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Corporate Independence and Sustainability of Family-Owned Enterprises in the Western Highlands of Cameroon

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Abstract: **Review Article**

This study aims to examine the influence of corporate independence on the sustainability of family-owned enterprises in the Western Highlands of Cameroon. 313 questionnaires were sent out to the founders and managers of family-owned enterprises in the western highlands of Cameroon, and 309 were recovered, making a recovery percentage of 98.72%. The study used the Quantile regression technique to test the hypotheses. Important instruments include financial autonomy, the role of the board of directors and the influence of family members. The results from the Quantile regression technique revealed that financial autonomy, the role of the board of directors and the influence of family members had a positive influence on the sustainability of family-owned enterprises; this indicated that corporate independence had a positive influence on the sustainability of family-owned enterprises in the western highlands of Cameroon. It further means that an increase in corporate independence leads to an increase in the sustainability of family-owned enterprises in the Western Highlands of Cameroon. Furthermore, in the North West region, corporate independence has a positive influence on the sustainability of family-owned enterprises; similarly, in the West region, corporate independence has a positive influence on the sustainability of family-owned enterprises. From the findings, the study recommends that founders and managers should further enhance financial autonomy, firstly, by building strong and stable banking and credit relationships through having a good credit history to access better loan terms when it is needed. Also, the Board of Directors should be allowed to function as an entity with roles and responsibilities which are roles such as making checks and balances through preventing high concentration of power by separating ownership, management and control. Lastly, Relatives should concentrate on protecting their family name and reputation by engaging in ethical practices and strong relationships with stakeholders like customers, suppliers, employees and the community.

Keywords: Corporate independence, financial autonomy, board of directors, influence of family members, sustainability of family-owned enterprises.

1. INTRODUCTION

Family owned enterprises have been considered as an essential factor in boosting the world's economies. They have contributed to countries' Gross Domestic Product (GDP) and reduced poverty by increasing the employment rate and population livelihood (Sharma *et al.*, 2012). Strong core values, long-term commitment and continuity across generations are presented as core features of this type of enterprise. Astrachan and Shanker (2003) revealed that in the United States of America, family-owned enterprises make contributions of about 89% for taxes and 64% for the Gross Domestic Product (GDP), which clearly revealed their relevance. For Kuratko *et al.*, (2007), this type of business is considered an engine of post-industrial growth processes, where it nurtures entrepreneurial talents, drives technological innovation and creates employment. According to IBFC (2014), 60% of registered enterprises in the South East of Asia are family-owned enterprises, and their performance and relevance have been noticed in their economic and livelihood contributions. Researchers like Farrington (2006), Gersick *et al*., (1997), and Neubauer (1998) opined that the proportion of world businesses managed and owned by families ranges between 65% and 90%. According to Kuratko *et al.*, (2007), these family-owned enterprises appeared to be the engine of post-industrial growth processes where they encourage entrepreneurial ventures, enhance technological innovation and create employment. According to Etcheu (2003), in Cameroon, about 90 to 95% of enterprises are small and medium-sized enterprises, in which family-owned enterprises are included, and their contribution represents 30% of the gross national product. Those family-owned enterprises in Cameroon are mostly located in towns like Douala, Yaoundé and Bafoussam; then they offer 67% of employment to young Cameroonians and realised annual sales of 75.5%. According to the National Institute of Statistics (NIS, 2009), the tertiary sector represents 86.5% of the identified enterprises, 13.1% and 0.4% for the secondary sector and for the primary sector. Family-owned enterprises are mostly featured by strong values, long-term commitment and intergenerational continuity. These features, coupled with corporate independence, have been proven to play a crucial role in the survival and continuity of family-owned enterprises across generations. Family-owned enterprises in their quest for sustainability ought to effectively and appropriately handle business exigencies, realities and successfully present flexibility and adaptability vis the business environment to remain competitive.

1.1 Statement of the problem

For decades, countries in the world have experienced a tremendous upward shift in their development through family-owned enterprises. These family-owned enterprises were established not only for profit-making but also were considered by their founders as a source of livelihood for the concerned families; furthermore, they extended their tentacles to society by creating new jobs, employing external people and contributing to the country's gross national product (Dunn, 1996). For example, in the United States of America, family-owned enterprises represent 80 to 90% of business enterprises and about 50% of the employment and gross national product, and 66% of new jobs in the world are created by family-owned enterprises (Perreault, 2000). According to some researchers like Allouche and Amann (2000), in Western European countries, the contribution of small businesses to economic growth is between 45% and 65%. For example, in the Australian stock exchange market accounts that about 27% of companies are family-controlled. In 2002, \$3.6 trillion was recorded compared to \$1.2 trillion in 1996. In Germany, family-owned enterprises have a tremendous contribution to the overall economy through employment and gross national product since they represent roughly 95% of all enterprises. According to Perdrix (2005), in Cameroon, small and medium-sized enterprises comprise family-owned enterprises and account for about 49.7% of employment (Those small and medium-sized enterprises which family owned enterprises are family-owned account for close to 67% of employment offers and annual sales of 75.5% (NIS, 2009). Despite the significant contributions made by the family-owned enterprises, they still battle with the issue of sustainability, and their quest for sustainability has been a long-lasting challenge. 95% of family-owned enterprises struggle to survive from the second generation of ownership and control (Akani, 2015). According to Walsh (2011), 70% of family-owned enterprises hardly get to the second generation, and 90% do not make it to the third generation. But only about 3% of them succeed to reach the fourth generation and beyond (Mokhber *et al*., 2017). Cameroonian family owned enterprises are not freed from the challenges that trouble the sustainability of family owned enterprises worldwide. It has been noticed that most of these family owned enterprises bankrupt immediately after the sudden demise, retirement or disability of the first generation founders. Many founders and managers of family owned enterprises failed to establish clear guidelines for the sharing and allocation of business profits which caused lots of loss of funds due to uncontrollable withdrawals. Furthermore, they have failed to allow the board of directors to exercise their roles and responsibilities fully and appropriately and lastly, they have not made efforts to reduce the toxic interference of family members in the business financial transactions and decision making processes. All these resulted into breakdowns in operations, poor leadership and continuous death of family owned enterprises.

1.2 Research Questions

1. To what extent does financial autonomy influence the sustainability of family-owned

enterprises in the Western Highlands of Cameroon?

2. How does the role of the Board of Directors influence the sustainability of family-owned enterprises in the Western Highlands of Cameroon?
3. What is the extent to which the influence of family members influences the sustainability of family-owned enterprises in the Western Highlands of Cameroon?

1.3 Research Objectives

The main research objective of this study is to examine the extent to at corporate independence influences the sustainability of family-owned enterprises in the Western Highlands of Cameroon. The specific objectives are:

1) To investigate the extent to which financial autonomy influences the sustainability of family-owned enterprises in the Western Highlands of Cameroon
2) To examine the influence of the role of the Board of Directors on the sustainability of family-owned enterprises in the Western Highlands of Cameroon
3) To verify the extent to which the influence of family members influences the sustainability of family-owned enterprises in the Western Highlands of Cameroon

1.4 Research Hypotheses

The hypotheses of this study are:

H01: Financial autonomy does not have a significant influence on the sustainability of family-owned enterprises in the Western Highlands of Cameroon.

H02: The existence of a Board of Directors has no significant influence on the sustainability of family-owned enterprises in the Western Highlands of Cameroon.

H03: The influence of family members does not have a significant influence on the sustainability of family-owned enterprises in the Western Highlands of Cameroon.

2. Literature Review

2.1 Conceptual Literature

2.1.1 Corporate Independence

According to the Organisation of Economic Cooperation and Development (OECD, 2004), corporate independence, also called corporate governance, is a set of relationships between an organisation's management, the board, the shareholders and other stakeholders. OECD (2004) further states that corporate governance provides a framework through which the goals and objectives of the organisation are set and the strategies to accomplish them. In the context of family-owned enterprises, corporate independence is the ability for these family-owned enterprises to operate without suffering from the influence of either family members or external stakeholders. This corporate independence lays emphasis on financial autonomy, the existence of a board of directors and the degree of influence of the family members.

2.1.1.1 Financial Autonomy

Smith (2020) defined financial autonomy as the freedom of a company, as far as the control and management of its financial resources without external constraints or influence is concerned. It also refers to the ability for an organisation to have total control over its financial decisions and resources without any major interference. This type of autonomy involves the authority to create wealth, distribute resources and set budgetary priorities in relation to the organisation's needs and objectives. According to Adams (2021), financial autonomy plays a vital role in a company's innovation and adaptation. In other words, the organisation can embark on investing in new programmes, technologies and research which lead to innovation and competitive advantage. In line with long-term sustainability, financial autonomy enables companies to plan and manage their financial resources with a long-term view. The companies can fix financial strategies for long-term financial sustainability by making reserve funds, engaging in wise and prudent investment practices and making plans for future contingencies. Financial autonomy further enables organisations to assess financial challenges, maintain their stability and constantly meeting up with their goals. For Brown (2017), financial autonomy helps the organisation to improve its performance and effectiveness.

2.1.1.2 The Role of the Board of Directors

Fama & Jensen (1983) defined the board as a corporate governance mechanism. In other words, it is a tool for the owners of the business to delegate decision-making power and has the crucial task of supervising their interests. This board has a mandate to hire, fire and compensate the hierarchy by making available incentives that encourage them to act in the owners' best interests.

According to Gersick *et al.*, (1997) perceive the board as an actor; the members meet regularly to assess the performance of the top-level managers, to advise them and counsel them about plans. Furthermore, the members assist management in effective leadership and in line with the owners' expected goals. In the context of family-owned enterprises, Ward & Handy (1988) outline the fact that the members form a board of directors for three ways and reasons. Firstly, the board with outsiders to represent all shareholders objectively; secondly, one with both insiders and outsiders to give counsel and to be a mediator in family business matters; and lastly, one with family directors to deliberate on the future of the family enterprise. Gersick *et al.,* (1997) stated that the overall director is supposed to have wisdom coming from experience he had from managerial tasks and knowledge on family issues like succession and continuity, career development and family dynamics.

2.1.1.3 The Influence of Family Members

To ensure family enterprise sustainability, family members must maintain a level of influence in the enterprise; that is, maintaining control over ownership and management, the majority of voting rights and influence on strategic decisions. The term familiness was developed by Habbershon *et al.,* (2003) to define the unique combination of involvement and interaction between the family and the business. Forbes and Milliken (1999) identified the areas of the board where family members have influence, namely effort norms, use of knowledge and skills and cognitive conflicts. Effort norms refer to the group's shared belief vis-à-vis the amount of effort each person is supposed to exert while performing a task. Effort norms have a strong positive influence on the contribution each member of the group has to offer. The effort here can be measured in terms of the time that directors devote to the board and the attentiveness and participation in every board task. The use of knowledge and skills refers to the ability of the board members to exploit the knowledge and the skills they have and apply them to their tasks since the board is an embodiment of skilled members, crucial in all group decision-making processes. According to Jehn (1995), cognitive conflicts refer to task-oriented differences in judgment among members of the group. These conflicts are mostly manifested through disagreements about the executed tasks, viewpoints, ideas and opinions. In family enterprises, the level of cognitive conflicts is very low; firstly, because relational matters have been perceived to be crucial for the sustainability and the success of family enterprises, as good relationships help overcome bad business decisions and vice versa. Secondly, relationships among family members and non-family members are mostly very close, thus any bad interaction within the group is felt by all. In order to maintain good relationships, family health and stability in family enterprises, they have developed some formal mechanisms like family councils, family constitutions, family assemblies and family meetings (Aronoff & Ward, 1992). Finally, most family members prefer to resolve their conflicts among themselves outside the board meetings to avoid exposing family conflicts to non-family directors (Bettinelli, 2011).

2.1.2 Concept of Sustainability

According to the World Commission for Environment and Development (1987), sustainability is defined as the ability of utilisation of resources by organisations or businesses to meet their present time requirements without sacrificing future requirements. In the context of family family-owned enterprise, sustainability refers to the ability of a business to exist beyond without compromising the capacity of its successors. Sustainability is crucial whenever a business wants to increase its sales, investment and financial assistance, talent, workforce diversity and productivity, business visibility and goodwill (Dyllick and Muff, 2016). For Shillaci *et al.*, (2013), family enterprise sustainability has to do with the persistence of the family over time, added to the continuity of the family myth with social responsibility, while making a whole of values and intentions. For this study, economic and social sustainability have been considered, namely economic sustainability and social sustainability. Economic sustainability refers to the reduction of costs, the safeguard of important resources for future generations and the better management of resources (Roca-Piug, 2019). It is portrayed through personal instruments that enable the family-owned enterprise to grow and be sustainable. The financial decisions in family-owned enterprises are often influenced by issues related to the duality of goals rather than only profitability, the ever-present family members, the enterprise's financial demands and the preferential satisfaction of family members' needs over the pressing needs of the family-owned enterprise

(Csakne & Karmazin, 2016). Found and Rich (2006) emphasise that economic sustainability depends on making a profit and successful investments that ensure business survival. Social sustainability has to do with the diversity and maintenance of social values, social identities, social relationships, social equity and social institutions (Dempsey *et al.*, 2011). Vallance *et al.*, (2011) view social sustainability as maintaining or preserving preferred ways of living or protecting particular socio-cultural traditions. Furthermore, they argue that the maintenance aspect of social sustainability refers to the way in which social preferences and characteristics are sustained over time. According to McKenzie (2004), the Social dimension of sustainability is attained by adding value to organisational activities related to the health support activities, preserving skills, creative activities and capabilities for future and current resources. Cespa and Cestone (2007) outline the fact that social responsibilities can be used as a tool by management in order to build better relationships among stakeholders and shareholders, thus reducing the chance of unwanted replacements and takeovers.

2.1.2.1 Linking corporate independence and the Sustainability of family-owned enterprises

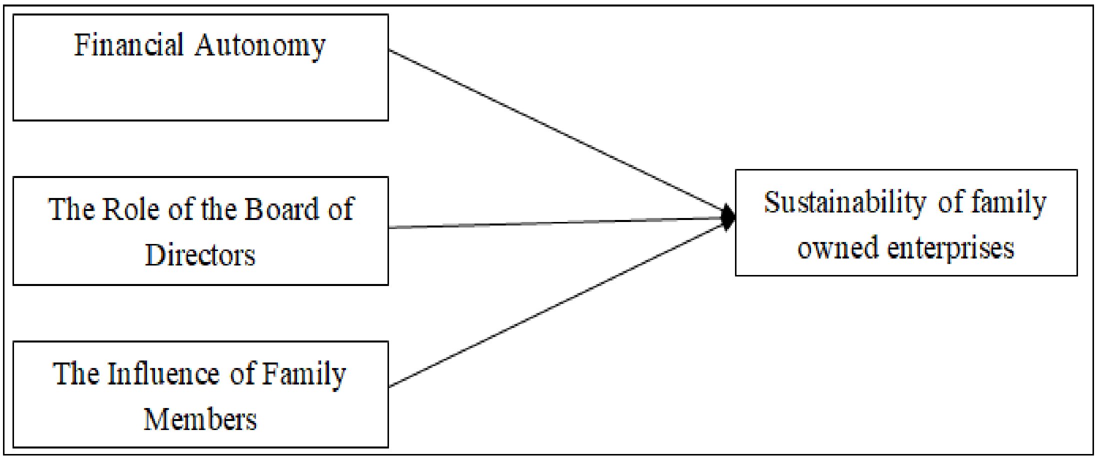

Figure 1: Conceptual framework of the relationship between corporate independence and the sustainability of family-owned enterprises
Source: Researcher, 2025

2.2 Theoretical Literature

2.2.1 Agency Theory by Jensen & Meckling (1976)

Agency theory was developed by Jensen and Meckling in 1976. This agency theory deals with the relationship between the company's owner and the managers (directors). They defined the agency relationship as a form of contract between a company's owners and its managers, where the owners (who are the principals) appoint an agent (who is the manager) to manage the company on their behalf. The owners of the business have delegated the decision-making authority to the management. They suggested a theory of how the governance of a company is based on the conflicts of interest between the company's owners (shareholders), its managers and major providers of debt finance. In the family business, the expectation is that an alignment of ownership and management has to eliminate issues of agency because family members forgo their personal interests to promote a common good. According to Chrisman *et al.,* (2004), the agency cost in family business is low because the family business system perceives ownership and management as a shared responsibility, and there is a possibility that the agent and the principal share common interest and commitment.

2.2.2 The three-circle model of the family business system by Tagiuri and Davis (1982)

This model, developed by Tangiuri and Davis in 1982, showed how the different components (family, business and ownership) of the business formed the pillar of any family business. This model provides interconnected circles, each representing the components.

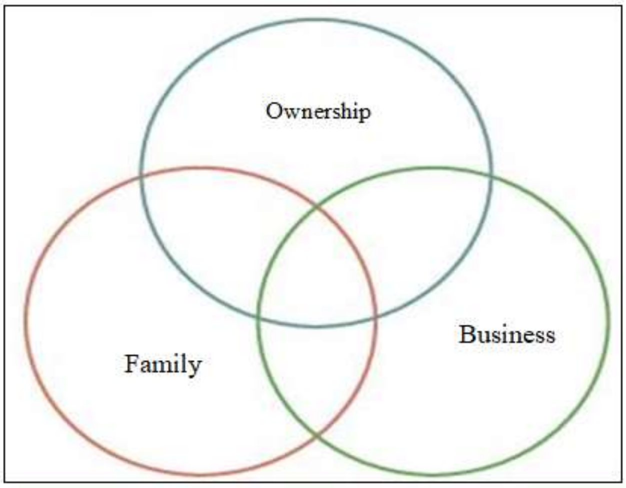

Figure 2: Three-Circle Model
Source: Tangiuri and Davis (1982)

- The family: the first circle encompasses the emotional and interpersonal relationships among family members involved in the business. It recognises the influence of the family in decision making, communication and conflict resolution in the context of business. Issues like rivalry among siblings, succession planning and implementation of business practices are part of this circle. Tangiuri and Davis (1982) advised that there should be a real balance between maintaining family harmony and effectively managing the business.
- The business: the second circle has to do with the operational aspects of the business. The focus is on the strategy, performance and competitiveness. Market dynamics, innovation and the general health of the business are the major concerns in this circle. So family business struggles with the need to manage the business professionally to ensure sustainability through generations.
- Ownership: the third circle portrays the ownership structure and the financial aspects of the family business. It has to do with issues like equity distribution, ownership agreements and wealth management. Within this circle, there are often divergent expectations among family members relating to dividends, reinvestment and exit strategies. The stakeholders should effectively align the interests of family members with the long-term financial goals of the business.

The credit of this model lies in the fact that it recognises the interdependence among family, business and ownership. A change or decision-making in one circle automatically affects the other circles. For example, a scenario whereby a family dispute may disrupt business operations, thus influencing the overall performance. Likewise, a strategic business decision may also have an influence on family relationships and the ownership structure. With all these, it requires a good approach to governance, the development of sound policies for conflict resolutions and the delineation of roles and responsibilities.

By recognising the various and distinct challenges linked to each circle, family-owned enterprises can improve their resilience and the ability to be successfully sustainable over generations. The balance among the three circles requires commitment, adaptability and strategic orientation.

2.3 Empirical Literature

Hong (2023), in his article, examined financial autonomy and management in public higher education, focusing on its definition, significance, key factors, benefits, and challenges. He emphasised the necessity of institutions' control over their financial resources, with factors like revenue diversification, efficient resource allocation, strategic partnerships, and performance-based funding all contributing to financial autonomy. He further discussed the benefits of financial autonomy, including increased flexibility, entrepreneurial culture, and financial sustainability, while striving to solve challenges like accountability issues and marketing concerns. He proposed methods and tools for financial management, which involved financial planning, performance metrics, cost analysis, risk management and technology utilisation.

Moreno-Gomez *et al.*, (2016) in their study investigated the impact of good corporate governance practices on the family business board of directors, also observing the influence on the family socio-emotional wealth. To carry out the research, four second-generation Colombian family businesses were selected from different economic sectors (services and manufacturing) and different sizes. The findings of this study show that the role of the Board of Directors is different in the companies studied; most of them often used them just to validate already made decisions, and in some cases, just to comply with legal norms. Furthermore, it was found that there is an unlimited power possessed by the family members over business ownership, control and management. In a case where the Board of Directors is made up mostly of family members, they have the power to influence the strategic decision-making process, which enables the alignment of corporate and family goals.

Souder *et al*., (2016) investigated how family influence, socio-emotional wealth, and competitive conditions shape new technology adoption. Their findings revealed that firstly, the concern of family enterprise owners is not only to preserve socio-emotional wealth but also to desire the growth of their businesses. Furthermore, there was a minority of family enterprise owners who appeared to prefer to maintain the socio-emotional wealth, meanwhile a majority was able to take a more balanced approach to increase socio-emotional wealth. Secondly, it was found that a minority of family owners strive to preserve specific dimensions like values, culture and routines of socio-emotional wealth, while the majority focused on growing dimensions like control, influence, networks and dynasty of socio-emotional wealth. Thirdly, the behaviour of minority family enterprises recommended that smaller shareholders with different goals of maintaining the socio-emotional wealth could delay the process of strategic decision making because they often fought to maintain their grip on the enterprise's influence.

3. Methodology

3.1 Area of the Study

The study was carried out in the Western Highlands of Cameroon. The Western Highlands of Cameroon are located in the North West and West region of Cameroon between the 4°54'to 6°36' N and 9°18'to 11°24'E. This ecological zone has a population density of 128.5 inhabitants per square kilometre, and most of the population is rural and involved in agriculture. The North West region is one of the two English-speaking regions of Cameroon, while the West region is one of the eight French-speaking regions of Cameroon. In the urban areas of the western highlands, the majority of the inhabitants are involved in the informal and formal sectors. The common formal sector is the tertiary, where they are involved in transportation, hospitality and education. There is a wild and rapid proliferation of schools and higher institutions of learning, showing the positive perception the inhabitants have of education; these institutions of learning are mostly private establishments and some are owned by families.

3.2 Research design

The research study type was descriptive and was used because it provided a more accurate sample to gather data that would enable us to make conclusions and take crucial decisions. Questionnaires were used to gather primary data from the field. These questionnaires were made up of closed-ended structured questions.

3.3 Sampling Technique and Population

3.3.1 Sampling Technique

The study used stratified random sampling. Out of the four ecological zones (Southern rain forests, Central savannah and Northern arid region), this study chose the Western highlands (North West and West regions) of Cameroon. The service or tertiary sector was chosen among the three sectors in Cameroon, then education was taken among the others and then institutions of learning that were family-owned were sorted out to be the target population. Finally, the study used the convenience sampling technique to administer the questionnaires to the founders and managers of family-owned enterprises in the Western Highlands (North West and West regions) of Cameroon.

3.3.2 Study Population

The population of this study was the family-owned enterprises in the Western Highlands of Cameroon. The participants were both male and female, as shown in the table below:

Table 1: Repartition of institutions in the Western Highlands of Cameroon

Institutions	Number
Nursery schools	618
Primary schools	537
Secondary schools	286
Total	**1441**

Source: MINEDUB statistical manual 2021/2022
MINESEC statistical manual 2021/2022

To ensure the determination of an accurate sample size, the statistical formula derived by Taro Yamane (1964) was employed. The formula stated thus:

$$n = \frac{N}{1+N(e^2)}$$

Where the parameters;
n = represents the sample size
N represents the total number of institutions in the North West and West regions
e = is the margin of error (usually 0.05)

From the target population of 1441, below is the sample size:

N=1441

$$n = \frac{1441}{1+1441(0.05^2)}$$

= 1441/4.6025

= 313.090

n=313

3.4 Estimation Framework

This study made use of the quantile regression technique to examine the effect of corporate independence on the sustainability of family-owned enterprises. It described the dependent variable's distribution and assessed both its lower and upper extremes. The quantile regression function estimates the median of the conditional distribution. The τth quantile of the conditional distribution is estimated by minimising:

$$\emptyset_\tau = (Y - X\beta)$$

With respect to β, where $(u) = (\tau - \mathrm{I}(u < 0))$, where I is an indicator function, and u equals $Y - X\beta$. This function can be regarded as the inclination of sustainability of family-owned enterprises (Y), which is determined by observed variables (X) and a random error term (u). The conditional quantile function is officially expressed as:

$$Q_{yi} = (\tau \mathrm{I} x_i) = X_i' \beta(\tau)$$

The regression is estimated for τ-quantiles, where τ is the 25th, 50th and 75th quantiles. It's worth to equally note that quantile regressions present multiple advantages, such as Quantile regression is less sensitive to outliers compared to least squares regression, which can be heavily influenced by extreme values. This makes it more robust in the presence of data anomalies. Further, Quantile regression can handle heteroscedasticity, where the variance of the error term is not constant. This is a common issue in many real-world datasets. Quantile regression can estimate conditional quantiles without assuming a specific functional form for the relationship between the dependent and independent variables. This makes it suitable for complex relationships.

4. Presentation and Discussion of Results

4.1 Results of descriptive statistics

Table 2 below shows the mean, standard deviation, minimum, and maximum values for various variables after normalisation.

Table 2: Descriptive statistics

Variable	Obs.	Mean	Std. Dev.	Min	Max
Sustainability of family-owned enterprises index	309	0.915	0.151	0	1
Corporate independence (CRIND) index					
Financial autonomy index	309	0.943	0.015	0	1
The role of the Board of Directors index	309	0.238	0.238	0	1
Influence of family members index	309	0.495	0.442	0	1
Gender (1 = female, 0 = male)	309	0.408	0.492	0	1
Age [20 – 30]	309	0.029	0.168	0	1
Age [31 – 40]	309	0.214	0.411	0	1
Age [41 – 50]	309	0.476	0.05	0	1
Age [51 – 60]	309	0.252	0.435	0	1
Age≥61	309	0.291	0.168	0	1
Education (FLSC)	309	0.019	0.138	0	1
Education (O/L)	309	0.026	0.159	0	1
Education (A/L)	309	0.146	0.353	0	1
Education (Degree)	309	0.644	0.48	0	1
Education (Postgraduate)	309	0.165	0.372	0	1
Status in the enterprise = founder	309	0.385	0.487	0	1
Status in the enterprise = manager	309	0.615	0.487	0	1

Age of enterprise <5	309	0.285	0.452	0	1
Age of enterprise [5 – 20]	309	0.618	0.487	0	1
Age of enterprise [21 – 50]	309	0.068	0.252	0	1
Age of enterprise [51 – 100]	309	0.023	0.149	0	1
Age of enterprise≥101	309	0.006	0.080	0	1
Location = North West Region	309	0.443	0.498	0	1
Location =West Region	309	0.557	0.498	0	1
Management = owner-manager	309	0.528	0.5	0	1
Management = non-family manager	309	0.081	0.273	0	1
Management = co-managed by family and non-family members	309	0.392	0.489	0	1
Number of employees ≤50	309	0.392	0.489	0	1
Number of employees [51 – 100]	309	0.453	0.499	0	1
Number of employees [101 – 150]	309	0.12	0.325	0	1
Number of employees [151 – 200]	309	0.029	0.168	0	1
Number of employees≥201	309	0.006	0.080	0	1

Source: Compiled by the author from field data, 2024

The descriptive statistics of Table 2 above show the mean, standard deviation, minimum, and maximum values for various variables after normalisation. The variables included in the analysis are the sustainability of the family-owned enterprises, Financial Autonomy, the role of the board of directors, the influence of family members, Gender, Age of the respondent, Status of the Enterprise, Age of the Enterprise, Management structure, Number of Employees, Education and Location. The variable sustainability of family-owned enterprises has a mean of 0.915 and a standard deviation of 0.151, indicating that, on average, family-owned enterprises score high in terms of sustainability. Similarly, the variables financial autonomy, role of the board of directors and the influence of family members have means of 0.943, 0.238 and 0.495, respectively, suggesting from low to high levels in these areas. Regarding the demographic variables, the data includes information on gender and age groups (20-30, 31-40, 41-50, 51-60, and 61 and above). The variable MALE has a mean of 0.592, indicating that approximately 59% of the answerers identified as male, while FEMALE has a mean of 0.408, indicating that around 41% identified as female. The age groups show varying proportions, with the highest mean in the 41-50 age group (0.476), followed by 51-60 (0.252), and the lowest mean in the 20-30 and 61 and above age groups (both at 0.029). The descriptive statistics also cover other variables related to the enterprise, such as status in the enterprise, age of the enterprise, management type, number of employees, level of education, and location. Each variable provides information on the proportions or means within different categories. In summary, the mean value of the sustainability of the family-owned enterprises index is 0.915, indicating that, on average, the Sustainability of the family-owned enterprises is more than average, with a standard deviation of 0.151, indicating that there is moderate dispersion of values around the mean. The values of the Sustainability of the Family-owned enterprises index range between 0 and 1, given that these indices were normalised. The average value of financial autonomy is 0.943 with a standard deviation of 0.015, the average value of the role of the Board of Directors is 0.238 with a standard deviation of 0.238, and the average value of the influence of family members is 0.495 with a standard deviation of 0.442.

4.2 Regression Analysis Results

Table 3 presents the results of the Quantile regression.

Table 3: Quantile regression results for corporate independence

VARIABLES	**(1)**	**(2)**	**(3)**
	QQ all25	**QQ all50**	**QQ all75**
Financial autonomy	0.853***	0.847***	0.273
	(0.206)	(0.297)	(0.285)
The Role of the Board of Directors	-0.00664	0.00185	0.0173*
	(0.0194)	(0.00591)	(0.00919)

Influence of Family Members	0.00912	-0.000624	-0.00349
	(0.00783)	(0.00252)	(0.00253)
Female	-0.0111	-0.00352	-0.00210
	(0.00916)	(0.00268)	(0.00314)
Age [31 – 40]	0.0673	0.126	0.141
	(0.205)	(0.263)	(0.205)
Age [41 – 50]	0.114	0.135	0.143
	(0.201)	(0.261)	(0.205)
Age [51 – 60]	0.111	0.137	0.141
	(0.201)	(0.261)	(0.205)
Age ≥61	0.123	0.139	0.145
	(0.204)	(0.262)	(0.212)
StatusE, manager	0.00178	1.92e-05	-0.00627
	(0.00706)	(0.00295)	(0.00412)
Constant	0.00564	0.00353	0.563**
	(0.0622)	(0.176)	(0.268)
Observations	309	309	309
Pseudo R^2	0.380*	0.235*	0.0670**

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
Source: Compiled by author from field data, 2024

The results in Table 3 indicate in this overall sample that, firstly, financial autonomy positively affects the sustainability of family-owned enterprises. This is shown through the coefficients of 0.853, 0.847 and 0.273 of the 25th, 50th and 75th quantiles, respectively. Furthermore, financial autonomy is significant at 1% in the 25th and 50th quantiles. This means that a tremendous increase in financial autonomy leads to a sustained sustainability of family-owned enterprises in the western highlands of Cameroon. Secondly, the role of the board of directors slightly influences the sustainability of the family owned enterprises in the western highlands of Cameroon in the 50th and 75th quantiles with the positive coefficients of 0.00185 and 0.0173 respectively, but in the 25th quantile, the role of the board of directors' coefficient is negative, having a reverse effect on the sustainability of family owned enterprises in the western highlands of Cameroon but still it is significant at 10% in the 75th quantile. Lastly, the influence of family members slightly influences the sustainability of family-owned enterprises in the western highlands of Cameroon. This is seen in its coefficient of 0.0092 in the 25th quantile and in the 50th and 75th quantiles, with negative coefficients. For the other variables like gender, age and status in the enterprise, they all slightly affect or do not affect the sustainability of family-owned enterprises in the western highlands of Cameroon because of their very small and negative coefficients. Summarily, corporate independence positively influences the sustainability of family-owned enterprises in the western highlands of Cameroon.

Pseudo R^2 shows that, at the 25th quantile (low sustainability) shows Pseudo R^2=0.380, implying that predictors like Financial Autonomy, the role of the board of directors, the Influence of Family members, gender, age of the answerer and status of the manager strongly explain why some family-owned enterprises have very low sustainability. In addition, the 50th quantile (median sustainability) shows Pseudo R^2 = 0.235, which means that the predictors have moderate explanatory power for typical or average sustainability levels. Finally, the 75th quantile (high sustainability) shows Pseudo R^2=0.067, which means that the predictors mentioned above in the 25th quantile explain high sustainability is relatively low.

Table 4 below presents the quantile regression results for the North West Region.

Table 4: Quantile Regression Results for the North West Region for Corporate Independence

	(1)	(2)	(3)
VARIABLES	**QQ North West Region 25**	**QQ North West Region 50**	**QQ North West Region 75**
Financial autonomy	-0.142	-0.00421	0.00872
	(0.212)	(0.0792)	(0.0234)
The Role of the Board of Directors	0.00280	0.00394	0.00176
	(0.0715)	(0.0111)	(0.00764)
Influence of Family Members	0.114**	-0	-0.00276
	(0.0512)	(0.00546)	(0.00392)
Female	-0.00486	-0.00239	-0.00233
	(0.0188)	(0.00369)	(0.00340)
Age [31 – 40]	-0.00222	0.111*	0.00535
	(0.0784)	(0.0591)	(0.0574)
Age [41 – 50]	0.00412	0.111*	0.00738
	(0.0785)	(0.0570)	(0.0567)
Age [51 – 60]	-0.00178	0.111*	0.00555
	(0.0814)	(0.0579)	(0.0571)
Age ≥61	-0.0534	0.113*	0.00369
	(0.0869)	(0.0621)	(0.0638)
StatusE, manager	-0.00895	-0.00314	-0.00934**
	(0.0212)	(0.00357)	(0.00410)
Constant	0.985***	0.853***	0.958***
	(0.203)	(0.107)	(0.0555)
Observations	137	137	137
Pseudo R^2	0.106*	0.0138**	0.0290**

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
Source: Compiled by the researcher from field data, 2024

The outcome in Table 4 shows that in the North West Region of Cameroon, Financial Autonomy does not influence the sustainability of family-owned enterprises. This is seen in its small and negative coefficients in the 25th, 50th and 75th quantiles. The role of the board of directors slightly influences the sustainability of family-owned enterprises in the North West Region of Cameroon, with the coefficients 0.00280, 0.00394 and 0.00176 of the 25th, 50th and 75th quantiles, respectively. So a slight increase in the role of the board of directors leads to a very small increase in the sustainability of family-owned enterprises in the North West Region of Cameroon. The influence of family members slightly influences the sustainability of family-owned enterprises in the North West Region of Cameroon, with a coefficient of 0.114 in the 25th quantile, though significant at 5%. This outcome shows that the sustainability of family-owned enterprises in the North West Region is not guaranteed by the application of corporate independence. The other variables, such as gender and status in the enterprise, have no influence on the sustainability of family-owned enterprises in the North West Region, though the coefficient of gender in the 50th quantile is significant at 10%. In the North West region of Cameroon, corporate independence positively influences the sustainability of family-owned enterprises through the emphasis put on the role of the board of directors and the positive influence of family members.

Pseudo R^2 shows that, at the 25th quantile (low sustainability) shows Pseudo R^2=0.106, implying that predictors like Financial Autonomy, the role of the board of directors, the Influence of Family Members, gender, age of the answerer and status of the manager moderately explain why some family-owned enterprises have very low sustainability. In addition, the 50th quantile (median sustainability) shows Pseudo R^2 = 0.013, which means that the predictors like Financial Autonomy, the role of the board of directors, the

Influence of Family members, gender, age of the answerer and status of the manager have very weak explanatory power for typical or average sustainability levels. Finally, the 75th quantile (high sustainability) shows Pseudo R^2=0.0290, which means that the predictors, namely Financial Autonomy, the role of the board of directors, the Influence of Family members, gender, age of the answerer and status of the manager, explaining high sustainability are very low.

Table 5 below presents the Quantile Regression Results for the West Region.

Table 5: Quantile Regression Results for the WR for Corporate Independence

VARIABLES	(1)	(2)	(3)
	QQ West Region 25	QQ West Region 50	QQ West Region 75
Financial autonomy	0.926***	0.950***	0.812**
	(0.243)	(0.277)	(0.351)
The Role of the Board of Directors	-0.0162	0.00297	0.0134
	(0.0194)	(0.0117)	(0.0132)
The Influence of Family Members	0.00238	-0.00189	-0.00677
	(0.00620)	(0.00393)	(0.00442)
Female	-0.0106	-0.000491	-0.000253
	(0.00956)	(0.00529)	(0.00401)
Age [31 – 40]	0	0.0241	0.0458
	(0.252)	(0.268)	(0.335)
Age [41 – 50]	0.0446	0.0376	0.0474
	(0.251)	(0.265)	(0.333)
Age [51 – 60]	0.0550	0.0428	0.0506
	(0.252)	(0.265)	(0.332)
Age ≥61	0.0715	0.0569	0.0617
	(0.250)	(0.264)	(0.333)
StatusE, manager	0.00922	0.00567	0.00433
	(0.00562)	(0.00510)	(0.00514)
Constant	0.00271	-0.00467	0.127
	(0.123)	(0.0681)	(0.227)
Observations	172	172	172
Pseudo R^2	0.590*	0.460*	0.263*

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Source: Compiled by the author from field data, 2024

The outcome in Table 4.5 shows that in the West Region, financial autonomy greatly influences the sustainability of family-owned enterprises. This is seen in its positive coefficient of 0.926, 0.950 and 0.812 in the 25th, 50th and 75th quantiles, respectively. Furthermore, financial autonomy's coefficients are significant at 1%, in the 25th and 50th quantiles, then at 5% in the 75th quantile. This result means that an increase in the financial autonomy of family-owned enterprises leads to an increase in their sustainability. The role of the board of directors slightly influences the sustainability of family-owned enterprises in the West Region of Cameroon, with negative coefficients of -0.0162 in the 25th quantile and 0.00297 and 0.0134 in the 50th and 75th quantiles, respectively. The influence of family members also slightly influences the sustainability of family-owned enterprises in the West Region of Cameroon, with coefficients 0.00238, -00189 and -0.00677 in the 25th, 50th and 75th quantiles, respectively. The other variables, such as gender, do not influence the sustainability of family-owned enterprises; whereas the age of the answerer, with coefficients 0, 0.0241 and 0.0458 and status in the enterprise, with coefficients 0.00922, 0.00567 and 0.00433, positively and slightly influence the sustainability of family-owned enterprises in the West Region of Cameroon. From the outcome in the West region of Cameroon, it is seen that corporate independence influences the sustainability of family-owned enterprises in the West Region of Cameroon significantly.

Pseudo R^2 shows that, at the 25th quantile (low sustainability) shows Pseudo R^2=0.590, implying that predictors like Financial Autonomy, the role of the board of directors, the Influence of Family members, gender, age of the answerer and status of the manager strongly explain why some family-owned enterprises have very low sustainability. In addition, the 50th quantile (median sustainability) shows Pseudo R^2 = 0.460, which means that the predictors like Financial Autonomy, the role of the board of directors, the Influence of Family members, gender, age of the answerer and status of the manager have strong explanatory power for typical or average sustainability levels. Finally, the 75th quantile (high sustainability) shows Pseudo R^2=0.263, which means that the predictors, namely Financial Autonomy, the role of the board of directors, the Influence of Family members, gender, age of the answerer and status of the manager, moderately explain high sustainability.

This result is in line with the study of Tayong (2020) in the towns of Douala, Yaoundé and Bamenda in Cameroon, who found out that the family-owned enterprises in these towns have little or no knowledge about corporate independence. Also that the family-owned enterprises are mostly static and sole proprietorship in nature, with a very high concentration of ownership in the hands of the owners or family members. Furthermore, his study found that the majority of family-owned enterprises have family councils instead of a board of directors. This result also concords with the study of Moreno-Gomez *et al.*, (2016), who found that the role of the board of directors is different from that of non-family enterprises. The decisions of the board of directors are highly influenced by the family members who are majority on the board and family members, and members of the board of directors always tend to protect the socio-emotional wealth of the family, thus not giving a chance or room for the external directors to exert their power, thus slowing down or hindering the sustainability of the family-owned enterprises. From the interviews, corporate independence greatly influences the sustainability of family-owned enterprises in the North West and West regions of Cameroon. The founders and managers are very conscious of the harm that the non-application of corporate independence hampers the business and presents a bleak future for the business.

5. CONCLUSION AND RECOMMENDATIONS

5.1 CONCLUSION

Corporate independence was measured using financial autonomy, the role of a board of directors and the influence of family members. Results indicated that there is a positive effect of corporate independence on the sustainability of family-owned enterprises, given that there are two positive coefficients out of three. Furthermore, the coefficients of corporate independence were highly significant at 1% and 5% levels of significance. Results from the quantile estimation procedure revealed positive and negative indexes, but most of them are positive, which signifies that an increase in corporate independence will lead to an increase in the sustainability of family-owned enterprises in the Western Highlands of Cameroon.

5.2 RECOMMENDATIONS

The study provides the following recommendations on how the founders and managers of family-owned enterprises can make good use of corporate independence to influence the sustainability of family-owned enterprises:

- **Financial Autonomy**: Founders and managers should further enhance financial autonomy, firstly, by building strong and stable banking and credit relationships through having a good credit history to access better loan terms when it is needed. Secondly, by establishing clear guidelines on how the business profits should be shared among family members in order to avoid draining the business with uncontrolled personal withdrawals. Lastly, continuously training the next generation in financial literacy, enterprise management, business finance and to an extent, sourcing the expertise of professionals who are not family members for a better and more objective oversight.
- **The Role of the Board of Directors**: Founders and managers should consider that the board of directors is a very important organ of the management of the enterprise. Firstly, the Board of Directors should be allowed to function as an entity with roles and responsibilities which are roles such as making checks and balances through preventing high concentration of power by separating ownership, management and control. Also, by

allowing it to encourage transparency and fair decision making, especially whenever family members' emotions are concerned. Secondly, the board of directors can further create a platform for conflict resolution, particularly those conflicts related to roles, ownership and compensation, and also upholding family policies and governance charters. Lastly, the Board of Directors should preserve the long-term interests of the family-owned enterprise and the legacy of the family by ensuring that there is sustainability in business decisions from one generation to the next.

- **The Influence of Family Members:** The founders and managers should reduce the toxic interference of relatives in the family business. Relatives should concentrate on protecting their family name and reputation by engaging in ethical practices and strong relationships with stakeholders like customers, suppliers, employees and the community. Furthermore, the direct or indirect family members in each generation should wholeheartedly align with the vision of the owner, which helps in blending tradition and innovation, which are key to long-term success and flexibility. Then, family members should early engage in the family business to understand its history, weaknesses and strengths; This will, in the long run, help in healthy decision-making and resilience since their experience and emotional investments were involved at an early stage of their lives.

5.3 Suggestions for Future Research Endeavours

Since this study is the product of human effort, the study acknowledges its limits. While this research provides valuable insights, there are opportunities for further exploration. This study narrowed its scope to the Western Highlands (North West and the West regions) of Cameroon. The study recommends that the study should be replicated by conducting research in the other three ecological zones of Cameroon, namely the Southern rain forests, the central savannah and the northern arid region, to outline the influence of corporate independence on the sustainability of family-owned enterprises. Furthermore, other studies could carry out their research in other sectors or use all the sectors in a study with a comparative approach. Equally, the study recommends that some demographic variables could be used as moderators on the influence of corporate independence on the sustainability of family-owned enterprises in the Western Highlands of Cameroon.

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