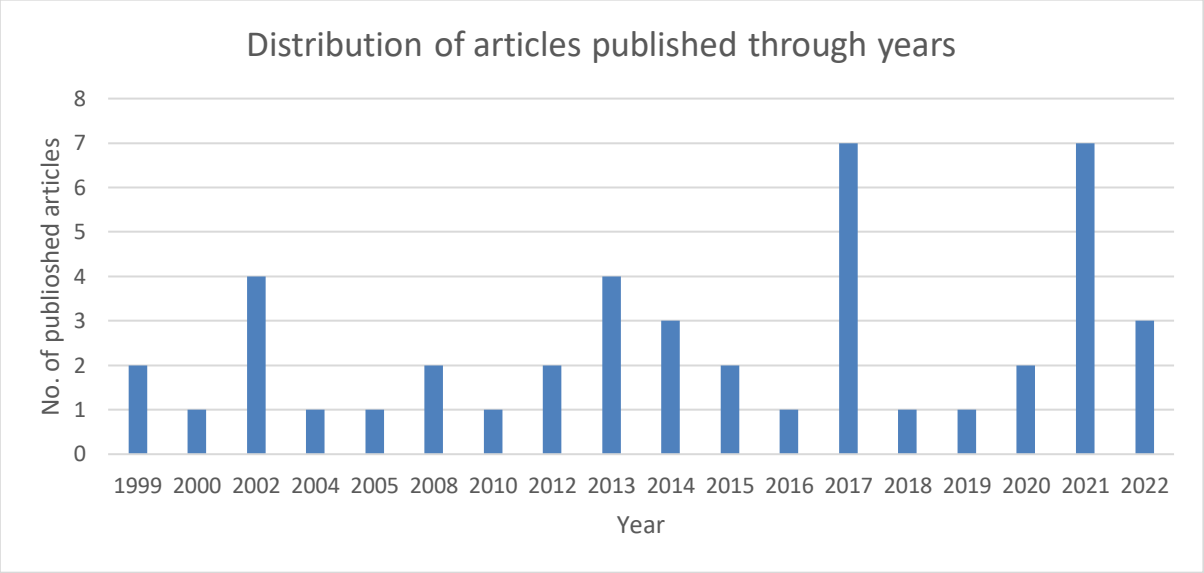

Fig. 2. Distribution of articles from each year

is Economics, econometrics, and finance contributed 13 articles while arts and humanities provided only 1. Detailed distribution of the papers is presented in Figure 3 below.

Country	Articles
United States of America	12
Russian Federation	6
Malaysia	5
United Kingdom	5
Australia	4
China	2
Nigeria	2
South Korea	2
Canada	1
Croatia	1
Columbia	1
Czech Republic	1
Ecuador	1
France	1
Ghana	1

Fig. 3. Distribution of articles by subject

Moreover, the current study analysed the articles from the country of contribution, and 12 articles were from the US. The other considerable number is recorded from the Russian Federation, with 6 and 5 documents chosen from Malaysia. Figure 4 illustrates the countries map below.

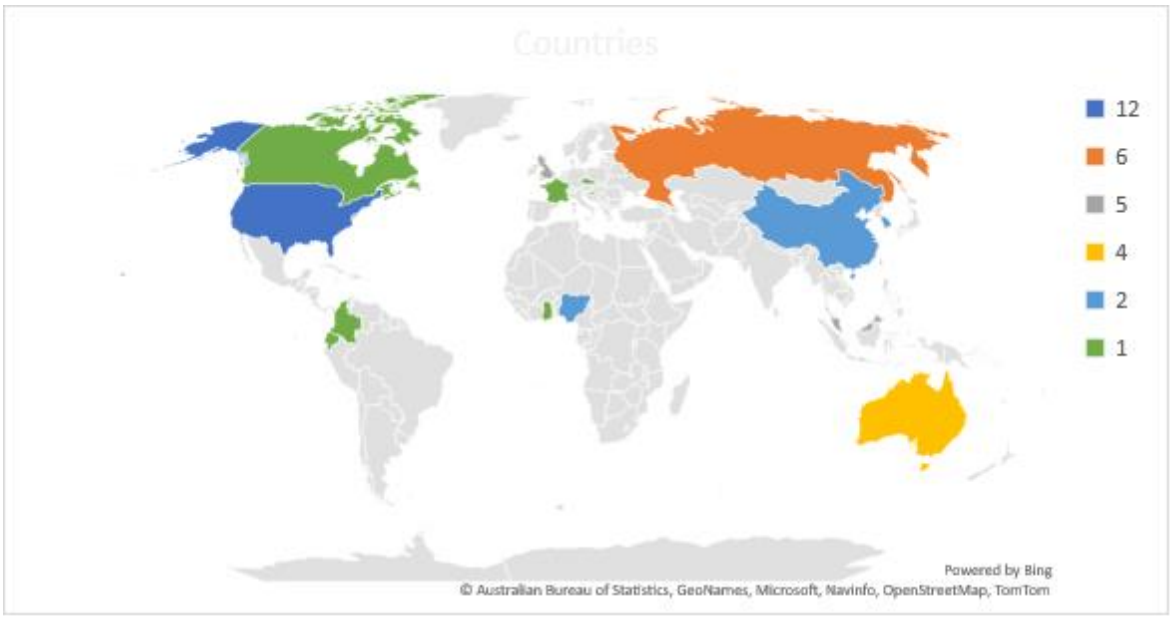

Fig. 4. Distribution of articles countries

Journal-based publication analysis finds that Petrol Et Gaz Information contributes the highest number of articles with three. Figure 5 shows the details of source titles of top 4 journals that have published more than 1 paper.

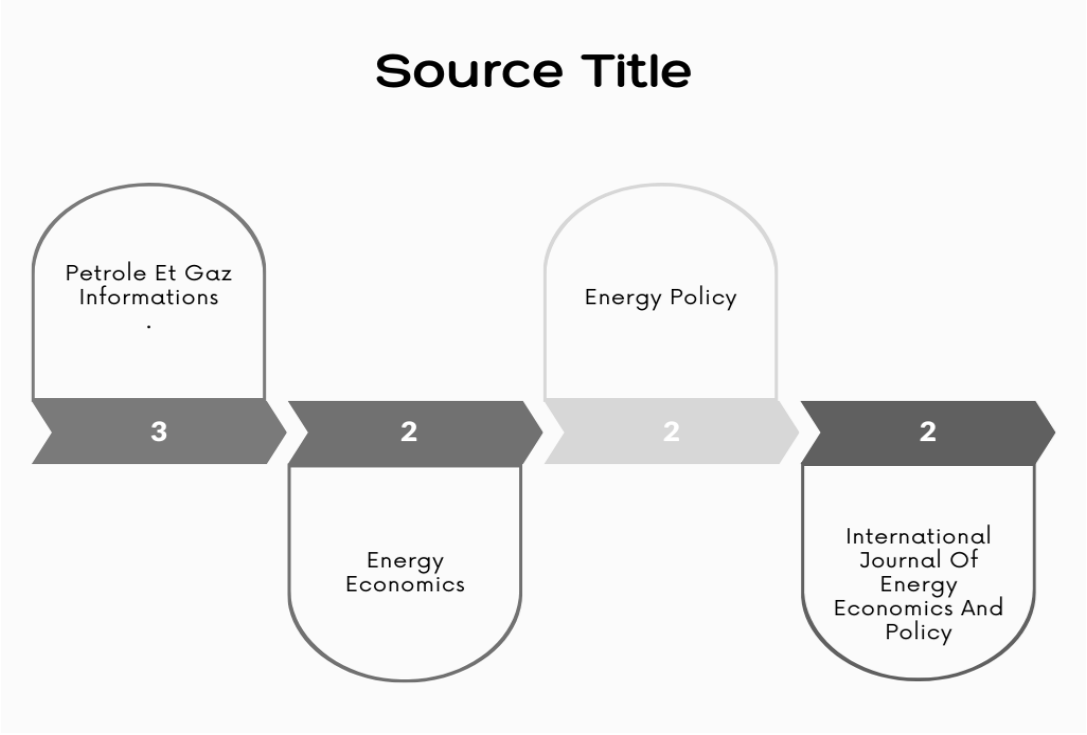

Fig. 5. Distribution of articles by source

3. Reviewing the Literature

We employed vital terms occurrences analysis to identify the significant themes in the review literature. The VOS Viewer highlighted the number of keywords and key phrases used in the published articles, with 50 essential terms appearing more than four times. Capital management, firm size, and profitability are the three critical areas of data streams. In addition, we provide the relevance score of each phrase and the average score. VOS viewer calculates a relevance score for each term to exclude general terms. Terms with a high relevance score are more likely to represent specific topics covered by the text data, whereas terms with a low relevance score are more likely to be general in nature and not representative of any specific topic Table 1 below

lists the details on classification, occurrence, key terms and relevant scores.

Tab. 1. key term occurrences, classification, and relevance score

Classification	term	occurrences	relevance score
Capital management	corporate governance	5	0.9456
	corporate profitability	6	0.6434
	cost stickiness	3	2.0398
	development	4	1.0212
	downstream oil	3	1.7458
	equity	3	0.3812
	financial leverage	3	1.8976
	group	5	0.7004
	influence	8	0.3884
	nexus	3	1.1995
	period	8	0.3302
	positive relationship	3	1.5705
	price regulation	3	0.8333
	risk	11	0.5882
	secondary data	3	0.9116
	tax	6	1.2141
	trade	4	1.8045
	sum	81	
Firm size	company size	3	0.8157
	construction firm	3	1.4678
	country	4	1.3287
	crude oil price	4	0.7748
	data envelopment analysis	3	1.5002
	FC firm	3	2.4466
	firm age	3	0.7428
	firm performance	4	0.6285
	firm value	23	0.739
	gas company	8	0.8715
	gas firm	21	0.5023
	gas industry	6	0.476
	large European firm	3	0.8856
	management	8	0.5102
	manufacturing firm	5	1.2678
	non-technological innovation	5	1.2275
	ownership structure	7	0.6973
	petroleum retail firm	3	1.3258
	sum	116	
Profitability	account	3	0.8623
	asset	11	0.5084
	capital management	20	0.3888
	cash conversion cycle	6	0.5855
	debt ratio	5	1.8122
	economic growth	5	1.436

empirical evidence	4	1.0589
future profitability	3	2.0552
innovation	6	0.8457
productivity	5	0.7488
profitability measure	5	0.6147
profitability ratio	4	0.6442
profitability variation	4	1.436
return	15	0.3775
state	6	1.9635
sum	102	
total terms	299	

The articles were categorised by way of content analysis. The VOS Viewer programme scans the content of published literature by forming data clusters on the text to group related topics. According to Dinić & Jevremov, (2021), researchers' keywords and keywords in the journals' indexing method specified in the databases are both suitable for bibliometric analysis aimed at discovering the structures of the research area. Hence, we involved both class keywords for the coccurrence analysis within the study area associated with and non-oil firms' profitability. The research contained fifty-three records, and the data delivered 43 keywords. We have thoroughly established and selected only the most numerous 50 keywords repetitive in a minimum of 5 records. Figure 6 illustrates the content analysis results-the group showed two major clusters in assorted colours in Figure 5. The cluster represents green displays of capital management, oil firms, and productivity. The cluster in orange is primarily ascribed to the firm value, size, and state. The blue cluster signifies profitability, development, and relation. Ultimately, the purple cluster indicates electronic health records and healthcare systems. Each cluster is further examined in the next section.

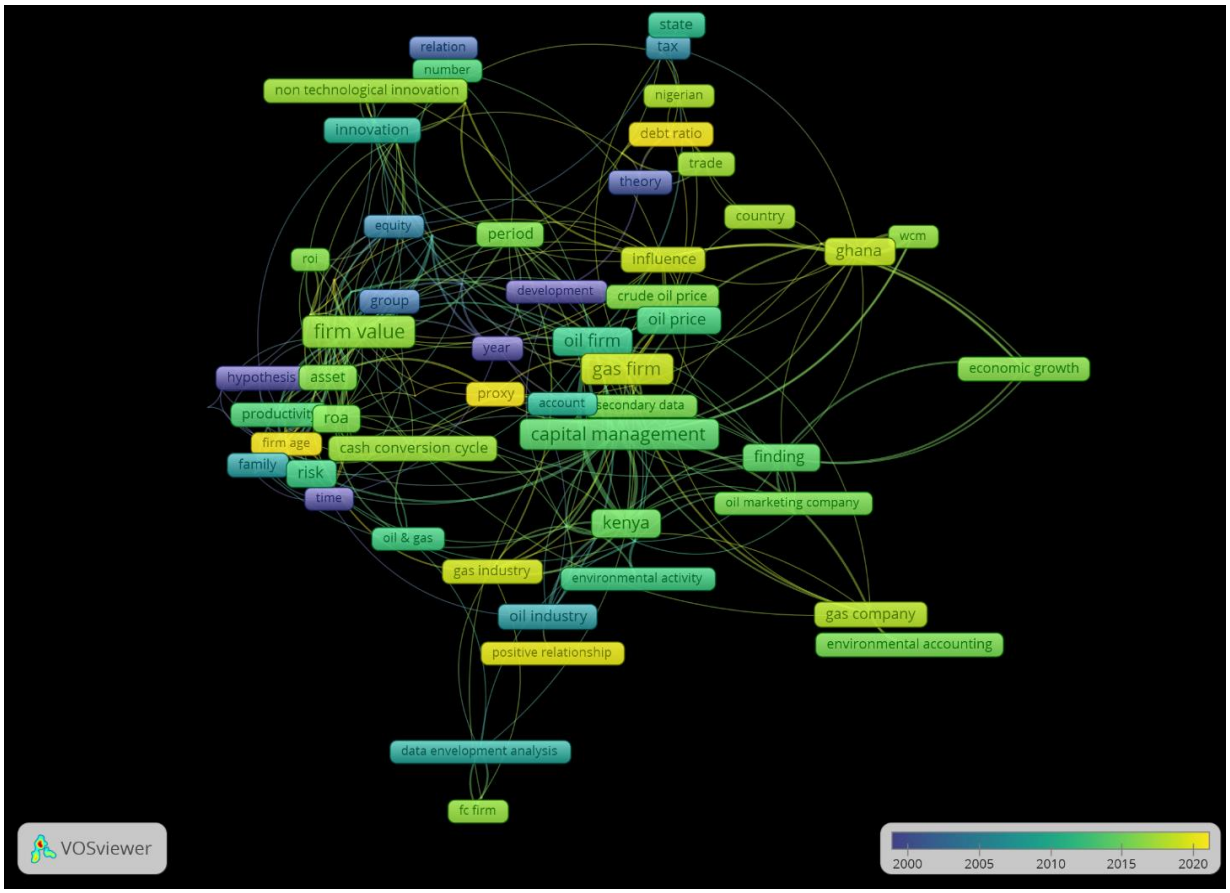

Fig. 6. Classification of literature from VOS viewer

4. Classification of Literature

4.1. Firms' size

Firm size is a scale that categorises a company's size using several modalities such as total assets, number of employees and total sales [18] In addition, the company's increased total assets and revenues reflect the firm's money turnover. The more overall assets, the greater the capital invested by the business [4]. According to the descriptions, firm size is the business's quantity of assets [16]. However, firm performance may be measured in a variety of ways and using a variety of approaches. Profitability ratios are often used to measure a firm's overall efficiency and success in economic research [13]. In addition, the quantity and diversity of a business's production capacity and ability, or the number and variety of services a firm can supply concurrently to its consumers, have also been used as a proxy to determine firm size [27]. The size of a corporation is a significant factor in determining a firm's profitability because of the concept known as economies of scale, which can be found in the standard neoclassical view of the company [48].

Furthermore, it demonstrates that larger corporations can produce at considerably lower costs [36]. Business size and profitability should be a positive link. However, alternative firm theories contend that managers with self-interest motives control larger enterprises, and therefore managerial utility maximisation may substitute profit maximisation of the company's objective function [41]. In addition, research on the influence of firm characteristics on the company's profitability has shown conflicting results, with some supporting a positive association between these factors and others opposing it [69]. Additionally, several indicators of business financial performance and firm size were used to evaluate the association between firm size and profitability in non-oil firms [53]. Among the financial performance measurements employed were return on assets, return on equity, profit margin, earnings before interest and tax, and earnings before interest, tax, depreciation, and amortization [49].

Natural logarithms of firm assets and personal count were used by Solaymani & Kari (2014) to calculate firm size when deliberating the economic impact of removing energy subsidies. Regression results showed that business size influences profitability [14]. Table 2 below illustrates the author details, citations, context, settings, and segment of the research conducted.

Tab. 2. Author details, citations, context, settings and segment of the research

Authors	Cited by	Context	Settings	Segment
Al-Aali, 2012	19	barriers to export	profitability barrier	GCC non-oil firms
Ahmadi & Bouri, 2017	22	business organizations	environmental responsibility	firm size
Bell & Offshore, 2016		Triple Bottom Line (TBL)	firm profit or non-profit	sustainability efforts
Bugshan et al., 2021	2	Shariah-compliant firms	volatility–profitability relationship	Gulf Cooperation Council stock exchanges
Goto & McKenzie, 2005		production quotas	supply oil products	Japanese oil industry
Hyde, 2002	4	Australian petroleum industry	non-merging firms	profitability
Insley, 2017	16	non-renewable resource	oil prices	investment and extraction
Kossovsky, 2012	2	admire and invest	public firms	
Mustapha et al., 2021	1	non-offshore firms	non-oil firms	long-term firm profitability
Pachkova et al., 2017		financial stability and reliability	financial performance	oil extraction and processing

Goto & McKenzie, 2005	5	conflicts	non-oil firms	oil companies
Sulayman & Kari, 2014	103	energy costs reduce	reduces transport profitability	non-oil firms
Suroso et al., 2021	7	investor interest	environmental issues	palm oil industry

Many academics in industrial economics, strategic management, marketing, accounting, and finance have sought to determine the origins of firm-level profitability fluctuation [67]. The central hypothesis in industrial economics is that any temporary deviation in a firm's profit rate from the market average is quickly corrected by the effects of potential or actual entry and exit or other competitive forces, such that no firm can earn an above-average profit for an extended period [5]. The findings indicate that firm size positively influences the profitability of small and more significant non-oil firms from the previous literature.

5. Capital Management

Corporate performance is essential to how an organization's available financial resources are used to achieve corporate goals, and it opens up significant future potential with more vision [1]. According to [22], by developing mindfulness and emotional skills connected to decision-making abilities, companies may also enter a state of awareness, taking accountability for their actions. In addition to this, findings [29] outside directors, it is believed, are better at fulfilling the goals stated because they have a strong desire to develop a reputation as decision-control masters. Independent directors play a critical role in pushing for strict adherence to the law and maintaining minority partners' preferences.

Additionally, the board should include a good mix of executive and non-executive directors. It was discovered that the creation of board individuals/members and ownership concentration were associated with increased business performance [56]. On the other hand, according to [66], there is no evidence that board composition impacts business performance, and the number of non-executive directors has minimal influence on overall business performance The positions for directors have been combined because of disagreements regarding the compositions of independent non-executives [26].

According to [47], several corporate governance ideas influence the current literature on board size. The impact of board size on company performance produces mixed results. One of the significant difficulties in finance and economic literature is the size of the board in resolving the agency issue [27]. In addition, Various researchers have observed that having a diverse board of directors in terms of country, gender, and position can provide hierarchical and competitive benefits such as the capacity to strategically recruit human resources and increase performance [34]. In contrast, politicians assume shareholders' place in government-controlled businesses. Although politicians often do not receive any residual income flow directly from the corporation, their aims include political gains from increased revenue flow into the Treasury [42]. However, traditionally, business finance choices have been made in three areas: capital budgeting, balance sheet, and working capital. Handling capital budgeting and capital structure is about managing long-term capital and receives greater emphasis in financial literature than management of working capital [38]. Table 3 below illustrates the author's details, citations, context, settings, and segment of the research conducted.

Tab. 3. author details, citations, context, settings and segment of the research

Authors	Cited by	Context	Settings	Segment
Abbas et al., 2021		corporate governance	board size and board composition	
Goddess, 2017	16	competitive profit	supply	gasoline prices
(Muhammad Imran Qureshi et al., 2020	67	private firm	value of profits	cash flows and employment
Hong & Le, 2008b		trade liberalization	Exchange rate depreciation	seafood processing industry
Islam & Hussin, 2017		Corporate risk management	firm value	emerging market

Morecroft, 2018	2	investment	world conditions	profitability
Pritamani et al., 2005	6	value of the dollar	structural relationship	oil and non-oil firms
Narayan & Nasiri, 2020	8	oil companies	liquidity and cash flow	non-oil firms
Gresik & Schjelderup, 2022	0	non-oil firms	market share	USA
Tsai, 2013)	8	energy-intensive industries	non-high oil	oil price

However, it is vital to highlight that working capital management rules must consider the nature of the organisation because various businesses will have varied working capital requirements [50]. Manufacturing enterprises, for example, must invest extensively in spare parts and components, but food sellers must keep vast inventories of commodities for resale but have little trade receivables [35]. In addition, the primary purpose of working capital management is to strike a balance between profitability and liquidity. The issue developed because maximising a firm's profits may substantially jeopardise its liquidity while pursuing liquidity had the propensity to dilute returns [60]. Additionally, the primary goal of working capital management is to maintain an ideal balance between each component of working capital. The capacity of finance executives to properly handle receivables, inventories, and payables is critical to business performance [71]. Businesses can minimise their financing costs and increase the money available for expansion initiatives by reducing investments locked up in current assets [9]. Most financial managers' time and efforts are devoted to restoring non-optimal current assets and liabilities to optimal levels [39].

6. Profitability

A corporation's profitability has become critical in understanding network sectors that provide products and services in developed and developing countries [64]. According to [30], profitability directly influences a management's compensation because the latter is based on the firm's success. It is also essential for shareholders and investors in any business and has often been utilised to forecast corporate failure. In addition, the literature has paid close attention to the factors influencing a company's profitability in many financial sectors [31]. According to [17], the organisation's financial decisions impact practically all its activities. The choice of capital structure is the most contentious subject in corporate finance among academics and practitioners. In addition, profitability is seen to be dependent on several elements, and there are numerous measures to analyse a firm's profitability [70]. Overall, performance is tied to profitability and its affecting aspects. As a result, the relationship is built while keeping the profitability-influencing aspects at various stages in mind [72].

Furthermore, many firms, if not all, understand the notion and necessity of profitability, but they may be unsure how to improve it or what variables influence profitability [73]. This is especially evident during a crisis; some organisations strive to protect their financial standing by taking riskier measures, but owing to insufficient expertise and high risks, these activities frequently end in hurting their financial condition [9], [12]. According to [32], identifying the characteristics that influence profitability is still a big challenge for scholars. Several prior studies have examined the elements that determine business profitability, such as size, working capital (WC) management, firm age, and leverage [15], [33]. In addition, research on the influence of organisational size on organisational profitability has shown conflicting results, with some supporting a positive association between these factors and others opposing it [54]. Furthermore, within the same sample of businesses, this association may benefit some company size ranges and harm others [55]. Table 3 below illustrates the author details, citations, context, settings, and segment of the research conducted.

Tab. 3. author details, citations, context, settings and segment of the research

Authors	Cited by	Context	Settings	Segment
Tey & Brindal, 2021		sustainability standards	probability	Palm Oil
Yu, 2013	93	firm performance	government support	oil, natural gas
Pattanaik & Sengupta, 2018	4	firms	non-financial	non-oil firms from
Yukhov, 2021	0	investments	Countries produce oil	non-oil firms
Chen et al., 2013	32	cash flow	future	financial performances
Akinwale, 2017	2	innovation and profitability	oil firms	technological and non-Technological innovation
Barratt & Korac-Kakabadse, 2002	12	business	governance models	leadership
Hassen & Hamdi, 2021a	0	energy companies	investments	non-oil firms
Born & Ryan, 2000	14	non-oil firms	oil and gas exploration	
Hasan et al., 2022	1	future profitability	input costs	oil and non-oil firms
Romero et al., 2010	18	non-adopting firms	enterprise resource planning	oil and gas industry
M.I. Qureshi et al., 2020	5	cost shocks	sales volumes and the pricing	competitors
Nguyen et al., 2020		profits and market performance	oil price	firm size

According to [6], profitability is a company's aim, and hence it is the primary concern for analysts and investors. Consistent profitability allows a firm to exist by generating a sufficient return relative to the risk. In addition, he mentioned that profitability signifies management's success in operating a business Profit from operational operations, net income, return on investment/assets and return on capital are all indications of profitability [68]. Profitability results from a sequence of management policies and decisions connected to the source and usage of financing to run a firm and are documented in the company's financial reports and balance sheets [62]. However, many studies were undertaken by academics to evaluate the association between working capital management (WCM) and profitability [25], [51]. For example, [24] investigated small firms in Mauritius and discovered a significant association between effective working capital management and firm profitability. Additionally, (M.I. Qureshi et al., 2020) discovered a positive correlation between gross operating income and accounts payables.

7. Discussion

Non-oil sector growth has been crucial recently because of oil price uncertainties are negatively affecting the finances of oil firms. Many oil-producing countries attempt to improve non-oil businesses to promote economic development. To move towards better management of oil revenue, oil producing nations need to ensure macroeconomic stability, implement proactive public finances, strengthen regulatory framework, increase transparency and accountability, and promote free trade [46]. This study's objective in the context of non-oil firm profitability is to analyse the research work scholars have conducted over the previous two decades to analyse the future orientation of non-oil organizations in oil-producing nations. We utilised the PRISMA statement 2020 to include and exclude findings for the current investigation, and records were gathered from Web of Science and Scopus.

The study's scope was restricted to the previous two decades, from 2002 to 2021. After reviewing the detailed data screening procedure, only 46 relevant records were included in the current study. Secondly, we concentrated primarily on

materials covering profitability literature and outcomes from non-oil generating firms.

We utilised the VOS viewer software to identify data streams and perform cooccurrence of word analysis on the final records included in the current study. The 50 key terms were used to identify the categories of literature to address in the present review; a term is included in the current study if used at least three times. We identify three key data streams, firm size, capital management and profitability, which were covered in depth in the categorization portion. However, the firm size is significantly discussed by the previous researchers in the context of non-oil firms' profitability maximization. It demonstrates that, in contrast to tiny firms, more giant corporations can create things at considerably reduced costs [36]. According to [36], there should be a positive link between business size and profitability. However, alternative firm theories contend that managers with self-interested motives control more giant enterprises, and therefore managerial utility maximisation may substitute profit maximisation of the company's objective function [41].

However, capital management is critical in maximising firm profitability, and the board of directors is a crucial determinant identified in the research. A healthy balance of executive and non-executive directors should be on the board. It was revealed that the formation of board members and ownership concentration were related to improved business performance [56]. On the other hand, [66], found no evidence that the makeup of a board of directors affects corporate success. The number of non-executive directors has minor impact on overall company success. Given the differences in the makeup of independent non-executive directors, merged directors exist [26]. In addition, many firms, if not all, understand the notion and necessity of profitability, but they may be unsure how to improve it or what variables influence profitability [73]. Figure 6 illustrates the literature outcomes.

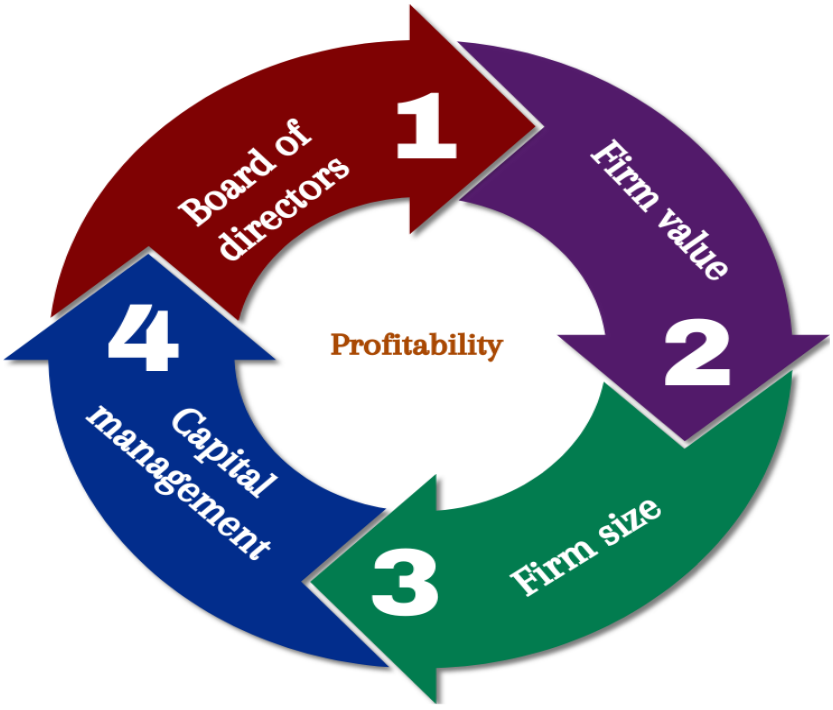

Fig. 6. The literature outcomes on profitability in non-oil firms

This is especially visible during a crisis; some organisations attempt to safeguard their financial status by taking riskier steps, but due to a lack of experience and high risks, these activities typically end up harming their financial situation [9], [12]. Findings of [32], Identifying the elements that determine profitability remains a significant issue for academics. Previous research investigated the factors that influence corporate profitability, such as firm size, working capital (WC) management, firm age, and leverage [15] ,[33]. Born & Ryan found that the market does not factor embedded anti-takeover mechanisms when responding to companies' investment announcements but instead is dependent upon finances, prospects and managerial autonomy. This indicates that the market prioritises growth-oriented strategies over takeover barriers, suggesting that 'inward' shareholder strategies have little impact on the market.

8. Conclusion

Finally, given the uncertainties and swings in oil prices that have a detrimental impact on the finances of oil corporations, the expansion of the non-oil sector has become a critical emphasis in oil-producing countries. These countries must undertake policies to encourage economic development and better manage oil money, such as guaranteeing macroeconomic stability, proactive public finances, a strong regulatory framework, transparency, accountability, and supporting free trade. The findings of the literature analysis revealed three main data streams that have a substantial influence on the profitability of non-oil firms. First, business size appeared as an important predictor, with larger organisations possibly benefiting from economies of scale and exhibiting superior financial performance. However, there is a dispute over the role of management motivations in larger organisations, which may replace profit maximisation with other aims.

Second, capital management was highlighted as an important factor in increasing business profitability. A well-balanced board of directors that includes both executive and non-executive members is critical to corporate success. Nonetheless, there are differing perspectives on the precise influence of board membership on business success, highlighting the need for more research. Finally, researchers continue to face considerable challenges in determining the drivers of profitability. A previous study has investigated different elements in determining corporate profitability, such as business size, working capital management, firm age, and leverage. However, inconsistent findings and current arguments highlight the complexities of this relationship and the need for more research. During a crisis, some organisations may turn to riskier methods to safeguard their financial position; nevertheless, these efforts may have a detrimental influence on their financial condition owing to a lack of expertise and understanding of high-risk tactics.

Overall, this detailed research helps to clarify the relationship between non-oil enterprises and profitability in oil-producing countries. It emphasises the necessity of boosting non-oil sector growth and identifying elements that might improve non-oil firms' financial performance. The findings can help politicians, investors, and business leaders establish strategies for building a robust and diverse economy that can survive the difficulties provided by oil price volatility while still fostering long-term economic growth. More study in this area is required to enhance our understanding and develop policies that promote the long-term prosperity of oil-producing countries beyond their reliance on the oil sector.

9. Future Agenda

In the context of the interaction between non-oil enterprises and profitability in oil-producing countries, there are numerous crucial topics that need consideration in the future. To begin, more study is needed to grasp the complexity underlying the influence of business size on profitability. While existing research reveals a favourable association between the two, further research into the underlying processes and potential moderating variables that may alter this relationship is required. Understanding the relationship between management incentives and profit maximisation in bigger organisations can give useful insights for optimising non-oil firm financial performance. Second, there is an urgent need to investigate the dynamics of successful capital management in non-oil companies. To maximise profitability, future research should look into best practises for financial resource allocation, debt-equity ratios, and investment planning. Furthermore, investigating the role of the board of directors in various organisational contexts and its impact on financial performance may provide significant insight to corporate governance practises that promote increased profitability.

Furthermore, the causes of profitability necessitate ongoing research, particularly in the context of oil-producing nations confronting economic constraints. To get a full knowledge of the determinants of profitability for non-oil enterprises, researchers need look beyond the components already highlighted in the literature, such as technical improvements, market circumstances, and regulatory interventions.

Policymakers in oil-producing nations should focus on adopting comprehensive and well-coordinated programmes to boost the expansion of the non-oil sector. Promoting a business-friendly climate, investing in human resources, encouraging innovation and entrepreneurship, and boosting market access for non-oil exports may all help non-oil firms improve their competitiveness and profitability.

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