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Governance and Corporate Transparency in Sub-Saharan Africa: the Case of Cameroon

Fabrice Arnaud GUETSOP SATEU

Cameroun

Corresponding Author:** ***Fabrice Arnaud GUETSOP SATEU, *Cameroun*

Abstract: *Several governance mechanisms of companies in general, and large companies in particular, are the subject of much controversy not only on the presence or absence of excellent governance mechanisms, but also on their impact on the sincerity of the information produced by the company. Thus, this paper aims to examine the influence of governance on corporate transparency in the Cameroonian context. Through statistical and econometric analyses carried out on a sample of 263 large Cameroonian companies, the results obtained indicate that the independence of the board of directors increases the level of transparency of companies, and that a low share of capital held by managers decreases the level of transparency of companies.*

Keywords: *Governance; corporate transparency; financial communication; agency theory; supervisory board.*

1. Introduction

Known generically as "Corporate Governance", the concept of corporate governance emerged in the 1970s following a major crisis of confidence between share holders and company directors in the United Kingdom and then in the United States of America. The concept of corporate governance came under particular scrutiny after the Enron (2001), Andersen (2002) and World Com or Parmalat (2003) scandals. These various scandals revealed that the authoritarian and complex way in which power had been exercised until then could lead to mismanagement of companies, as well as serious concealment of important information on the part of company managers.

Agency theory attempts to explain the transparency problems observed in the financial world when an agency relationship exists. Fama and Jensen (1983) point out that agency conflicts between principal and agent are stricter in a dispersed ownership context than in a concentrated structure. Recognising the effect of these conflicts, the shareholder spends relatively high monitoring costs in order to closely control the agent's behaviour. This reduces the pressure exerted by the principal through voluntary publications to convincehim of his good management (Chau and Gray, 2002).

Nevertheless, in concentrated shareholding structures, the agency problems lie mainly between majority and minority shareholders. Controlling shareholders, legitimised by the protection of their own interests and supported by asymmetric information, are reluctant to disclose all the information theyhold about the company. The latter maymanipulate, or evenfalsify, certain financial information in order to maintain their informational primacy and defend their personal interests to the detriment of minority shareholders (Alexandre and Proquérot, 2000).

It turns out thatwecannot examine the determinants of corporate transparency without looking at agency relationships, in particular the influence of the ownership structure, when thereis a strong divergence of power between shareholders. Few recentstudies have tested the relationship between governance and the quality of financial disclosure.

However, these studies have assessed the quality of corporate transparency through a single publication medium, whereas listed companies have several publication media that maybe influenced differently by the factors studied, and therefore by their effects on the company's overall transparency (Amal and Faten, 2010).

As large Cameroonian companies are organisations where information asymmetries are sometimes numerous, the problem of financial communication arises acutely. In most cases, the information communicated by managers is voluntary, i.e. information that would be of interest to the public (Pout, 2007). The financial literature attempts to show that the more companies use certain governance mechanisms to control managerial action, the more managers are led to be more transparent in their activities (Amal and Faten, 2010).

The aim of this paper is to examine the influence of governance on corporate transparency in the Cameroonian context. Using a sample of 263 large Cameroonian companies, a multiple linear regression model shows that the independence of the board of directors increases the level of corporate transparency, and that a small share of the capital held by managers decreases the level of corporate transparency.

This article will be structured as follows: first, we will begin with a review of the literature on the influence of governance on corporate transparency, followed by the formulation of hypotheses, then we will continue our study with an empirical validation in the Cameroonian context, and finally, we will present and discuss the results obtained from the study.

2. Review of the Literature

2.1. Corporate Governance and Transparency: Review of the Literature

Used to designate States, the term governance refers to companies and, according to Guesnier (2003), is a concept of economic origin that appeared more than half a century ago to designate the internal and external mechanisms for coordinating and controlling the activities of companies. Simply stating the concept of corporate governance leads some authors to insist on its essential role in creating value, whether for share holders or for all the company's stake holders (Amal and Faten, 2010).

According to Shleifer and Vishny (1997), corporate governance is defined as the set of mechanisms by which the providers of capital ensure the profitability of the share. It is a set of norms designed to homogenise the utility functions of shareholders and managers. Denis and McConnell (2003) consider that governance is a set of external and internal mechanisms that encourage managers to manage the company well by taking decisions that maximise the value of the company for its providers of capital.

According to Marston and Shrivers (1991), managers use several information channels to communicate with the out side world : annual reports, other interim publications, conference calls, websites, etc. Lang and Lundholm (1993) stress the importance of the annual report as the first means of communication used by the company, followed by the company website as the main means of communicating and updating financial information in a timely and low-cost manner (Ashbaug et al., 1999).

As far as transparency is concerned, and based on its Latin etymology (trans parere), transparency means "to let in through the light". It also means voluntarily communicating company information (Trabelsi, 2005 ; Paturel et al., 2006) via "web" or "internet" sites. The notion of transparency is therefore another essential component in achieving good governance.

Corporate transparency does not mean "telling everything", but rather creating a "feeling of transparency" among information users, by presenting clear, reliable, rapid and regular information targeted at a specific population. It is in this sense that one sociologist has said that transparency consists of "teaching someone what they would not like to learn from any one other than you" (Favatier, 2009, p.5).

Transparency and disclosure are an integral part of corporate governance. For example, good disclosure limits information asymmetry between managers, shareholders and lenders, and also limits agency problems (Fan Yu, 2005).

From a theoretical point of view, the lack of transparency in companies results from the separation between the ownership function and the execution function, which leads to agency conflict. This observation, at the origin of positive agency theory, was formalised by Jensen and Meckling (1976) following the pioneering work of Berle and Means (1932).

The objective of this study is to verify whether the various results obtained can be generalised to a developing country such as Cameroon, where the problem of corporate governanceis acute. It is

important to remember that, in general, companies of all sizes thrive on good governance. In fact, itis the central element of any business. But the lack of good governance mentioned above is a serious problem for the growth of our companies. In this unstructured, volatile and complex environment marked by the presence of several managerial obstacles, this study attempts to answer the question : what influence does governance have on the transparency of Cameroonian companies ? To answer this question, we have organised our thinking around two subsidiary questions : What influence does the degree of independence of the board of directors have on the level of transparency of Cameroonian companies ? Whatis the influence of the degree of capital ownership by the director on the level of transparency of Cameroonian companies ?

2.2. Corporate Governance and Transparency: Formulation of Hypotheses

The hypothetico-deductive approach was chosen for this study. This is a scientific method that involves stating one or more research hypothes is(es) in order to deduce observable future consequences, as well as pastones, in order to trigger its validity. In order to answer the research questions formulated above, we based ourselves on two (02) research hypotheses (H):

H1 : The independence of the board of directors has a positive influence on the company's level of transparency;

H2 : The small share of capital held by the manager has a negative influence on the company's level of transparency.

3. METHODOLOGY

It is of interest here to first justify the sampling and data collection, then to define and measure the different variables selected for the study, and finally to outline the econometric method used to test the research hypotheses set out above.

3.1. Sampling and Data Collection

This study is composed of large Cameroonian companies. According to the preliminary report of the main results following the 2016 general census of businesses, Cameroon's National Institute of Statistics (INS) according to Law No. 2015/010 of 16 July 2015, defines a large business as one that employs more than 100 people and has a turnover of more than three (03) billion CFA francs.

Table1. *Regional breakdown of the 263 large companies in the sample*

Regions	Centre	Littoral	Adamaoua	South-West	North	Total
Questionnaires administered	23	412	1	2	1	439
Questionnaires received	20	269	1	2	1	293
Usable questionnaires	15	244	1	2	1	263

Source: *From the authorbased on the survey.*

There are 439 large enterprises across all sectors, representing 0.2% of the distribution of enterprises by type in Cameroon (INS, 2016). The large companies that make up our study sample are fairlynumerous and spread throughout the national territory and were selected using a simple random sampling technique. It is important to remember that this technique allows any element of the population to have an equal chance of being included in the sample studied (Thiétart et Coll, 2003). The data for the study were collected by means of a questionnaire survey of company managers. The ten (10) regions of the country were selected for the distribution of the questionnaire, but in the end, only five (05) of the ten (10) regions were retained to constitute our sample for the study.

Of the four hundred and thirty-nine (439) questionnaires submitted at random to business leaders in Cameroon, only two hundred and ninety-three (293) were received. Of these, thirty (30) questionnaires had to be eliminated for several reasons (illegibility, in comprehension, etc.). The period chosen for data collection was from 2010 to 2015. The data used for the study are both quantitative and qualitative. In short, two hundred and sixty-three (263) large companies belonging to 17 branches of activity were selected for our investigations.

Table2. *Cross-tabulation betweenindustry and selectedregions of Cameroon*

Branch of activity of the company		Selectedregions of Cameroon					Total
		Centre	Littoral	Adamaoua	South-West	North	
Agro – industry	Number	1	7	1	0	0	9
	Percentage %	11,1%	77,8%	11,1%	0,0%	0,0%	100,0%
Forest industry	Number	0	3	0	0	0	3
	Percentage %	0,0%	100,0%	0,0%	0,0%	0,0%	100,0%
Water and energy	Number	0	2	0	1	0	3
	Percentage %	0,0%	66,7%	0,0%	33,3%	0,0%	100,0%
Manufacture of basic metalproducts and fabricatedmetalproducts	Number	0	2	0	0	0	2
	Percentage %	0,0%	100,0%	0,0%	0,0%	0,0%	100,0%
Construction and public works	Number	2	2	0	0	0	4
	Percentage %	50,0%	50,0%	0,0%	0,0%	0,0%	100,0%
Manufacture of paper and paperproducts; printing and publishing	Number	3	1	0	0	0	4
	Percentage %	75,0%	25,0%	0,0%	0,0%	0,0%	100,0%
Industrial and export farming	Number	0	1	0	1	0	2
	Percentage %	0,0%	50,0%	0,0%	50,0%	0,0%	100,0%
Textile and clothing industries	Number	0	1	0	0	1	2
	Percentage %	0,0%	50,0%	0,0%	0,0%	50,0%	100,0%
Beverage industry	Number	1	4	0	0	0	5
	Percentage %	20,0%	80,0%	0,0%	0,0%	0,0%	100,0%
Other industries	Number	1	4	0	0	0	5
	Percentage %	20,0%	80,0%	0,0%	0,0%	0,0%	100,0%
Transport, storage and communication	Number	1	3	0	0	0	4
	Percentage %	25,0%	75,0%	0,0%	0,0%	0,0%	100,0%
Post and telecommunications	Number	2	3	0	0	0	5
	Percentage %	40,0%	60,0%	0,0%	0,0%	0,0%	100,0%
Microfinance and financial services	Number	1	2	0	0	0	3
	Percentage %	33,3%	66,7%	0,0%	0,0%	0,0%	100,0%
Insurance	Number	0	4	0	0	0	4
	Percentage %	0,0%	100,0%	0,0%	0,0%	0,0%	100,0%
Banks and financial institutions	Number	2	9	0	0	0	11
	Percentage %	18,2%	81,8%	0,0%	0,0%	0,0%	100,0%
Manufacture of other non-metallicmineralproducts	Number	0	1	0	0	0	1
	Percentage %	0,0%	100,0%	0,0%	0,0%	0,0%	100,0%
Othertertiary	Number	1	195	0	0	0	196
	Percentage %	0,5%	99,5%	0,0%	0,0%	0,0%	100,0%
Total	Number	15	244	1	2	1	263
	Percentage %	5,7%	92,8%	0,4%	0,8%	0,4%	100,0%

Source: *By the authorbased on the survey.*

3.2. Variable Definitions and Measurements

A number of variables are used to test the relationship between governance mechanisms and transparency in Cameroonian companies.

3.2.1. Measurement of the Dependent Variable

According to Marston and Shrivers (1991), company managers use several information channels (annual reports, otherinterim publications, conference calls, websites, etc.) to communicate with the outside world. Based on the multi dimensionality of the quantity and quality of the company's financial communication, we used two (02) publication media: the annual report and the company's website. Lang and Lundholm (1993) reveal the importance of the annual report as the primary communication medium used by the company. The company's website is the main meansused for communicating and updating the company's financial information quickly and in expensively (Ashbaug et al., 1999). Based on the work of Amal and Faten (2010), the assessment of the quality of the latter is based on a scoring approach in which we express publication scores for each information channel (Amal and Faten, 2010).

- **The Annual Report Score**

The quality of annual reports is measured by a disclosure index derived from the work of Eng and Mak (2003) and Chau and Gray (2002). The index is calculated on the basis of a list of Items (56 Items) structured around six components: a component of historical data (5 Items); another on information relating to the business and the environment (10 Items); a third component devoted to forward-looking information (9 Items); a fourth on financial and accounting data (20 Items); afifth on non-financial data (7 Items); and a final component of comments and analyses by management (5 Items). The choice of each Item is justified by the information needs of all the company's stakeholders. We read the companies' annual reports and assign a score of 1 if the Item is published in the company document and a score of 0 otherwise. The total of the scores calculated is used as a score which is divided by the theoretical score to obtain an index of publication via the annual report (Amal and Faten, 2010).

- **The Internet Publication Score**

The financial literature proposes that both the content and the form of presentation of the website approve the degree of transparency of a company. Based on the needs of all Internet users in terms of information published via the Internet, we have compiled an Internet publication index from a list of Items inspired by the work of Debreceny et al. (2002) ; Ettredge et al. (2002); Marston and Polei (2004) and Xiao et al. (2004). This listis made up of 56 items : 41 items relating to the content of the sites and 15 relating to their form of presentation. After consulting the company's site, its content and presentation willbe compared with the items in the list to determine the information published for each company. A score of 1 willbe awarded for each item published on the site and a score of 0 for the opposite. The sum of the points awarded willbe used to calculate the Internet publication score, which willbe divided by the total number of Items to obtain an index. To measure the company's transparency, an overall transparency score is then calculated:

- **The Overall Transparency Score**

According to Amal and Faten (2010) and assuming that the quality of the two (02) communication media simultaneously reflects the company's level of transparency, we measured the company's overall transparency using a weighted average of the scores. The transparency index is calculated using the following formula:

$$\mathbf{Y_{TRS_{ij}} = (Y_{SW_{ij}} + Y_{RA_{ij}}) / (Y_{SW} + Y_{RA})}$$

With: Y_{TRS} : overall transparency score; Y_{SW} : company website score; Y_{RA} : company annual report score; Y_{SW} : theoretical website score; Y_{RA} : theoretical annual report score; index i represents the company, while index j refers to the year of the study.

3.2.2. Measurement of Independent Variables

For the explanatory variables linked to governance, we selected the independence of the board of directors and managerial ownership. Board independence is measured by a binary variable taking the value 1 if the board is independent and 0 otherwise (Charreaux, 1997 ; Schaffer, 2002 ; Kells and

Rogers, 1997). Managerial ownership refers to the proportion of capital held by the company's managers. This variable is measured by the proportion of ordinary sharesheld by managers (Jensen and Meckling, 1976 ; Agrawal and Knoeber, 1996).

3.2.3. Measurement of Control Variables

For this study, we retained four (04) control variables. It is also worth noting that the control variables are similar to the independent variables.

- **Company Size:** Agency theory reveals that large companies have apparently higher agency costs than small companies. Debreceny et al (2002) and Raffournier, (1995) have shown that large companies are characterised by a dispersed ownership structure and a very significant participation of institutional investors. In these organisations, driven by the divergence of their interests from those of management, shareholders invest in monitoring management. However, managers have an incentive to disclose information in order to limit information asymmetry and reduce their monitoring costs and pressure. This variable is measured by the Neperian Logarithm of the company's total assets.
- **Indebtedness:** When indebtedness is issued, the manager isforced to perform better (Grossman and Hart, 1986) in the company. Thus, in the context of free cash-flow, Jensen (1986) reveals that a high level of debt reduces conflicts of interest between shareholders and managers while putting pressure on the latter. Consequently, companies with a high level of debt make fewer takeover attempts and are better at communicating (Palepu, 1986). Empirically, research has led to the observation of fairly divergent results (Amal and Faten, 2010). This variable is measured by the in debtedness ratio, whichis the ratio of total long- and medium-termdebt to the company'sequity.
- **The Sector of Activity:** According to Birt et al. (2006), companies operating in high-competition sectors are more motivated to communicate better than those operating in low-competition sectors (Amal and Faten, 2010). The sector of activity is measured by a dichotomous variable which takes the value 1 if the company belongs to the high-tech sector and 0 otherwise.
- **The Audit Committee:** It is interesting to note that the internal audit committee is sometimes considered an essential part of a company's overall governance structure, relatively in terms of monitoring and increasing the company's transparency (Amal and Faten, 2010). According to Klein (2002b), the internal audit committeeputs pressure on management to act in the best interests of the company in order to make it perform better. The audit committee is a dichotomous variable which takes the value 1 if the company has an internal audit committee and 0 otherwise.

Table3. *Definitions and measurements of study variables*

Variables	Variable definitions	Variable measurements	Author(s) whousedthis variable
Transparency ($Y_{TRS_{ij}}$)	Corporatetransparency	($Y_{SW_{ij}}$ + $Y_{RA_{ij}}$) / (Y_{SW} + Y_{RA})	Marston and Shrivers (1991); Lang and Lundholm (1993); Amal and Faten (2010).
Boardindependence (X1)	Independence of the Board of Directors	Dichotomous variable taking the value of 1 if the board of directorsisindependent and 0 otherwise	Charreaux (1997);Schaffer (2002); Kells and Rogers (1997).
Managerialownership (X2)	Managerialownership	Proportion of ordinarysharesheld by companyofficers	Jensen and Meckling (1976); Agrawal and Knoeber (1996).
Size (X3)	Company size	Neperianlogarithm of total assets	Debreceny et al (2002);Raffournier (1995).
Indebtedness (X4)	Indebtedness	Long- and medium-termdebt / equity	Wanda (2001); Xiao et al (2004); Trabelsi (2005).
Sector (X5)	The business sector	Dichotomous variable equals 1 if the companyoperates in a high-tech sector and 0 otherwise.	Raffournier (1995); Wallace et al (1994); Lakhal (2005); Xiao et al (2004); Birt et al (2006).
Audit Committee (X6)	The Internal Audit Committee	Dichotomous variable equal to 1 if the company has an internal audit committee and 0 otherwise	Healy et Palepu (2001) ; Mamoghli et al. (2007) ; Amal et Faten (2010).

Source: *From the authorbased on the literature.*

3.3. Econometric Model

The use of multi-variate analysis based on the multiple regression model enabled us to gain a better understanding of our study. The use of SPSS (Statistical Package for the Social Sciences) version 20 software is useful in this study for data analysis and processing. Weopted for multiple linear regression, which is a statistical method generally used for the analysis of multi dimensional data, since our endogenous variable is quantitative and the exogenous variables quantitative, on the one hand, and recorded qualitative, on the other. We will also analyse the effective influence of the selected explanatory variables on the explained variable. Based on the above, the following research model is adopted.

Model: test of the relationship between transparency, governance and control variables.

$$\mathbf{Y_{TRSij}} = \boldsymbol{\alpha_0} + \boldsymbol{\alpha_1}(\mathbf{Independence})_{ij} + \boldsymbol{\alpha_2}(\mathbf{Ownership})_{ij} + \boldsymbol{\alpha_3}(\mathbf{Size})_{ij} + \boldsymbol{\alpha_4}(\mathbf{Indebtedness})_{ij} + \boldsymbol{\alpha_5}(\mathbf{Sector})_{ij} + \boldsymbol{\alpha_6}(\mathbf{Committee})_{ij} + \boldsymbol{\varepsilon_{ij}}$$

With: Y_{TRSij} The transparency; α_0The constant; α_p The correlation coefficient in the model; ε_{ij} The error term or residual; The index i represents the company, while the index j refers to the year of the study.

4. Results

After presenting the econometric model above, we will then present the correlation matrix between the different variables in the study, then highlight the analysis of variance (ANOVA), and finally present the summary of the model and its different coefficients.

Table4. *Correlation matrix between variables*

		YTRS	X1	X2	X3	X4	X5	X6
YTRS	Pearson Correlation	1	,744**	,064	,704**	,492**	,466**	,724**
	Sig. (2-tailed)		,000	,305	,000	,000	,000	,000
	N	263	263	263	263	263	263	263
X1	Pearson Correlation	,744**	1	,076	,625**	,348**	,139*	,511**
	Sig. (2-tailed)	,000		,222	,000	,000	,024	,000
	N	263	263	263	263	263	263	263
X2	Pearson Correlation	,064	,076	1	,125*	,312**	-,154*	,177**
	Sig. (2-tailed)	,305	,222		,042	,000	,012	,004
	N	263	263	263	263	263	263	263
X3	Pearson Correlation	,704**	,625**	,125*	1	,296**	,201**	,844**
	Sig. (2-tailed)	,000	,000	,042		,000	,001	,000
	N	263	263	263	263	263	263	263
X4	Pearson Correlation	,492**	,348**	,312**	,296**	1	,190**	,285**
	Sig. (2-tailed)	,000	,000	,000	,000		,002	,000
	N	263	263	263	263	263	263	263
X5	Pearson Correlation	,466**	,139*	-,154*	,201**	,190**	1	,279**
	Sig. (2-tailed)	,000	,024	,012	,001	,002		,000
	N	263	263	263	263	263	263	263
X6	Pearson Correlation	,724**	,511**	,177**	,844**	,285**	,279**	1
	Sig. (2-tailed)	,000	,000	,004	,000	,000	,000	
	N	263	263	263	263	263	263	263
**. Correlationissignificant at the 0.01 level (2-tailed).								
*. Correlationissignificant at the 0.05 level (2-tailed).								

Source: *From the authorbased on the survey.*

The table above shows thatthereis a positive and significantcorrelation at the 1% levelbetweencompanytransparency and boardindependence. Similarly, thereis a positive and significantcorrelation at the 1% levelbetweentransparency and company size, a positive and significantcorrelation at the 1% levelbetweentransparency and companydebt, a positive and significantcorrelation at the 1% levelbetweentransparency and companysector of activity, and a positive and significantcorrelation at the 1% levelwith the internal audit committee.

Table5. *ANOVA presentation*

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	39,732	6	6,622	194,993	,000[b]
	Residual	8,694	256	,034		
	Total	48,426	262			
a. Dependent Variable : YTRS						
b. Predictors: (Constant), X6, X2, X5, X4, X1, X3						

Source: *From the authorbased on the survey.*

We can seefrom the table abovethatdepending on the F-value obtained for our model, we can reject the nullhypothesis (H0). Thus, thereis a statisticallysignificantrelationshipbetweentransparency and the explanatory and control variables. Consequently, the value of 194.993 issignificant at $p < 0.001$, whichimpliesthatwe have lessthan a 0.1% chance of beingwrong in estimatingthat the model predicts the transparency of Cameroonian companiesbetterthan the simple average.

Table6. *Summary of model[b]*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df 2	Sig. F Change	
1	,906[a]	,820	,816	,18428	,820	194,993	6	256	,000	2,178
a. Predictors: (Constant), X6, X2, X5, X4, X1, X3										
b. Dependent Variable : YTRS										

Source: *From the authorbased on the survey.*

The table abovepresentsseveral key pieces of information. Firstly, the value of the multiple correlation coefficient is 0.906. This value can befound in the "R" column of the table above. This value shows that the data fit the study model fairlywell. It alsorepresents the strength of the relationshipbetween the dependent variable and the combination of independent variables in the study model. Next, the significance of the R-twoisexamined in terms of the contribution of eachstep. The variation in F associatedwith the study model issignificant ($P < 0.01$). Consequently, this model explains a significant percentage of the transparency variable for Cameroonian companies.

If we square the correlation coefficient, weobtain the value R-two (0.820). This indicates the percentage of the variability of the endogenous variable explained by the study'sregression model. We can concludethatourexogenous variables explainnearly 82% of the company'stransparency. The adjusted value of R-two (0.816) is an approximation of the robustness of this model if wewere to takeanothersamplefrom the samestudy population.

The table above, in the last column, presents the Durbin-Watson (DW) test. It is important to note thatthisis a statistical test carried out to test the autocorrelation of the residuals in a linearregression model. Itsresultis 2.178 and lies between [0 and ddl1], i.e. between [0 and 6]. Hence the rejection of the nullhypothesis (H0). Thus, we note a positive autocorrelation of order 1. From the above, we can concludethatthereis no autocorrection problem in the study model.

Table7. *Summary of model coefficients*[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	CollinearityStatistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-,235	,054		-4,374	,000		
	X1	,472	,037	,451	12,913	,000	,576	1,737
	X2	-,008	,004	-,061	-2,080	,038	,821	1,219
	X3	,004	,051	,004	,072	,942	,234	4,269
	X4	,120	,018	,199	6,552	,000	,758	1,319
	X5	,279	,032	,251	8,681	,000	,838	1,194
	X6	,331	,045	,374	7,285	,000	,266	3,766
a. Dependent Variable : YTRS								

Source: *From the authorbased on the survey.*

To ensurethat the problem of multi-colinearitybetween the different variables in the studyis not present, wecalculated the values of the VIF (Variance Inflation Factor). These values (VIF) are all lessthan 10 (Neter et al., 1989), whichexplainswhyourregression can becarried out withoutbias.

The study of governance and transparency and then of the control variables allows us to state our multiple linearregression model as follows:

$$\mathbf{Y_{TRSij}=-0,235+0,472(Independence)_{ij}-0,008(Ownership)_{ij}+0,004(Size)_{ij}+0,120(Indebtedness)_{ij}+0,279(Sector)_{ij}+0,331(Committee)_{ij}}$$

With: Y_{TRSij} Transparency; Index i represents the company, while index j refers to the year of the study.

The results of the table above show that the independence of the board of directors has a positive and significant influence on the level of transparency of the company. With a positive coefficient (0.472) at the 1% threshold, it should be noted that the more independent the board of directors, the more satisfactory the company'slevel of transparency. This validates our first research hypothesis: "the independence of the board of directors has a positive influence on the company's level of transparency".

The financial literature emphasises the effectiveness of board independence as a mechanism for reducing managerial discretion and opportunism. The above result corroborates the work of Chen et al. (2000), according to which a high percentage of independent directors on the board improves the level of corporate transparency.

The above result validates the hypothesis that independent board members are more likely to minimise agencyc onflicts between managers and executives (Alexandre et al., 2000).

The table above shows that managerial ownership has a negative and significant influence on the company's level of transparency. With a negative coefficient (-0.008) at the 5% threshold, it is interesting to note that the lower the share of the company's capital held by the manager, the less satisfactory its level of transparency. On the other hand, our second working hypothesis, formulated above, is validated: "the small share of capital held by the manager has a negative influence on the company's level of transparency".

This result reinforces the studiescarried out by Jensen and Meckling (1976), which justify that the greater the share of capital held by the manager, the smaller the divergence between his interests and those of the shareholders.

As other relevant results from our study, the previous table shows that the debt variable has a positive and significant influence on the company's level of transparency at the 1% threshold. Thus, in financial models based on agency theory, debt appears to be an effective means of resolving conflicts of interest that may arise between shareholders and managers (Wanda and Guetsop, 2016 ; Guetsop, 2021 ; Guetsop, 2022). Consequently, when debt is issued, the manager is forced to perform better (Grossman and Hart, 1986), or even to reduce his discretionary behaviour regarding free cash-flow (Jensen, 1986 ; Stulz, 1990).

The table above also shows us that the sector of activity has a positive and significant influence on the degree of transparency of the company. With a positive coefficient (0.279) at the 1% threshold, it should be remembered that companies in the high-tech sector acquire a possible level of transparency over time and, moreover, improve their image by disseminating more information via their website than other companies. Birt et al (2006) have shown in their studies that companies operating in high-competition sectors are encouraged to communicate more than companies operating in low-competition sectors (Amal and Faten, 2010).

The internal audit committee variable has a positive and significant influence on the company's level of transparency at the 1% threshold. Numerous empirical studies have confirmed the importance of the internal audit committee for corporate transparency. Healy and Palepu (2001) and Mamoghli et al. (2007) found a positive link between the presence of an internal audit committee and corporate transparency. From the above, our results allow us to justify, on the one hand, the conclusions of the work of Amal and Faten (2010), according to which the internal audit committee is considered a necessary element of the overall governance structure of the company, particularly in terms of monitoring and increasing the transparency of the company.

These different results confirm both the conjectures of the positive agency theory of Jensen and Meckling (1976) and the conclusions of the work of Wanda (2001) and Guetsop (2022), according to which in a context of an embryonicfinancialmarket like that of Cameroon, excellent corporate transparency depends on better corporate governance.

5. Discussion and conclusion

The objective of this study was to examine the influence of governance on corporate transparency in the Cameroonian context. More specifically, the study sought to determine the relationship between the level of independence of the board of directors and the degree of transparency of the company, and to highlight the link between the level of the share of capital held by the manager and the transparency of the company.

The study is based on a sample of 263 large Cameroonian companies collected in certain regions of Cameroon using a simple random sampling technique. Two main results emerge, corresponding to the two research hypotheses formulated above.

With a positive coefficient (0.472) at the 1% threshold, it should be noted that the more independent the board of directors, the more satisfactory the company's level of transparency. This validates our first research hypothesis. With a negative coefficient (-0.008) at the 5% threshold, it should be noted that the lower the proportion of the company's capital held by the executive, the less satisfactory its level of transparency. Hence the validation of our second research hypothesis.

As for the other results obtained, we observe that the variables debt, internal audit committee and business sector have a positive and significant influence on the company's level of transparency at the 1% threshold. The other variable in the study, company size, does not have a significant influence on the level of company transparency.

Our results, obtained in the context of an embryonic financial market such as that of Cameroon, could enable shareholders and other stakeholders to better appreciate the control mechanisms within the company and to promote greater company transparency.

This study shows us that the concepts of governance and transparency are appreciated differently in the academic world and giverise to certain analyses and interpretations by those who use them. Thus, the Cameroonian context appears to be an important field of investigation for responding to the problem of the link between corporate governance and transparency.

In response to the questions raised above, the main limitations that emerge from this study concern the sincerity, reliability and veracity of the information disclosed, especially in a country like Cameroon where the retention of information as a business secret is de rigueur.

As far as future research is concerned, we believe that several avenues remain to be explored. These include a comparative analysis of the influence of governance on corporate transparency in other African countries in order to assess the different results obtained from one context to another.

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AUTHOR'S BIOGRAPHY

Dr. Fabrice Arnaud GUETSOP SATEU, is a lecturer and assistant professor at African and Malagasy Council for Higher Education (CAMES) universities, and holds a PhD in Management Sciences. He is the author of several internationally renowned articles. He is also passionate about econometrics, empirical finance and data analysis. He has been teaching all aspects of accounting, cash management and finance for over 10 years. As an expert trainer, he contributed to the reform of training programs in the Finance and Accounting Department (FICO) of the Advanced School of Economics and Commerce (ESSEC) at the University of Douala.

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