Dividend Distribution, Ownership Structure and Performance of Unlisted Companies Cameroonian

T. Maï Django Wambé[1] & Sadjo Kaoutoing[1]

[1] Department of Accounting and Finance, Ngaoundéré University, Ngaoundéré, Cameroon

Correspondence: T. Maï Django Wambé, Department of Accounting and Finance, Ngaoundéré University, P. O. Box 454, Cameroon. E-mail: wtmaithe@gmail.com

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Abstract

This research goes within the framework of previous studies examining the specificity of the ownership structure and financial performance of unlisted companies in a dividend distribution environment. The assumptions are based on the agency theory in which shareholders justify the implementation of dividend distribution and explain the financial performance of companies. Our sample consists of 67shareholding companies (Limited Companies and Limited Liability Companies) which best explain dividend distribution in the Cameroonian context. Data were processed using SPSS (Statistical Package for the Social Sciences). We note that the concentration of ownership has no effect on financial performance. However, the nature of the major shareholder plays a decisive role on financial performance.

Keywords: dividend distribution, financial performance, nature of ownership, shareholding concentration, unlisted companies

1. Introduction

In the context of a growing financial market, this research aims to study empirically, the relationship between the ownership structure and the financial performance of companies. In countries where most companies are listed, the theoretical and empirical analyses of this relationship, so far, has led to different conclusions. This is certainly due to the diversity of ownership characteristics and contexts studied. In this study, we plan to take into account, not only the two characteristics of the shareholding (capital concentration and nature of the major shareholder), but also the dividend distribution behaviour in Cameroonian companies (Note 1). Given that the Cameroonian context has not been studied much, deepening it seems interesting because of the peculiarity of Cameroon's unlisted companies' ownership structure: High concentration, strong presence of families and institutional investors (Wanda, 2001).

As part of the dividend policy, the ownership structure is also an important element. Indeed, dividend is seen as a means of resolving conflicts of interests between managers and shareholders. Also, putting forward dividend distribution to study the relationship between ownership structure and financial performance seems very interesting in the Cameroonian context. In addition, the approach of the relationship between financial performance and shareholding structure of companies distributing or not distributing the dividend enables a positioning within the theoretical framework of the agency. In fact, research on dividend distribution in family companies show that these ones generally distribute less than the non-family ones. Some studies show that they are more efficient. However, From the innovating articles of Burkart et t al. (2003), performance studies compare between several forms of family businesses based on possible combinations of control and management, depending on whether they are family or not.

Thus, this new conception on the separation between ownership and management functions, leads us to position ourselves not only at the angle of the concentration and nature of ownership (shareholding), but also in the context of the agency theory in order to better understand the financial performance of companies in the Cameroonian context. The agency theory suggests indeed that separation of ownership and control is at the basis of agency conflicts within firms. Managers could act oppositely to the interests of shareholders throughout their decision-making process (Jensen & Meckling, 1976). According to this theory, the interests of the executives could be aligned to those of shareholders through a form of remuneration such as dividends which binds the executives' wealth to the performance of the firm. Also, (Berle & Means, 1932) mention the fact that separation between ownership and management functions explores different research paths and suggests that a conflict of objectives between owners and managers of a company should appear to influence the performance of the firm. For (Demsetz & Lehn, 1985) the presence of a controlling shareholder acts as a governance mechanism to discipline the leaders. The concentration of capital thus contributes to align the interests of the controlling shareholders on those of the minority. The nature of shareholders may also influence the resolution of agency conflicts. The agency theory therefore considers that organisational costs are very low in family businesses because property rights are limited to decision-making agents and to agents who personally bear the consequences (Jensen & Meckling, 1976; Fama & Jensen, 1983). This would make management easier and allow a good performance.

Shareholders' position towards dividend policy therefore seems important to us in the assessment of the performance of companies, in a context where there is no financial market. Most studies have focused on the relationship between ownership structure and performance, highlighting the nature of shareholders (family shareholding). Research conducted in Cameroon were based on the explanatory factors of dividend (Mai & Tsapi, 2013), financial structure and performance (Wanda, 2001), corporate governance and performance (Feudjo, 2006). By examining the relationship between ownership structure and performance of companies that distribute or do not distribute the dividend, we integrate to the study, the nature and concentration of ownership. This research is, thus, the first research in this context but comes to complement existing studies in the world.

The subject of our research is to deepen the relationship between ownership structure and corporate performance in an environment characterised by the distribution of dividend. The central question guiding our thinking is this: **does the financial performance of Cameroonian companies differ from their ownership structures, taking into account the distribution of dividend?** On the basis of this question, we have two main objectives: to highlight the specificities of the policy of dividend distribution in these types of companies and to compare the financial performance of companies according to their ownership structure and on the decision to distribute dividend.

This article is organized as follows: the first part is initially devoted to the presentation of the relationship between dividend policy and ownership structure and, secondly, to present the theoretical performance of different types of ownership and research hypotheses. In the second part, we present the methodology, the empirical results and the interpretation of results. Finally, we present our conclusions.

2. Dividend Distribution and Ownership Structure

According to Severin and Dhennin (2003), the ownership (shareholding) structure is a plural concept because it includes the shareholding structure (concentration and/or nature of the shareholders) and the executives' contributions to the capital. Despite divergent results from empirical studies across countries, this variable helps to explain some of the variations in the distribution policy.

2.1 The Nature of Ownership and Dividend Distribution

The nature of ownership falls within the theoretical framework of the agency, its influence on dividend policy is based on the works of Jensen and Meckling (1976). Indeed, firms controlled by a family, a group of people or an institution, do not have the same distribution potentials (Charreaux, 1991; Allouche & Amann, 1995; Romieu & Sassenou, 1996). Also, family businesses constitute the most prevalent form of business organisations in developed countries (Du., 2007) as well as in developing countries (Khanna, 2000). For Latrous Imen (2004), family businesses are often organised in a pyramidal form so that a shareholder can hold the majority of shares or voting rights. We see then that this type of business is much more concentrated than dispersed. This is shown in the study by Faccio and Lang (2002). Of the 607 companies in their sample, 64.82% are controlled by families and only 14% has a dispersed ownership. We therefore believe that family businesses have a concentrated ownership, and to this end, distribute dividend less.

By focusing on Japanese firms, Stouraitis et al. (2004) found, in the case of low-growth companies, that institutional ownership has a positive effect on dividends. In Austria, Yurtoglu and Gugler (2003) found that the identity of the controlling shareholder only influences the distribution rate of companies which have many investment opportunities. They show that firms controlled by the state have a higher distribution rate than firms controlled by another company or a bank. On the other hand, companies controlled by families have the lowest distribution rate. It is in this sense that the director of a company offering services specified: " *I, as a family head and director of the company, occasionally deduct on the profits to solve the problems of my wife and my children who are shareholders*" (Note 2).

In the same vein, Calvi-Reveyron (1999, 2000) shows that family firms distribute dividends less than managerial firms and companies controlled by other types of shareholders. Thus, the special agency model of family firms adversely affects agency costs and thereby, can reduce the need to pay significant dividends to shareholders. In line with this reasoning, Poulain-Rehm (2000) notes that the family ownership structure implies a reduction in the distribution rate compared to other types of structures.

2.2 Ownership Concentration and Dividend Distribution

The ability to extract profit or the difficulty to be controlled may vary from one ownership structure to another. The influence of ownership concentration on dividend policy has been the subject of much literature.

Thus, in France, in two studies carried out in 131 French companies for the period 1988-1994, Calvi Reveyron (2000) also found that dividends are higher in managerial firms' than in family businesses. Indeed, the presence of dominant or significant shareholders in a company is part of the control exercised over the executive. Therefore, dominant shareholders are likely to promote or oppose the distribution of dividend. Based on this logic, we can say that it is those who have power that decide. Thus, the holding of shares or voting rights by certain shareholders may aggravate the non-distribution of dividend. It is in this sense that studies by Rozeff (1982), Lloyd et al. (1985), Dempsey and Laber (1992) show the negative influence of ownership concentration on dividend distribution. By focusing on Finnish companies, Maury and Pajuste (2002) show that the negative influence on the dividend distribution rate lies at the major shareholder's control. Their results are in line with the control of decisions by the dominant shareholder but may also be the evidence of an expropriation of minority shareholders by a control shareholding. According to these authors, the presence of a shareholder with more than half of the firm's control has a negative effect on the distribution rate.

But on the other hand, the negative relationship between the distribution policy and ownership concentration is not backed by other researchers. The works of Renneboog and Trojanowski (2007) show a positive relationship instead. Their empirical study, which focuses on a sample of 985 British companies, tends to show a positive relationship between ownership concentration and dividend policy. In fact, they noticed that the presence of control blocks in the shareholding aims to reduce agency costs and improve the sharing of dividend. The study by Kouki and Guizani (2009) in Tunisian enterprises also backs the idea that a high concentration of ownership encourages high dividend distribution.

From this literature review, we note that the presence of majority shareholders in the ownership structure positively or negatively influences the distribution policy. Because of this discrepancy in the literature on the subject, an exploratory study was conducted in eight Cameroonian companies to determine the factors explaining the distribution of dividend. The role of the shareholding structure was raised by several respondents. Thus, several times, five CEOs took their companies as examples. They mentioned the presence of one or two majority shareholders in the capital structure and their reluctance to admit dividend distribution. To illustrate this situation, we retained the response of the manager of a business enterprise in the city of Garoua, "*I am the majority shareholder of the company... the more we distribute dividend, the more there is capital flight*". In such a context it is important to consider the relationship between ownership structure and performance.

3. The Performance of Companies through the Opening of Capital

In this part, we present the relationship between the ownership structure and the company's performance proposed by the agency theory, and we formulate related research assumptions.

3.1 Nature of Ownership and Corporate Performance

After showing the relationship between nature of ownership and dividend distribution, the analysis of performance is also greatly enriched when combined to the nature of ownership. In fact, most empirical studies on ownership structure have demonstrated the superiority of the performance of family businesses over other types of ownerships (Note 3).

Also in managerial companies, the works of Craswell et al. (1997) show a nonlinear relationship between the executives' shareholding and the company's performance. For them, the association would be positive firstly, and then the link between the executives' shareholding and performance would be negative from a certain level of ownership by the executives. Similarly, other authors (Alonso-Bonis & Andrea-Alonso, 2007) mention a positive relationship between the managers' shareholding and performance. On the other hand, the relationship between institutional investors, state ownership and performance is also mitigated. In fact, Al Farooque et al. (2007) notice a nonlinear relationship between the level of investors' shareholding and the performance of companies, which suggests that institutional investors invest in the control of a firm only as from a certain level of shareholding. One may think that the influence of the nature of ownership depends on the degree of involvement of controlling shareholders within the company. In particular, family shareholders who are executives are supposed to have a long term interest in the company.

Thus, Palmer (1973) noticed that companies with high family ownership also have significantly higher rates of profit. In the same vein, Sorensen (1974) conducted a study on 60 companies, amongst which are 30 family companies (20% or more of the shares are held by the family) and 30 managerial companies (no block of more than 5%) during the period 1948-1966. He concluded that family businesses grow faster than other types of businesses. Other studies by Sraer and Thesmar (2007), Allouche and Amann (1998), Gallo and Vilaseca (1996), Romieu and Sassenou (1996), Djelassi (1996) show a positive influence of family ownership on the performance of companies.

But on the other hand, the positive relationship that exists between company performance and family ownership is not supported by other researchers. Also, some studies show that family members are sometimes motivated by their own interests and not by family interests (Morcket et al., 1988; Morck & Yeung, 2003). Phenomena of nepotism and opportunism are likely to arise in the chief executive officer and generate a behaviour of maximisation of his personal utility to the detriment of minority shareholders (Markin, 2004). Anderson and Reeb (2003) as well as Maury (2006) even demonstrate on an empirical basis (American for Anderson and Reeb and European for Maury) that a family ownership structure initially improves the value of the company, but also that this value decreases as from a certain level of family ownership (approximately 30%).

Despite the contradictory debates that we have just mentioned, both the conceptual arguments and the empirical validation provided by literature about the performance and nature of ownership largely seem to support the hypothesis of the superiority of family businesses over other organisations. Also, faced with this situation and in our context where most of the businesses are family, we suggest the following hypothesis:

H1: family ownership positively influences the performance of Cameroonian companies in a dividend distribution environment.

3.2 The Concentration of Ownership and Corporate Performance

The study of ownership concentration in the literature shows that it is a determining factor for the performance of companies. The relationship between these two variables can either be positive or negative. Also, from a theoretical point of view, ownership concentration may be positively associated to performance if it is assumed that concentration causes a convergence of executives' and remaining shareholders' interests (Jensen & Meckling, 1976). Several empirical studies have tested the relationship between the concentration and performance of companies but the results obtained are divergent across countries.

In Spain, Alonso-Bonis and Andrés Alonso (2007) found a positive relationship between ownership concentration and performance, especially when the control has the majority. In France, Boubakri et al. (2005) observed a positive relationship on an international sample and noticed that the positive effect is more pronounced when the protection of minority shareholders is lower. In the United States Morck et al. (1988) presented studies which indicated that this effect had the image of a bell-shaped curve (curvilinear relationship): As concentration increases and performance improves, then reaches a maximum point on the curve, then a negative slope, and thus a negative effect on the degree of concentration. When a shareholder has too much control, it may draw some of the profits for himself rather than for the company.

In another sense the concentration of ownership may also have a negative effect. In fact, when ownership is concentrated in the hands of the executives, it sometimes becomes difficult to evict them even if their performance is unsatisfactory. The works of Shabou (2003) examine the impact of capital's concentration on financial performance in the Tunisian context. They conclude that the concentration of capital has an insignificant impact on performance. More recently, Kirchmaier and Grant (2005) showed a negative relationship between ownership concentration and performance in the European context. They noted that the phenomenon is especially true when the majority shareholder holds more than 10% of capital.

We find out that the concentration of ownership helps to explain some of the variations noticed in the performance of companies but empirical studies' results are divergent. Thus, in the Cameroonian context characterised by a weak protection of minority shareholders and a concentrated ownership, we assume that the low level of minority shareholders' protection is likely to reinforce the positive link between concentration and financial performance. This leads us to formulate the following hypothesis:

H2: the financial performance of Cameroonian companies is positively associated to ownership concentration in a dividend distribution environment.

4. Empirical Study

In this second part, we will first present our sample, measures of the variables, as well as the descriptive analysis. After that, we will present the empirical results and their interpretation.

4.1 Sample

To carry out this research, we opted for the hypothetical-deductive method. We also used qualitative and quantitative analysis and showed how the combination of these methods enriches the analysis of dividend policy and performance. The use of combined techniques often leads to more relevant and richer data. The qualitative study conducted among the executives who decide on the distribution of dividend in companies highlights the behaviour of Cameroonian companies and local specificities in the use of profits. It describes the distribution's decision-making process. The quantitative study is then implemented to test the hypotheses of our theoretical model. The study population includes Limited Liability companies and Limited Companies only.

In the absence of an exhaustive list of the study population, the compilation of data from various sources (Cameroon Zoom and advertising media) led to the constitution of a directory of 245 companies. This sampling base is due to the administration of our questionnaire in the cities of Douala and Yaoundé (these two regions account for 97% of the industrial, commercial and service companies of our survey). In addition, of the 245 companies comprising our sampling base, we were able to establish contact with only 75 of them. We had 67 usable responses. The figure below shows the distribution of the different categories of companies belonging to the study sample according to the legal form.

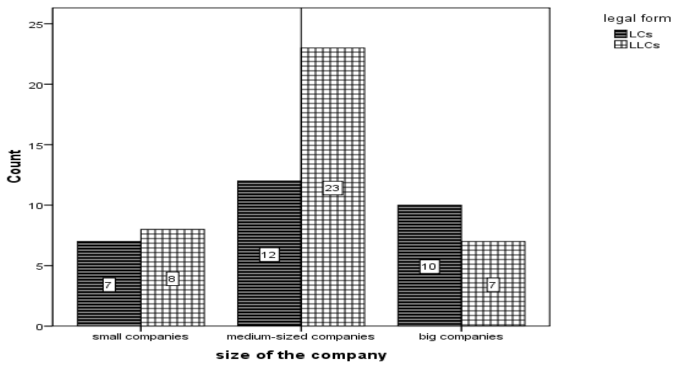

Figure 1. Distribution of companies according to their size and legal form

It seems quite clear that the Limited Companies (LCs) and the Limited Liability Companies (LLCs) are part of the small, medium-sized and big companies. A high concentration of medium-sized companiesis observed among the LLCs (23 companies) and the LCs (12 companies). However, we also note that most of the big companies are LCs (10 companies) compared to small ones (7 companies).

4.2 Variables

4.2.1 The Explained Variable: Financial Performance

Thomsen and Pedersen (2000) used two variables to measure the financial performance of a company: An accounting variable (return on assets (ROA)) and a variable of market valorisation (Tobin's Q). As highlighted by Demsetz and Villalonga (2001), the two variables do not measure the same aspects of financial performance with respect to two criteria: the temporal aspect and the measure's shaping. From a temporal perspective, the ROA measures a past accounting performance while Tobin's Q is guided by investors' expectations. On the other hand, if the ROA is the result of professional constraints to income statements, Tobin's Q integrates the psychology of investors in the valuation of companies' equity. Gomez (1996) considers net income as a final measure of profit and therefore as a prime indicator of financial performance. In this work, we have used this measure. The following table highlights performance in the companies of our sample.

Table 1. Distribution of companies according to increase in net income

Bottom line (net income)	Quantity	Percentage	Cumulated Percentage
Insufficient	15	22,4%	22,4%
Stable	11	16,4%	38,8%
Satisfactory	41	61,2%	100,0%
Total	67	100,0%	

Source: Our surveys.

On the whole of our sample, 41 companies (61.2%) are satisfied with the increase in net income. We notice that companies which think net income is stable are very far from those for which net income progresses (11 companies or 16.4%). However, 15 companies (22.4%) have a stable net income.

4.2.2 Explanatory Variable

* CONCENTRATION OF CAPITAL

The number of shareholders in the company: This measure is frequently used in North American research by authors such as Rozeff (1982) and Noronha et al. (1996), to assess the dispersion of ownership. On the other hand in Cameroon, there is no precise measure of this variable and we are not using this variable in the framework of our research.

The Herfindahl index: This is an index of concentration, often used in economics. It is possible to calculate the concentration of ownership or control using this index. Some authors use the percentage of the ownership or of the control of the top three shareholders. For Montandrau (2004) for example, it is possible to estimate the concentration of ownership using this measure. One can use either the percentage of shares or the control of voting rights. In our qualitative study, we noticed that it was very easy for the executive to estimate at least the percentage of shares of the top three shareholders. This is why we choose to retain this measure. There are several levels which make it possible to consider that a shareholder is the majority one. We chose the 33.33% threshold recommended by Calvi-Reveyron (2000), which corresponds to the necessary blocking minority in a general assembly meeting.

* MEASURING THE NATURE OF OWNERSHIP

We made the assumption that the nature of ownership had an influence on the performance of Cameroonian companies. The identity of the major shareholder can help to understand the nature of variations in the financial performance of companies. As we said in the first part, literature is not unanimous on what “Influence of the presence of a major shareholder” means, be it a family, a bank, a company, an institution, the State, a group of individuals, etc. Results vary across countries. We therefore measure the nature of ownership by four sets of variables as shown in the table below.

Table 2. The nature of ownership

Measuring the nature of ownership	The State and other public organisations	Industry	A family	Managerial (individuals))
Nature of the major shareholder	☐	☐	☐	☐

Added to these measures are: The distribution of dividend, investment opportunities, the size and the activity sector.

* DIVIDEND DISTRIBUTION

* The distribution policy is usually measured by two variables:

The rate of distribution, which is the dividend pay-out ratio with respect to the company’s revenues (Rozeff, 1982; Noronha et al., 1996; ....). This rate reflects the arbitration made by managers between distribution and retention, despite the fact that its interpretation is unlikely for companies that pay out the dividend, irrespective of whether a low income or a loss (Wood, 2007). This can be used in the Cameroonian context with its financial market that is still to take off.

The dividend yield, which is the ratio of the dividend on share price or the pay-out on market capitalization of the company (Hu & Kumar, 2004). The yield reflects the point of view of shareholders and their return on investment. However, its assessment can vary greatly depending on the chosen share price (mid-year, year-end ...). The difficulty in interpreting dividend yield in our context where the financial market is almost non-existent is a major limitation to these measures in our work.

Given that pay-out rates are not made known to the public in Cameroonian companies, we choose to measure distribution policy by the dividend pay-out frequency. We believe that measuring dividend distribution by the pay-out frequency (arbitration between distribution and retention) is more suited in the Cameroonian context, since it is easier to deal with this one in an environment where most companies are not listed. Exploratory investigation to confirm the effectiveness of certain practices concerning dividend distribution in Cameroonian companies, led to the identification of this attribute. Thus, the frequency of distribution differs across companies. For example, in a company it will be shown that the payment of dividend can be every year (always). In other companies, it will be all about showing that the payment of dividend goes beyond a year (often) and as the years go by, payment becomes scarce. In some other companies still, there are no dividend pay-outs (never). We hold as measure, the dividend distribution frequency.

* INVESTMENT OPPROTUNITES

The intensity of research and development in a company can help assess its investment opportunities if we assume that research creates growth opportunities. This measure is used by Poulain-Rehm (2005). Some writers like Denis et al. (1994), Grullon and Michaely (2004) appreciate the level of investment opportunities in a firm through capital expenditures, acquisition of equipment and through future research and development. Thus, investment opportunities of the year N can be evaluated by the amount of investments made in N + 1. It is in this sense that we measure investment opportunities through expenses on research and development, in the acquisition of equipment and in the training of employees. All these expenses are assessed with respect to the company's income.

* THE SECTOR

In our survey, we distinguished 18 industrial companies, 26 service companies and 23 trade companies.

* MEASURING COMPANY SIZE

About the size, we opted for the classification of companies in line with that of Cameroon's Economic and Social Council, that is, small companies (10 to 49 employees); Medium-sized companies (50-150 employees); Big companies (151 or more). Therefore, a synthesis of the variables retained is as follows:

Table 3. Summary of definitions and variables retained in the model

Variables	Definitions	Measures
PERFI	Financial Performance	Net income
CONACT	The concentration of ownership	The percentage of shares held by the top three shareholders
NAACT	Nature of the principal shareholder	The State / other public agencies, industry, family, Managerial (individuals).
DED	The dividend distribution	The dividend distribution frequency
OPPIVEST	Investment Opportunity	Expenses on research and development expenses for the acquisition of equipment and expenses on employee training based on results.

We conducted a descriptive analysis of these variables. Thus, the descriptive analysis on the variable "concentration of ownership" shows that of the 67 companies in our sample, 36 companies have a percentage of shares held by the top three shareholders greater than 33.33%. This result indicates that companies' ownership is slightly concentrated in the hands of the top three shareholders (53.7% of companies) as shown in Table 4.

Table 4. Percentage of shares held by the first 3 major shareholders

Percentage of shares of the first three shareholders	Frequency	Percent	Valid Percent	Cumulated Percent
Less than 33, 33%	31	46,3	46,3	46,3
More than 33, 33%	36	53,7	53,7	100,0
Total	67	100,0	100,0	

Source: Our surveys.

We see in the table that follows that consideration of the nature of the main shareholder is quite varied. The grouping of individuals has a special place in the companies of our sample. Indeed, shareholders are mostly groups of anonymous investors (38.8%). Industries and families represent 25.4% each. The state and other public agencies represent 10.4% of companies.

Table 5. Identity of the major shareholder

Nature of the main shareholder	Frequency	Percent	Valid Percent	Cumulative Percent
The State and other public companies	7	10,4	10,4	10,4
Industry	17	25,4	25,4	35,8
A family	17	25,4	25,4	61,2
Managerial	26	38,8	38,8	100,0
Total	67	100,0	100,0	

Source: Our surveys.

Then, on the whole sample, 28 companies (41.8%) always pay out the dividend. We also notice that the number of companies which do not regularly pay out the dividend is not far from those paying the dividend yearly (25 companies or 37.3%). In contrast, 14 companies (20.9%) never pay out the dividend.

Table 6. The distribution frequency

The dividend distribution	Frequency	Percent	Valid Percent	Cumulative Percent
Never	14	20,9	20,9	20,9
Hardly	25	37,3	37,3	58,2
Always	28	41,8	41,8	100,0
Total	67	100,0	100,0	

Source: Our surveys.

5. Results

5.1 The Ownership Structure and Dividend Policy

Our first objective was to present the peculiarities of dividend distribution with respect to the shareholding structure in the companies of our sample.

Ownership concentration and dividend policy

In the case of this first relationship, the Levene test indicates that the variances of ownership concentration are unequal, from the dividend distribution perspective ($F = 6.008$; $p = 0.017$). With the assumption of unequal variances, the absolute value of the obtained Student's t is 5.016 to 66 degrees of freedom and significant at $p = 0.000$. This result indicates the presence of an ownership concentration effect on dividend distribution. This result reinforces the finding according to which companies that have a percentage of shares held by the top three shareholders greater than 33.33%, do not distribute dividends. We can therefore say that the decision to pay out the dividend varies negatively with respect to the concentration of ownership in the companies in our sample.

The nature of ownership and dividend policy

As a reminder, the identity of the major shareholder being understood thanks to four answer modalities, we will use an analysis of variance to 1 factor (ANOVA one way). In this case, the statistical Levene is 3.413 at significance level of $p = 0.023$. This reflects the lack of homogeneity of variances between the four groups of shareholders considered, in relation to the identity of the shareholders. Analysis of variance revealed a Fisher's F of 6.193, significant at $p = 0.001$. This Fisher's F probability being well below the significance level of 0.05; there are significant differences with respect to the identity of the major shareholder when considering the variation of dividend distribution in the medium-sized companies. In other words, the payment or non-payment of dividends in companies would differ, depending on the nature of the major shareholder in these enterprises.

Scheffe and Ducan's tests at the threshold level of $p = 0.05$ indicate that the average in the group of family companies (-0.873) is lower and significantly different from that of the group of industries (0.765), of the State and other public companies (0,840) and of individuals or managerial companies (0.873). The grouping of managerial companies, of industrial and State companies, therefore, present high aptitudes in the distribution of dividend compared to companies with family ownership.

5.2 Model Specification

The second objective of our work is to check if there is a significant relationship between the financial performance of Cameroonian companies and two variables related to the ownership structure, i.e. the concentration and nature of ownership (shareholding).

5.2.1 The Relationship between the Nature of the Shareholder and the Financial Performance of Cameroonian Companies

In our model, we put forth the first hypothesis (H1): **The nature of ownership positively influences the financial performance of Cameroonian companies in a dividend distribution environment**. Here, it is all about questioning oneself on the changes in performance due to changes in the nature of the major shareholder of the company during a given period. We used analysis of variance to 1 factor (ANOVA one way). The following table shows the results obtained at the end of this analysis.

Table 7. Analysis of variance with one factor between the variation in financial performance and the identity of the major shareholder

Test of the homogeneity of variances				**ANOVA**					
				ROA	Sum of squares	Dof	Mean of Squares	F	Sign.
Levene'sStatistic (F)	dof1	dof2	Sign.	Inter-groups	8,707	3	2,902	4,915	0, 004
				Intra-groups	37,203	63	0, 591		
6,105	3	63	0, 001	Total	39,075	66			

Source: Our survey.

In this case, the Levene statistic is 6.105 at the significance level of p = 0.001. This result reflects the lack of homogeneity of variances between the four groups of shareholders considered, with respect to the identity of the shareholders. Analysis of variance revealed a Fisher's F of 4.915, significant at p = 0.004. This probability of Fisher's F being well below the level of significance of 0.05, there are significant differences in terms of the variation in financial performance between the medium-sized companies with respect to the nature or identity of the main shareholder. In other words, the performance or lack of performance in companies would differ depending on the identity of the major shareholder in the said companies.

Scheffe and Ducan's tests at the threshold level of p = 0.05 indicate that the mean in the group of the state-owned and other public companies (-1.034) is lower and significantly different from that of the group of industries (0.882) and family businesses (1,034). In the companies of our sample, managerial ownership has no impact on financial performance. The grouping of family businesses, of industries, therefore, present strong abilities to perform, compared to companies with state ownership. Also, we notice that family businesses are more efficient than other types of businesses in a dividend distribution environment.

In light of this result, we can say that H1 is confirmed.

5.2.2 Study of the Relationship between Financial Performance of the Company and Shareholding Concentration

In our model, we put forth the second hypothesis (H2): "**The performance of Cameroonian companies is positively associated to the concentration of shareholding in a dividend distribution environment**". A mean comparison test was carried out on variables apprehending the concentration of shareholding and the performance of companies. The results are interpreted in the light of Student's t for a chosen significance level. The following table shows the results obtained.

Table 8. Mean comparison test between the financial performance of companies and the concentration of shareholding

Mean comparison test		Levene's test on the inequality of variances		T-testfor the equality of means						
		F	Sig.	t	dof	Sig. (bilateral)	Mean difference	Standard deviation difference	Confidence gap, 95% of the difference	
									Inferior	Superior
Return on Assets (ROA)	**Equal variances Hypothesis**	**3,499**	**0,066**	**-2,785**	**65**	**0,007**	**-0,542**	**1,95**	**-0,931**	**-0,153**
	Uneqqual variances Hypothesis			-2,747	58,552	0,008	-0,542	0,197	-0,937	-0,147

Source: Our surveys.

Reading the table above, we notice that the Levene test indicates that the variances are equal from a concentrated shareholding to a dispersed one, from the net income's perspective (F = 3.499 at p = 0.066). In the case of an assumption of equal variances, the value of the Student's t is 2.785 at 65 degrees of freedom and significant at p = 0.007. This result reflects the absence of a significant effect of shareholding concentration on financial performance. This result reinforces the finding that performance is crucial for all businesses, regardless of shareholding concentration.

In light of this result, we deduce that **our hypothesis H2 is not validated**.

6. Interpretation of Results

A descriptive analysis of companies on the basis of performance reveals differences. We noticed that financial performance is unanimously recognized as a priority decision for companies. With the exception of 15 companies (representing 22.4%) which have an unsatisfactory performance, the majority of companies in our sample either have a stable or a satisfactory performance. With respect to our first objective, analysis of companies according to dividend distribution reveals differences. We also note that the distribution of dividend is unanimously recognized as a priority decision for companies. With the exception of 14 companies (representing 20.9%) which never pay out the dividend, most of the companies in our sample always or sometimes pay out the dividend, despite the embryonic state of the financial market. On the other hand, exceptional dividend payments are not yet part of the customs of Cameroonian companies. Therefore, companies prefer giving cash directly (distribution of cash dividend) to shareholders. But the main objective of this study was to compare the financial performance of companies with respect to their ownership (shareholding) structure. The nature and concentration of shareholding have been identified and we have tested their explanatory power.

Indeed, the existence of a concentrated ownership structure reduces conflicts of interest between the different stakeholders and therefore reduces agency costs inherent to these conflicts. Thus, our statistical test reveals a Student's t of 2.785 at 65 degrees of freedom and significant at p = 0.007. This value does not reflect the presence of a significant effect of shareholding concentration on financial performance.

In addition it reinforces the finding that the positive relationship between shareholding concentration and performance is observed when the concentration is high. Also, in a context where most companies pay out the dividend and that the shareholding is slightly concentrated in the hands of the top three shareholders, we indeed see no effect. This is in contradiction with the formulated hypothesis. This result is consistent with those found in the works of Demsetz and Villalonga (2001) in the United States and Sahut and Gharbi (2010) in France which tend to suggest that there is no link between the concentration of capital and the performance of companies.

Our study on Cameroonian companies confirms the positive influence of the nature of ownership (family shareholding) on financial performance, as highlighted by the majority of studies. Indeed, our results are similar to those revealed by Margaritis and Psillaki (2010). According to Allouche and Amann (1998), trust would be a key factor in explaining the performance of family firms. This trust would be found between managers and employees within the family business, as well as between the family business and its stakeholders. In addition, we notice that companies seek to reduce the level of dividend in order to avoid resorting to external funding and the transaction costs associated to it. To this end, the prudence of company executives leads them to prefer self-funding.

7. Conclusion

The main objective of our research was to study the link between financial performance and ownership structure in unlisted Cameroonian companies. This study seemed interesting to us for many reasons. Firstly, literature analysis suggests a complex relationship which depends on the context of the study. However, the Cameroonian context, characterized by a high concentration of shareholding and a strong presence of the family shareholders, has not been explored much. Finally, our research focuses on both the concentration and nature of the shareholding, and considers different categories of shareholders: family, industrial, managerial and state.

Using a sample of 67 unlisted companies, this study analysed the relationship between ownership structure and financial performance in a dividend distribution context. Indeed, through our first research question, we wanted to highlight the specificities of the payment or non-payment of dividends in Cameroonian companies. Descriptive analysis was carried out to show the specificities of distribution in Cameroonian companies. Thus, results related to the distribution frequency indicate that some companies always pay out (every year) or sometimes pay out (after a certain number of years) the dividend. Others on the other hand never pay cash to investors (41.8% companies always pay out the dividend, 37.3% of companies sometimes pay out and 20.9% of businesses never pay out the dividend). In addition, we found out, on one hand, that there was a negative relationship between dividend policy and shareholding concentration and, on another hand that, family businesses do not pay out the dividend.

This study also reveals that the concentration of ownership (shareholding) has no effect on financial performance. It clearly shows that family ownership is a factor, positively related to the financial performance of companies. The results of the study are similar to those of other studies conducted in developed countries where most of the companies are listed. It will be important therefore, for Cameroonian managers to be attentive to their shareholders. That means satisfying not only their desires in terms of the distribution of profits (so as to ensure the reduction of conflicts of interest between major and minor shareholders and executives) but also their desire to perform.

This work presents some limitations. We have not considered all the factors related to governance such as debt, the legislation, the role of the board, etc. It would be interesting to consider these variables in future research.

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