The International Journal of Business Management and Technology, Volume 4 Issue 1 January–February 2020
ISSN: 2581-3889

Research Article Open Access

# The determinants of the level of involvement of the board of director in the decision-making process of family businesses: evidence from Cameroon

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**Abstract**

Since the mid-1980s, the attention of both professional writers and academic world has been drawn to the concept of family business. From an economic point of view, family businesses weigh extremely heavily. This rebirth of a fabric of ambitious family businesses and creators of innovation polarizes all the attentions and the scientific community does not stand aside from this movement.Thus, our study set out to highlight the level of involvement of the board of director in the decision-makingprocess of family businesses in Cameroon. It's focused on a sample of forty-eight family businesses in the cities of Yaoundé and Douala.it should be specified that the data was collected through a questionnaire administered to the members of the board of directors of these companies.Having undergone statistical processing using SPSS software, it emerges that the decision-making process of family businesses in Cameroon is different from that of managerial businesses.This can be explained by factors such asthe inbreeding link between the managing director and the chairman of the board of directors,and the distinction between the family council and the board of directors influence this process.

**Keywords:** involvement, board of directors, decision-making process, family businesses, Cameroon.

## I. INTRODUCTION

The family business has been the subject of particular attention since the mid-1980s, for both professional actors and for academic researchers. Most books and articles in this field of research are emerging in developed countries, which indicates the new interest shown by researchers in economics and management (Tchankam, 2000). Allouche and Amann (1995) point out that today, there is a certain triumphant return to family capitalism. In fact, from an economic point of view, family businesses weigh extremely heavily. They constitute the most widespread form of enterprise in history (Gattaz, 2004) or of private initiative (Caby and Hirigoyen, 2002). However, in Africa and particularly in Cameroon, this field of research is almost virgin. There is very little concern about how they are managed. According to Tchankam (2000), if the family in Africa is the cornerstone of everything, family business in Cameroon is an enterprise in which members of the same family control activity or work and participate actively in management, maintaining a lasting bond between the family and the company. Indeed, the role played by the family within the company when they have control over it, makes the mechanism for implementing governance complex with, in particular, the recovery of the roles of shareholder and manager, soul of the family business. This has direct consequence of the risk of confusion between the mode of governance of a company and its mode of governance (Hirigoyen, 2002). It's in this perspective that this work aims to highlight the mechanisms of the level of involvement of the board of directors in the decision-making

process, within family businesses in Cameroon. In other words, it is a question of analyzing the decision-making process within the family business, in order to highlight the level of involvement of the board of directors and the factors which determine this level of involvement. This work is organized in three parts. The first part presents the theoretical framework of the research. The second part is based on the investigation methodology adopted and the third part successively presents the main results and discussions.

## II. THEORETICAL FRAMEWORK OF RESEARCH

### I.1. The family business: a diverse entity

Family business has been the subject of few studies (Allouche and Amann, 2000; Caby and Hirigoyen, 2002; Villalonga and Amit, 2004)in Africa and more particularly in Cameroon. This is no doubt due to the strong heterogeneity of this type of business. Which company are we talking about when we talk about the term "family business"? Defining family business is the first and most obvious challenge faced by researchers in this field (Handler, 1989). Several authors have studied this question. Indeed, Allouche and Amann (2000) classify the definitions of the family business into two categories: the single criteria definitions and the multi-criteria definitions. The mono criteria definitions retain a single definition criterion, either ownership, control, or family/business interaction. Barnes and Hershon(1976), retaining the first criterion, consider a business to be family-owned as long as control of property remains in the hands of an individual or members of the same family. For Dyer (1986), a business is family-owned when either ownership or management is influenced by the family. Handler (1989) defines family business as an organization in which the main operational decisions and objectives with regard to transmission are influenced by family members involved in management or on the board of directors.

On the other hand, the multi-criteria definitions bring together a set of factors that can characterize a family business. According to Astrachan and Shanker (1996, 2003), the criteria used to define family business must at least include:

- The ownership of a majority stake (and control of the voting rights);
- The presence of family members in the board of directors, in management and the participation of multiple generations in the company.

Davis and Tagiuri (1982) define a family firm in more detail as " an organization where two or more members of the extended family influence the management of the company through the exercise of kinship, management positions or ownership capital ". All these definitions contribute to a better characterization of the object of study "the family business". Within the framework of this work and taking into account the African context in general and Cameroonian in particular, a company will be qualified as a family business if an individual or members of the same family hold the majority of the capital, participate actively in the management of the company (that is to say occupies positions of responsibility) and manifest a desire to pass the business on to generations. This definition shows a combination of three criteria specific to family businesses, namely: ownership, control and transmission.

The involvement of the family in the company is a peculiarity of family business. This has some consequences on the managerial practices. The logic of family is different from that of the business. Buff and Catry (1996), based on the Goetschin (1987)study, first define an institutional origin for this tension between the logic of family functioning and that of business. In effect, family business operates on an emotional mode with the aim of ensuring the union of all members, generations, and to protect them. The notions of security, emotion and tradition are part of the values transmitted and family members are assessed on the basis of their personality. Conversely, the business world operates according to an economic logic whose objective is to produce, sell and make profits, so the business is subject to the laws of the market and competition and collaborators are assessed on what they do. This uniqueness of family business is due to the presence of several family members in to the business with different, needs, abilities and rights, while sharing the most basic human ties, namely family ties (Danco, 1980). These two relatively contradictory entities are looking for a balance which can only be partial, since the family and the business dominate each other according to the order of circumstances.

Miller and Rice (1967) explain the fact that, on the one hand family business operates according to its economic objectives, its human resources, its financial resources and the laws of the market, etc., and on the other hand, according to an "emotional" system. (" Sentient system "). The manager of family business belongs to both the business system and the affective system, which constitutes "a single emotional group" ("single sentient group"). A family group with its own culture. This is understood by the intense emotional bonds which unite the family members. Dyer (1986) adds that

families develop rules, norms and values to strengthen their culture. These are generally implicit. They are transmitted through behaviors and modes of communication. Family cultures are based on a set of beliefs, values and actions that crystallize in a pool of shared feelings, resulting to a common perception of reality by all members of the family system. This culture of the system is not without influence on the development of the culture of the family business. It should be emphasized that it is unrealistic to arrive in an organization in order to want to change one's culture without causing major conflicts (Dyer, 1988; Buff and Catry, 1996).

Contractual theories seem best suited to understand the behavior of family businesses. Indeed, the theory of property rights developed by Alchian and Demsetz (1959) shows that the diversity of property systems influences the behavior of agents, the functioning and the efficiency of the enterprise. For Melin and Nordqvist(2000), traditional developments in corporate governance, mostly based on agency theory analysis, are not suitable for family businesses given the amalgamation of roles, functions and spaces of decision. The agency theory would be inadequate since the three main players in this theoretical construction (owner, manager and board of directors) are the same individuals or belong to the same family (Salvato , 2002). In family businesses, the mode of governance adopted is that of the family. This has a considerable influence on both management and control, especially in companies where the family has an absolute majority.

**I.2. Determinants of the level of board of director involvement in the decision-making process**

Numerous studies have taken an interest in making a comparative study of the performance of family and non-family businesses. These studies have shown that family businesses outperform their non-family counterparts. However, none of them takes into account the influence of the specificities of this type of business on their governance.

The board of director is an internal control mechanism created within companies to defend the interests of shareholders. He is ultimately responsible for the effectiveness of his management and governance (Magnan et al. 1998). Its role is to put leaders under supervision. The manager being an opportunistic individual with all powers, tends to seek his interests and not those of the shareholders who are his proxies. As defined by Fama and Jensen (1983), its role is to ratify the decisions made by the general management and to monitor their implementation. The question we are entitled to ask is whether this is indeed the case in family businesses. The main characteristic of the family business is the involvement of family at all levels of the business. The board of director is often composed of shareholders who are family members or close friends of the family and constitutes a formality to approve the decisions of the company (Ford, 1988). Family involvement does not only affects the value of the business but also the decision-making process. Family members are involved in their business. In the sense of Allen and Meyer (1990), their involvement is affective; that is to say, they feel an emotional attachment, a commitment to family property. This development leads us to formulate the following hypothesis:

***H1: The attachment of the Board of Directors to the family property strongly determines its involvement in the decision-making process of the family business***

The governance of a family business requires that of the family, which, as Montaigne points out, poses no fewer problems than that of an empire. Defining clear rules for family involvement in the business can avoid power struggles among family members, but also against outsiders. Vallaud (2004) confirms this by saying that the establishment of formal structures within the family makes it possible to solve the daily problems which family businesses face. For Tchankam (2000), the distribution of activities promotes team spirit, creativity and the personalization of functions and activities. The existence of a family protocol permits a bestmanagement of the family and constitutes its contact with the board of directors. This leads in partly to solving the handicap of lineage workers (Tchankam, 2000). Defining clearly who makes the decisions is the base of governance. The goal of good governance is to have balanced decisions which takes into considerationboth the goals of the business and those of the family. Lejeune (2004) makes this clear when he asserts that good governance is only complete if it defines who is responsible for the correct application of the decisions taken. For Ward (1997), "establishing a family charter is one of the key step that a family business can take to secure and strengthen their business and, most importantly, their family." Defining clearly who makes the decisions is the base of governance. The goal of good governance is to have balanced decisions that take into account both the goals of the business and those of the family.

Establishing a family charter helps develop the decision-making process and strengthens family ties. As the family business is made up of three family, management and shareholder sub-groups, each sub-group must have its own

governance system (Hirigoyen, 2008). He goes on to say that for family governance, it is the family council. From this analysis, follows the following hypothesis:

*H2: The distinction between the family council and the board of director strongly determines the level of involvement of the board of director in the decision-making process of the family business*

For Jensen and Meckling (1976), governance mechanisms are not necessary for family business and their cost could reduce the performance of the business; because kinship moderates personal interest and the conflicts it can cause. It translates into loyalty and commitment to the family and the company (Basly, 2007). Engagement is an essential component of family business (Gallo et Kenyon- Rouvinez, 2004). It reflects loyalty and the will to work for the objectives of the organization. As Attias- Donfut et al. (2002) and Labaki(2005) family ties are always perceived as emotional and affective. The shareholder family therefore has an emotional commitment to its business in order to maintain the balance of these ties.

The peculiarity of family business is that: family members maintain, over a long-time horizon, several dimensions of exchange with each other involving advantages in the control and discipline of family decision-makers (Fama and Jensen, 1983). Meyer et al. (1991) go in the same direction by showing that the quality of decision-making is positively associated with commitment. Only Mustakallio and Autio. (2002), rather shows that the commitment is not correlated to the control exercised by the board of director but rather to the shared vision of the family shareholders. The commitment therefore explains the involvement of family shareholders in achieving the goals and objectives set by the company. From this analysis, follows the following hypothesis:

*H3: The blood relationship between the general manager and the Chairman of the Board of Directors strongly determines the level of involvement of the board of director in the decision-making process of the family business.*

## III. METHODOLOGICAL FRAMEWORK

### II.1. Presentation of the study sample

In this research, we adopted the hypothetico-deductive approach with a convenience sample of 38 administrators of family businesses. The data used in this study was collected by questionnaire administered using aa face to face mode.A total of 73 questionnaires were administered to companies' administrators according to the following distribution: 48 in Douala or 65.75% and 25 in Yaoundé or 34.24%. This is explained by the fact that theseare full of most businesses in Cameroonand are the greatest economic pole. Indeed, out of the 73 questionnaires administered, 55 were retrievable, including 40 in Douala (92.5%) and 15 in Yaoundé (73.33%), representing a response rate of 87.27%. All the questionnaires recovered were not usable. 38 questionnaires out of the 40 recovered in Douala (i.e. 95%) could be used, and out of the 15 questionnaires recovered in Yaoundé, 10 questionnaires (i.e. 73.33%) could be used, which made it possible to have a rate 87.27% of usable questionnaires.

### II.2. Measuring variables

#### II.2.1. Variables relating to the specificities of the turnover of the family business

The blood link between the general manager and the Chairman of the Board of Directors is measured by a nominal dichotomous scale (Yes and No). It takes the value 1 when they are from the same family and 0 otherwise. The distinction between family council and board of director, variable measured on a dichotomous nominal scale (Yes and No), seeks to know if there is a family council distinct from the board of director. The family council will be separate from the board of director when decisions concerning the business are not taken by the family council. This variable will thus take the value 1 and otherwise it will take the value 0.

#### II.2.2. Variables related to the decision-making process

Board involvement in ratifying decisions is measured on a five-point Likert scale: 1) Somewhat disagree, 2) Disagree, 3) Agree, 4) Somewhat agree, 5) Absolutely agree. The following table shows the involvement of the board of director in the ratification of decisions.

Table 1: Themeasurement of level of involvement of the CA in the ratification of decisions

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| The board of director uses the collection of information | | | | | |
| The directors study the proposal for few days before the board meeting | | | | | |
| The board of director requests the opinion of experts on decision | | | | | |
| Before approving the decision, the council is fragmented into different opinion groups | | | | | |
| Approval of investment and financing decisions | | | | | |
| Timely approval of the executive recruitment plan | | | | | |

This variable is subject to the scoring method. Its overall score must be between 4, minimum value (4 criteria x 1) and 20, maximum value (4 criteria x 5). The low or high involvement will be determined from the distribution of the global scores around the average. Thus, for values located below the average, it will be said that, the board of director is weakly involved in the ratification of decisions (value 1), and for those above the average, the board of director is strongly involved in the ratification of decisions (value 2).

Regarding the involvement of the board of director in the control of decisions, the respondent will have to give the level of involvement of the board of director in the control of decisions using a 5-point Likert scale :( +1 ) Slightly involved, (+2) Moderately involved, (+3) Involved, (+4) Strongly involved, (+5) Very strongly involved. The score for each subject varies between 1, minimum value and 5, maximum value, the average being 3. These different scores allow us, from the distribution of all individuals around the average, to group the five starting methods into two methods depending on whether the board of director is more or less involved in monitoring decisions. This variable will thus take the value 0 when the board of director is less involved and 1 when it is more involved.

## III. RESEARCH RESULTS AND DISCUSSION

After commenting on the level of involvement of the board of director in the decision-making process of family businesses in the sample (3.1), the results will be analyzed in order to identify the implications (3.2).

### III.1. The level of board of director involvement in the decision-making process of family businesses in Cameroon

The level of involvement of the board of director in the decision-makingprocess was measured on a five-point Likert scale. The components of this process was made up the four items. Theoretically, the minimum score is 4x1, that is to say 4, and the maximum score is 4x5, that is to say 20. The overall average score is substantially 14.98. Indeed, the coefficient of symmetry (Skewness) equal to -0.444 is negative. This means that all of the observations are concentrated around the highest values. Similarly, the flattening coefficient (Kurtosis) equal to -1.893 shows that the observation curve is flattened. This means that the majority of board of director of family businesses in Cameroon have a general propensity to be strongly involved in the decision-making process. The scores obtained are distributed around the average. This average being known, it will be said that the board of directoris strongly involved when the score is higher than the average and weakly involved when the score is lower than the average.

Table 2:The level of involvement of the board in the decision-making process

| **Level of board of director involvement** | **Effective** | **Percentage** | **Cumulative percentage** |
|---|---|---|---|
| **Low** | 18 | 37.5 | 37.5 |
| **strong** | 30 | 62.5 | 100 |
| **Total** | 48 | 100 | |

This table shows that 18 of the board of director of family businesses out of the 48 questioned are slightly involved in the decision-making process, ie 37.5%. On the other hand, 30 or 62.5% are strongly involved in the decision-making process. This clearly shows that, the board of director of family businesses in Cameroon go beyond their routine roles, namely the ratification and control of decisions. They broaden their powers to initiate and apply decisions. The process as defined by Fama (1983) and Fama and Jensen (1983) therefore does not apply to family businesses in Cameroon.

The turnover of family businesses in Cameroon is more involved in the decision-making process than that of Fama and Jensen (1983). Indeed, it also intervenes in the proposal and the application of decisions. This is explained by the fact that, the board's concerns relate as much to the long term as to the short term. The board is not only consulted but decides in the last resort on the definition of short-term (ie day-to-day management) and long-term (definition of strategy) objectives.The role of control is reduced in favor of the role of organ of reflection and proposal of decisions. Indeed, the board of director constitutes a privileged source of advice for the manager, a provider of cognitive resources as defined by Charreaux (2011). The board is not a gendarme for the general manager, but a privileged collaborator. These results are in the same direction as the work of Charreaux and Pitol-Belin (1989) in the Cameroonian context in general and that of family businesses in particular. Indeed, these authors have come to the conclusion that French board of director are not simple chambers for recording decisions of director manager, but an active and influential actor in the management of the company.

At the same time, the turnover of family businesses in Cameroon is involved in the application of decisions. The board of director has a look at all the major problems of the company. This is done through the monitoring of investments, support in the execution of tasks, that is to say that the board of director does not wait for the project to be completed in order to just carry out control. This support is perceived through the frequency of meetings. The works of Feudjo and Mfouapon (2012) shows that, theboard of directorsin Cameroon are held in average twice a year, which far from being good for better monitoring, is acceptable. When the Board multiplies the meetings, this shows the importance it attaches to its work.

These results show that, the missions of the board of director are not distinct from those of the manager; because the board of director is as involved in its traditional tasks (ratification and control of decisions) as those of the leader (initiative and application of decisions).However, the manager respects his tasks and does not carry out those that fall to the board of director. In relation to the typology of implication proposed by Allen and Meyer (1990), the implication of the turnover of the family business in the decision-making process would be an affective implication. The board of directors made up of family members feels affection for their business. This is how they do not settle for legal roles but go beyond them. We thus come to the same conclusion as the work of Feudjo and Mfouapon (2012), with regard to the turnover of family businesses. However, these results invalidate those of Melin and Nordqvist(2000) for whom the meetings of the board of director of family businesses are only formalities, the real decisions being taken elsewhere. These results also confirm those of Tomeselli (1994) which revealed that the main tasks of the board of director at the level of Italian family businesses consist in defining the strategy, approving important decisions and advising the manager. Our first objective is thus achieved, the decision-making process of family businesses does not obey the standard decision-making model defined by Fama (1980) and Fama and Jensen (1983).

### III.2. Analysis of results

| Business decisions made within the family council<br>Level of involvement | | No | Yes | Total |
|---|---|---|---|---|
| **Weakly involved** | **Staff** | 7 | 11 | 18 |
| | **% line** | 38.9 | 61.1 | 100 |
| | **% column** | 21.9 | 68.8 | 37.5 |
| | **% total** | 14.6 | 22.9 | 37.5 |
| **Strongly involved** | **Staff** | 25 | 5 | 30 |
| | **% line** | 83.3 | 16.7 | 100 |
| | **% column** | 78.1 | 31.3 | 62.5 |
| | **% total** | 52.1 | 10.4 | 62.5 |
| **Total** | **Staff** | 32 | 16 | 48 |
| | **% line** | 66.7 | 33.3 | 100 |
| | **% column** | 100 | 100 | 100 |
| | **% total** | 66.7 | 33.3 | 100 |
| **$X^2$ cal = 10,000 dof = 1 prob = 0.002 phi = -0.456 C = 0.415** | | | | |

It appears from this table that among the 32 board of directorsthat are distinct from the family council, 7 are weakly involved in the process, ie 14.6%, against 25 board of directorswhich are strongly involved, or 52.1% of this category. On

the other hand, among the 16 board of directorscombined with the family council, 11 (22.9%) are weakly involved against 5 (10.4%) board of director strongly involved.

Thus, it can be said that, the more distinct the family council is from the board of director, the more the board of director is involved in the decision-making process. This would be due to the fact that, the tasksassignedto the board of director are actually carried out by him and not by the family council. The decisions concerning the company are taken by the board of director and those concerning the family are taken by the family council.

Indeed, the results of the Chi-square test shows an $X^2$ calculated with a degree of freedom and for a probability $p = 0.002$ equal to 10,000 much greater than the theoretical $X^2$ equal to 3.84 with $\alpha = 0.05$. This confirms the relationship between the distinction between the family council and the board of director and the level of involvement of the board of director. In other words, the distinction between the family council and the board has an influence on the level of involvement of the board in the decision-making process. The coefficients phi equal to -0.456 and contingency C equal to 0.415 confirm this relationship. However, the negative sign of the coefficient phi reflects the fact that the two values vary in opposite directions.

These results corroborate the works of Lejeune (2004) and Vallaud (2004) for whom the existence of formal or informal structures within the family favors the establishment of good governance. The goal is to have balanced decisions that take into account both the business objectives and those of the family.The existence of a negative relationship does not mean that the distinction between the family council and the board of director does not involve the board of director in the decision-making process, but just weakens the level of involvement. The board of director is weakly involved. On the other hand, when there is no distinction between the roles of the family and those of the board of director, the board of director functions in relation with the family. The problems debated by the board of director are also debated by family, especially when the president of the family council is at the same time President of the board of director, or then founder of the company. He thus confuses his roles within the company. This is all the truer when the family holds an absolute majority of the capital. The questions debated by the family council are still debated by the board of director. In fact, the members of the board of director are still part of the family council. The family council is in fact only a continuation of the board of director. This thus constitutes a specificity of the family business which cannot be explained by simple rules of good governance.

For Mouline (2000), family business presents a fundamental characteristic whatever the legal form adopted, namely "*the interaction between the life of the business and the life of one or more families; the business depends on the family and the family depends on the business; there is an overlap between family events and social events* ". However, Gallo and Kenyon- Rouviney (2004) consider that,a good governance of family business allows the family to better understand the business and the role of the family, to control the adequacy of the decisions of shareholders, members from advice and managers to the objectives, mission and values of the company. Their implementation and respect at all levels, encourages the involvement of shareholders and employees by empowering them and stimulates the performance of the company. It thus facilitates transparency and trust, key elements in the long-term development of any family business.

However, the existence of a conflict between the board of director and the family council (31.3% of cases) leads to a confusion between the roles of the family and that of the board of director, which has an impact on the decision-making process. This causes the ineffectiveness of the decisions taken to the extent that, the decisions taken by family council are in contradiction with those taken by the board of director (10.5% of cases), or else the lack of objectivity in the decision-making (8.4% of cases).On the other hand, when there is a confusion of role, we realize that the board of director is present at all stages of the decision-making process. The questions debated by the family council are still debated by the board of director. In fact, the members of the board of director are still part of the family council. The family council is in fact only a continuation of the board of director. This thus constitutes a specificity of the family business which cannot be explained by simple rules of good governance.

| Blood link between general manager and chairman of board of directorLevel of involvement | | No | Yes | Total |
|---|---|---|---|---|
| **Weakly involved** | **Staff** | 13 | 5 | 18 |
| | **% line** | 72.2 | 27.8 | 100 |
| | **% column** | 68.4 | 17.2 | 37.5 |
| | **% total** | 27.1 | 10.4 | 37.5 |
| **Strongly involved** | **Staff** | 6 | 24 | 30 |
| | **% line** | 20 | 80 | 100 |
| | **% column** | 31.6 | 82.8 | 62.5 |
| | **% total** | 12.5 | 50 | 62.5 |
| **Total** | **Staff** | 19 | 29 | 48 |
| | **% line** | 39.6 | 60.4 | 100 |
| | **% column** | 100 | 100 | 100 |
| | **% total** | 39.6 | 60.4 | 100 |
| **$X^2$ cal = 12.829 dof = 1 prob = 0.000 phi = 0.517 C = 0.459** | | | | |

Analysis of the data in this table shows that out of the 19 companies with general manager and Chairman of the Board of Directors from different families, 13 companies (i.e. 21.7%) have a turnover with little involvement in the decision-making process, against 6 (12.5%) who have a heavily involved board of director. In the subset of companies with the DG and the PCA of the same family, 5 (or 10.4%) have a board of director slightly involved, against 24 (or 50%) with a board of director strongly involved in the decision-making process.

From the above, one would be tempted to say that, the blood relationship between the general manager and the Chairman of the Board of Directors would have an impact on the level of involvement of the board of director in the decision-making process. Indeed, a company where the general manager and the Chairman of the Board of Directors belong to the same family tends to involve its board of director more in the decision-making process. This is no doubt due to the desire of family members to preserve their interests and the continuity of the family business. However, the results of the Chi-square test give an $X^2$ calculated with a degree of freedom and for a zero-probability equal to 12.829 much greater than the theoretical $X^2$ equal to 3.84 for a threshold of 0.05. This leads to the confirmation of the fact that, the relationship between the blood link between the manager and the Chairman of the Board of Directors and the level of involvement of the board of director in the decision-making process. In other words, when the general manager and the Chairman of the Board of Directors are from the same family, the board is more involved in the decision-making process. Indeed, the coefficient phi equal to 0.517 with a positive sign is clearly satisfactory, since it is greater than 0.5; while the contingency coefficient (C = 0.459), although less than 0.5, is acceptable. We can say without risk of being wrongthat there is a relationship between the blood relationship between the general manager and the Chairman of the Board of Directors and the level of involvement of the board of director in the decision-making process.

These results thus confirm the concepts of commitment and loyalty towards the family and the company on the part of family members. These concepts were developed by Basly (2007). In fact, engagement explains the involvement of family shareholders in achieving the goals and objectives set by the company. These results are also in line with those of Meyer et al. (1991) which resulted in the quality of decision-making being positively associated with engagement. Because the members of the family maintain, over a long-time horizon, several dimensions of exchange with each other involving advantages in the control and discipline of family decision-making agents. This commitment is therefore confirmed in the case of family businesses in Cameroon. We can therefore conclude that, family constitutes a governance mechanism at the level of the family business. It implies the existence of strong and lasting relationships. The strength of relationships is amplified due to family ties and the multiple roles of family members in the business. These social relationships allow family businesses to effectively control the behavior of the family agent and to resolve conflicts. We will say with Beckhard and Dyer (1983), in the Cameroonian context that turnover constitutes the link between the company and the family. As a result, given their social responsibility, the directors who are members of the owner family become more involved in the business and in the materialization of the decisions of the owner family.

With regard to the manager and the Chairman of the Board of Directors, the latter must belong to the same family so that the board of director is more involved in the ratification of decisions in particular and the decision-making process in general. Indeed, the active participation of the family in the management of the family business is an asset for the

latter. Because the management team is made up of people who share the same values, the same vision and the same objectives. The blood relationship between the general manager and the Chairman of the Board of Directors thus leads family members and others to get involved in achieving the objectives set.However, regarding the roles of the family council and those of the board of director, these must be distinct. The decisions concerning the company must be taken by the board of director, and those concerning the family by the family council. The family council can discuss the problems of the company without however taking decisions. He can be heard by the board of director through members of the administrator family. In fact, as for Hirigoyen (2000), the family council constitutes the heart of family business governance. However, the chair of the family council should not be the Chairman of the Board of Directors, otherwise governance issues would not be addressed. It is only in this way that family businesses can overcome the difficulties they face and thus increase their mode of governance. Because the family business is, when governance is good, more efficient than the non-family business.

## IV. CONCLUSION

The present study had a double objective: to confront the decision-making process of family businesses in Cameroon with the standard model defined by Fama (1980) and Fama and Jensen (1983); identify the determining factors of the level of board of director involvement in the decision-making process of family businesses in Cameroon. Based on a sample of 48 family businesses, it appears that the board of director is not only strongly involved in the decision-making process, but also several factors explain this strong involvement: the separation of the role of the family council and that of the board of director, the blood relationship between the general manager and the Chairman of the Board of Directors. These results invalidate the standard decision-making model defined by Fama and Jensen (1983) for family businesses. The role of control intended for the Board of Directors is reduced in favor of the role of organ of reflection and proposal of the decisions. Indeed, the board of director constitutes a provider of cognitive resources as defined by Charreaux (2011). Which means that, we understand that the board is not a policeman for the general manager, but a privileged collaborator. Simultaneously, the board of director of family businesses in Cameroon also intervenes in the execution of tasks. This results in an absence of distinction between the missions of the board of director and those of the manager. However, the distinction between the family council and the board of director weakens the level of involvement of the board of director in the decision-making process. Notwithstanding, the existence of conflict between the board of director and the family council leads to a confusion of the roles of the family and the board of director, which has an impact on the decision-making process. In addition, there is a relationship between the blood relationship between the manager and the Chairman of the Board of Directors and the level of involvement of the board of director in the decision-making process.Indeed, the blood link between the manager and the Chairman of the Board of Directors leads family members and others to get involved in achieving the set goals. Insofar as the management team is made up of people who share the same values, visions and objectives.

## V. IMPLICATION OF THE STUDY

On a theoretical level, the question of the level of involvement of board of directors in the decision-making process of family businesses seems recent by the fact that it remained a matter for developed countries. Indeed, this study reveals that, compared to the diagram of the decision-making process defined by Fama and Jensen (1983), the decision-making process of family businesses is different. The specificities of family businesses mean that, the board of directors is more involved in the decision-making process. In addition to the traditional tasks of board of directors, the latter is also involved in those of the manager (namely the initiative and the implementation of decisions). This work thus complements the literature on family businesses in the Cameroonian context. It also enriches the literature in that, the cognitive aspect of governance is highlighted in the case of this category of companies. For these entities, board of directors is more a vehicle for acquiring knowledge than a mechanism for controlling managers. Thus, developments in agency theory do not adapt to family business because agency costs are minimized or even zero. This is an opportunity to open a very promising and fruitful line of research in Cameroon.

In terms of management, the results we have achieved aim to improve the system of government for family businesses in Cameroon. With regard to the general manager and the chairman of board of directors, the latter must belong to the same family so that the board of directors is more involved in the ratification of decisions in particular and the decision-making process in general. However, regarding the roles of family council and those of board of directors, these must be distinct. Business decisions must be made by the board of directors, and family decisions by the family council. In fact as for Hirigoyen(2000), the family council constitutes the heart of family business governance. However, the chairman of the family council must not be the chairman of the board of directors, otherwise governance matters would not be dealt

with. This is how family businesses can overcome the difficulties they face and consequently increase their mode of governance. This in the sense that, family business are, when their governance is beneficial, are more efficient than non-family business.

However, taking into consideration the share of capital held by the family, the characteristics of the Board of Directors, and the presence in the capital of institutional investors in determining the level of involvement of the board of directors constitute areas of focus legitimate and worthy of future research.

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