

# Shareholder Value Creation in Public Limited Companies in Cameroon: The Role of Board Characteristics

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## Abstract

The corporate board plays a vital role in driving shareholder value creation through effective governance and performance evaluation. However, Public Limited Companies (PLCs) in Cameroon experienced sluggish growth over the past decade. This study investigates the impact of board characteristics on shareholder value creation in Cameroonian PLCs. Using a quantitative approach, we collected data from 60 PLCs across the Littoral, Centre, and North-West regions of the country via structured questionnaires. The findings reveal that the presence of non-executive directors and females on the board significantly enhances shareholder value creation. Astoundingly, board size and board expertise do not exhibit a significant effect on shareholder value creation. The study recommends prioritisation of board independence to boost shareholder value creation; the inclusion of competent women in the board to leverage company diverse perspectives; and the optimisation of board size to ensure the board size aligns with the company needs and OHADA regulations. By implementing these recommendations, Cameroonian PLCs can potentially enhance shareholder value creation and growth.

## Keywords

Board Size, Board Independence, Board Gender, Board Expertise, PLCs, Cameroon

## 1. Introduction

Corporate governance and value creation have been critical concerns in modern business operations, particularly for Public Limited Companies (PLCs). Over time, corporate governance has evolved, focusing on enhancing shareholder value through effective board structures and management practices. The debate on shareholder value maximization has its roots in [Friedman \(1970\)](#), who argued that a company's primary obligation is to its shareholders. However, several financial scandals in companies such as Enron, WorldCom, and Steinhoff International have exposed weaknesses in corporate governance, raising concerns about the role of board characteristics in enhancing shareholder value ([Dibra, 2016](#); [Fourie, 2020](#)).

The OECD Principles of Corporate Governance ([OECD, 1999](#)) emphasize that corporations should prioritize shareholder interests. However, corporate failures in both developed and developing economies indicate that governance structures often fail to protect shareholders from managerial self-interest and agency problems ([Jensen & Meckling, 1976](#)). In Cameroon, corporate failures such as COFINEST, Dominion Finance, and Global Finance have highlighted weak corporate governance structures ([Fotabong, 2011](#)). This could be scary, given that the primary objective of shareholders investing in a company is to see their investment appreciate in value. However, due to information lop-sidedness and lack of intellectual capacity to manage the daily affairs of the company, the shareholders employ the services of a manager (or a management team) to achieve corporate objectives. The process leads to agency contract or agreement which outlines the terms of the relationship between the agents and the shareholders. Unfortunately, sometimes the parties have a conflict of interest where the agent's motivations fail to align with those of the principal, leading the agent to prioritize his own interests over the principal's. The agency problem mostly occurs where the owners of the company are different from the managers ([Jensen & Meckling, 1976](#)).

The Board of Directors is a great corporate governance mechanism that influences a company's ability to create value. An independent Board enhances oversight and reduces the likelihood of financial mismanagement ([Shleifer & Vishny, 1997](#)). However, debates persist regarding the size of Board, with some studies arguing that larger Board enhance expertise, while others claim that smaller boards improve efficiency ([Yermack, 1996](#); [Al-Said, 2021](#)). Board gender diversity is another critical aspect, since diverse boards are believed to bring varied perspectives and improve decision-making ([Carter, Simkins, & Simpson, 2003](#)). However, some studies find that gender diversity has no significant impact on financial performance ([Ehugbo, 2021](#)). Similarly, Board independence and the presence of non-executive directors play a crucial role in aligning management interests with those of shareholders by preventing managerial misconduct ([Cadbury, 1992](#); [Jungmann, 2006](#)).

Cameroon faces significant challenges in corporate governance, with only 30% of board members receiving formal governance training ([World Bank, 2018](#)). The problems in prominent institutions like SONARA, BICEC Bank, and CAMAIRCO have highlighted governance inefficiencies, raising concerns about the effective-

ness of Board oversight in PLCs in Cameroon. Despite the importance of good corporate governance, research on board characteristics and shareholder value creation in Cameroon remains limited. Most studies focus on financial performance rather than shareholder value (Chenwi, 2021; Wokwen et al., 2023). This study aims to bridge this gap by investigating the impact of board characteristics on value creation within Public Limited Companies (PLCs) in Cameroon.

## 2. Literature Review

### 2.1. Theoretical Literature Review

The Agency theory, introduced by Jensen and Meckling (1976), explains the conflict of interests between shareholders (principals) and managers (agents). Managers may prioritize personal gains over shareholder interests, highlighting the need for strong corporate governance mechanisms (Brennan, 2006). According to Alchian and Harold (2011), profitability strengthens the collaboration between top executives and shareholders. Agency theory is a primary framework for understanding managerial behaviour, emphasizing the importance of aligning top management's interests with those of shareholders.

Top management has the fiduciary duty to prioritize shareholder interests and safeguard stakeholder interests. Effective management should leverage the firm's size to enhance profitability (Shankmann, 2009). Shareholders are expected to grant top management resources and authority, and they are expected to act in the best interests of the company and be accountable. Although the agency theory plays a crucial role in corporate governance, it is not without criticism. It presupposes that rational individuals are inherently selfish and behave as such in order to boost their self-esteem. Consequently, this perspective disregards the existence of belief systems and moral ambiguity, which hinder the development of frameworks for practical ethics (Jermias & Gani, 2014).

The Resource Dependency Theory (RDT) of Pfeffer and Salancik (1978) is also considered in this study. It requires that Board contribute valuable resources in the form of knowledge, expertise, and skills, as well as relationships with key clients and suppliers (Muchemwa et al., 2016). The RDT suggests that board of directors can be leveraged to establish connections with the external environment, helping organizations address knowledge gaps in pursuit of their goals. This implies that an effective Board comprises individuals with diverse relationships outside the organization, including executives, maintenance specialists, and public figures who can enhance the company's reputation and facilitate access to essential resources (Muchemwa et al., 2016). Ultimately, RDT emphasizes how independent firms should choose representatives who can acquire crucial resources for firm. All this notwithstanding, the RDT also has limitations. According to Hillman et al. (2009), the theory focuses on external resources and could overlook internal capabilities that can also drive organizational success. Davis and Cobb (2010) criticised RDT's static view of resources, suggesting that it fails to account for how organizations can develop resources internally. Pfeffer and Salancik (1978) note that while RDT

offers valuable insights on external relationships, it may not explain behaviour within organizations as it largely ignores individual motivations and internal dynamics.

The third theory that supports this study is the Signalling theory. It examines situations where there is an imbalance of information between two parties (the sender and the receiver). One party chooses what information (or signals) to share with the other in order to influence their perceptions or decisions. The sender decides how the signal is communicated to the receiver, and the receiver decides what to deduce from it. According to [Akerlof \(1970\)](#), it is built on two key concepts: the Lemons problem and signalling mechanisms. The lemons problem suggests that low-quality firms drive out high-quality firms due to information asymmetry, while signalling mechanisms enable firms to convey quality through dividends, stock repurchases, CEO compensation, or other signals. The importance of signalling theory in shareholder value creation lies in its ability to reduce information asymmetry, enhance firm reputation, and increase investor confidence. By sending credible signals, firms can mitigate perceived risk and attract investors. However, criticisms of the theory include signal manipulation, where Firms may manipulate signals to deceive investors ([Spence, 1973](#)). In addition to that, too many signals can confuse investors ([Bhattacharya, 1979](#)), and contextual dependence, whereby Signals' effectiveness depends on market conditions ([Fishman, 1989](#)). Despite these limitations, signalling theory remains relevant in modern finance. Recent applications include executive compensation signalling ([Conyon & He, 2017](#)), Environmental, Social, Governance (ESG) signalling ([Dixon-Fowler et al., 2019](#)), and dividend signalling in emerging markets ([Al-Hadi et al., 2020](#)).

## 2.2. Empirical Literature Review

### 2.2.1. Board Size and Shareholder Value Creation

From the literature, there are controversial results when Board size is linked to value creation. [Awad et al. \(2023\)](#) investigated the effect of Board size on firm value in emerging markets, particularly in the Gulf Cooperation Council (GCC) region in the Middle East. Their findings suggest that a larger Board size positively impacts firm value, as it allows for better strategic decision-making and diverse perspectives. [Halidu et al. \(2024\)](#) posited that shareholders of listed industrial goods companies in Nigeria should maintain large Board size in order to enhance the financial reporting quality. Similarly, [Kazan \(2022\)](#) found a positive correlation between Board size and Return on Assets (ROAs) for German firms. He postulated that larger Board size contributes to the enhancement of firm financial performance. [Abiad et al. \(2025\)](#), who investigated the impact of corporate governance characteristics on bank financial performance in the Gulf Cooperation Council countries, found that board size significantly improves return on assets and return on investments of these banks.

In contrast, [Wokwen et al. \(2023\)](#) found that board size had a negative but insignificant effect on financial performance in Microfinance Institutions (MFIs) in

Cameroon. [Chenwi \(2021\)](#) also reported a negative effect of board size on shareholder value in MFIs, emphasizing that an excessively large board may lead to inefficiencies and slow decision-making. [Gatehi and Nasieku \(2022\)](#) determined the effect of board characteristics on the financial performance of non-financial firms listed at the Nigerian stock exchange and the results indicated that Board size had a statistically insignificant effect on financial performance. [Mwongera \(2022\)](#) and [Kamenjarska and Ivanovski \(2020\)](#), equally supported this view by holding that Board size, especially larger Board negatively impacted financial performance and emphasized the need for an optimal Board size suiting the company's requirement. These findings stirred us to our first hypothesis:

*H<sub>1</sub>: Board size has a positive effect on shareholder value creation within PLCs in Cameroon.*

### 2.2.2. Board Independence and Value Creation

The connection between Board independence and value creation has been investigated in various studies. [Sareminia et al. \(2023\)](#) find that Board independence positively influences financial performance in Tehran Stock Exchange companies. They argued that independent Board improves corporate governance and accountability, leading to better financial outcomes. [Chenwi \(2021\)](#) also reports that Board independence has a positive effect on shareholder value in MFIs, suggesting that independent Board plays a crucial role in enhancing oversight and reducing conflicts of interest. Similarly, [Ehugbo \(2021\)](#), [Osiga and Kimutia \(2023\)](#), [Johl et al. \(2015\)](#), [Nchende \(2016\)](#), and [Mwongera \(2022\)](#) posit that Board independence has a significant effect on value creation and firm performance and recommend that more independent Board be put in place to ensure transparency, impartiality and representation of shareholder interests.

However, [Kazan \(2022\)](#) finds a negative correlation between Board independence and Return on Equity (ROE) for German firms. He holds the view that excessive independence might limit the board's ability to make cohesive strategic decisions. Additionally, other studies, including [Marouan and Moez \(2015\)](#) and [Gatehi and Nasieku \(2022\)](#), argue that while Board independence improves monitoring, it does not necessarily translate into better financial performance if the independent Board lacks industry-specific expertise. These findings indicate that while independent Board brings objectivity and oversight, it may lack industry-specific expertise, which can limit its ability to provide informed guidance and strategic direction. This debate drives us to the second hypothesis:

*H<sub>2</sub>: There is a positive effect of Board independence on shareholder value creation within PLCs in Cameroon.*

### 2.2.3. Board Gender Diversity and Value Creation

Research has explored the relationship between Gender Diversity and Value Creation. [Awad et al. \(2023\)](#) found that gender diversity positively impacts firm value in Gulf Cooperation Council-listed companies. The study suggested that increasing the presence of women on Board enhances profitability and decision-

making quality. According to [Akinwole and Ajide \(2019\)](#), there is a significant positive impact of board gender diversity on financial performance in Nigerian microfinance banks, highlighting the benefits of diverse perspectives in governance.

On the other hand, [Kazan \(2022\)](#) reported that gender diversity had no impact on accounting-based performance. In Germany, research has shown a significant negative impact regarding Tobin's Q. This suggests that while gender diversity may enhance governance, its financial impact is context-dependent. Similarly, [Chenwi \(2021\)](#) found that board gender diversity had no significant effect on shareholder value in MFIs, arguing that competence takes precedence over gender diversity. These findings highlight that while gender diversity can enhance governance quality, its direct impact on financial performance is not always guaranteed. Based on the different propositions related to gender diversity and value creation, we state the third hypothesis as follows:

*H<sub>3</sub>: Gender diversity has a positive effect on shareholder value creation in PLCs in Cameroon.*

#### **2.2.4. Board Expertise and Shareholder Value Creation**

Board expertise is defined as the skills of individual members of the board acquired through training or long experience ([Dass et al., 2014](#)). Board expertise has recently become one of the characteristics of the Board, which researchers have found great interest in investigating its effect on aspects of firm performance, profitability, and even shareholder value creation. In a study carried out by [Osiga and Kimutia \(2023\)](#) on the impact of board characteristics on shareholder value creation in listed Insurance companies on the Nairobi Securities Exchange, Board expertise singled itself to have the most significant impact on shareholder value creation. The study then recommended the prioritization of the Board expertise to boost shareholder value creation.

Also, [Suleiman and Muhammad Nasir \(2021\)](#) examined the effect of board magnitude and Board expertise on shareholder value creation in listed non-financial firms in Nigeria. The results disclosed that Board expertise significantly affects the shareholder value and commended the increase in the number of directors with accounting literacy on the Board in order to maximize shareholder value. Similarly, [Gambo et al. \(2019\)](#) examined the effect of Board independence, Board expertise, and foreign board members on the financial performance of listed insurance firms in Nigeria. The regression analysis revealed that Board expertise and foreign Board members have significant effects on the financial performance or Return on Asset (ROA). Contrary to these authors, [Kutum \(2015\)](#), after investigating the effect of board characteristics on firm performance in Palestine, posited that Board expertise has a negative effect on firm performance. Based on the above disclosures, we come up with the fourth hypothesis.

*H<sub>4</sub>: Board expertise has a positive effect on shareholder value creation in PLCs in Cameroon.*

### 3. Methodology of the Study

#### 3.1. Population and Sample Size

The study focuses on Public Limited Companies (PLCs) in Cameroon. Using a clustered and convenience sampling technique, 88 questionnaires were administered to the Managers and CFOs of PLCs operating in the North-West, Center, and Littoral regions of Cameroon. Out of these, 60 questionnaires were returned fully filled, resulting in a response rate of 68.18%. These three regions were selected because, according to [National Institute of Statistics \(2016\)](#), they account for 71.1% of companies in Cameroon.

#### 3.2. Model Specification

This research has one dependent variable (shareholder value creation) and four independent variables (or Board characteristics), namely: Board size, Board independence, Gender diversity and Board expertise. However, Board meetings and CEO duality were used as control variables. The relationship between Board characteristics and shareholder value creation was tested by the following model:

$$SVC = \beta_0 + \beta_1 BS + \beta_2 BI + \beta_3 GD + \beta_4 BE + \beta_5 BM + \beta_6 CD + \varepsilon$$

where:

SVC = Shareholder Value Creation; BS = Board Size; BI = Board Independence; GD = Gender Diversity; BE = Board Expertise; BM = Board Meetings; CD = CEO Duality;  $\beta_0$  = constant term;  $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$  = Parameters of the study; and  $\varepsilon$  = Error term.

#### 3.3. Measurement of Variables

The dependent variable in this study is SVC measured using a Likert scale with 5 points. This variable was measured using 8 items from which a synthetic index was built. The items showed reliability with a Cronbach's Alpha of 0.782. Following the Principal Component Analysis (PCA) as indicated by [Correia et al. \(2009\)](#) and [Djoutsa, Tchamyoun, and Asongu \(2018\)](#), we identified one key factor explaining the shareholder value creation at 70.09 %. The KMO value was 0.692 and Bartlett's test confirmed the data's suitability for PCA (significant at 1%). As far as independent variables are concerned, the BS is measured as an ordinal variable by taking the value 1 for less than 5 members, 2 for 6 - 10, 3 for 11 - 15 and 4 for 16 and above ([Chenwi, 2021](#); [Kazan \(2022\)](#)). Board independence, being a dichotomous variable, was measured by taking the value 1 if there are non-executive Board and 0 if otherwise ([Martinez & Alvarez, 2019](#); [Vitolla et al., 2019](#)). Gender diversity is a binary variable measured based on [Chenwi \(2021\)](#) by taking the value 1 if there are females in the Board and 0 if otherwise. Board expertise, which is equally a dichotomous variable, was measured by taking the value 1 if there are directors in the board specialized in the field of accounting, finance and auditing, and 0 if otherwise ([Aidoo et al., 2024](#)). CEO duality is equally a binary variable measured following [Zhang, Li, and Liu \(2018\)](#) and [Thakolwiroj and Juthamon \(2021\)](#) where the value 1 is taken if

the CEO doubles as chair of the Board and 0 if otherwise. Lastly, Board meeting is equally an ordinal variable measured as per [Thakolwiroj and Juthamon \(2021\)](#) by taking the value 1 if the company has only 1 meeting per year, 2 for 2 meetings, 3 for 3 meetings and 4 for 4 meetings and 5 for above 4. The control variable for this study is CEO duality. Being a binary variable, it is measured following [Zhang, Li, and Liu \(2018\)](#) and [Thakolwiroj and Juthamon \(2021\)](#) where the value 1 is taken if the CEO doubles as chair of the Board and 0 if otherwise.

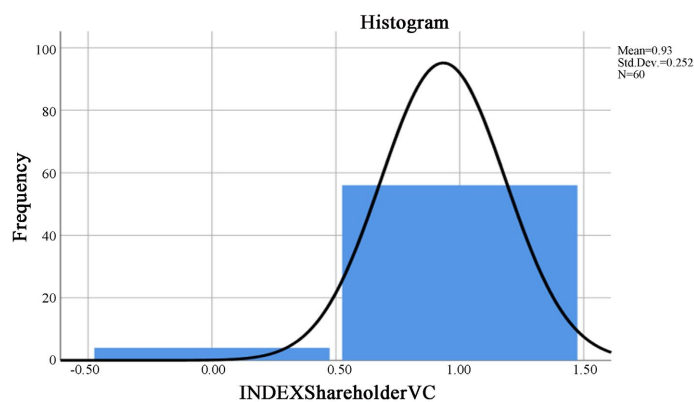
#### 4. Presentation and Discussion of Results

**Table 1.** Results of descriptive statistics.

	N	Min	Max	Mean	Std. Deviation
SVC	60	0.00	1.00	0.9333	0.25155
BS	60	1	4	2.48	0.948
BI	60	0	1	0.73	0.446
GD	60	0	1	0.87	0.343
BE	60	0	1	0.88	0.324
CD	60	0	1	0.77	0.427
BM	60	1	5	3.10	1.145
Valid N (listwise)	60				

Source: Authors.

From [Table 1](#), the mean of 0.9333 indicates that on the average the sampled PLCs have a relatively high Shareholder Value Creation (SVC), with moderate variation across firms. Regarding Board Size (BS), the average is around 2 members, with some variation across firms indicated by a mean of 2.48. For Board Independence (BI), on average, 0.73 of Board of the sampled PLCs had independent directors. Also, the average representation of women on boards is 0.87, indicating that 87% of the sampled PLCs had at least one woman in their board. For CEO duality, 0.77 of the sampled PLCs had an individual who served as CEO and is equally chair of board. Lastly, most PLCs sampled held approximately 3 Board meetings per year.



Source: SPSS 25.

**Figure 1.** Behaviour of PLCs in relation to shareholder value creation.

**Figure 1** highlights a statistical distribution concentrated at the right. According to a scientific approach, the probability that a company, taken at random from this sample, creates sufficient value for shareholders is 93%.

#### 4.1. Results of Inferential Statistics

**Table 2.** Correlation results.

Variables	SVC	BS	BI	GD	BE	BM	CD
SVC	1						
BS	0.137	1					
BI	0.443**	-0.091	1				
GD	0.288*	0.045	0.207	1			
BE	-0.097	-0.200	0.133	0.010	1		
BM	-0.094	0.064	0.020	0.121	0.215	1	
CD	0.011	-0.345**	0.113	-0.100	-0.078	0.049	1

Source: Authors. \*\*Correlation is significant at the 0.01 level (2-tailed). \*Correlation is significant at the 0.05 level (2-tailed).

From **Table 2**, we find that there are significant and positive or negative correlations at the 5% and 1% threshold between the different variables. Some of these correlations are significant and others are not significant. There is no problem of multi-collinearity between the variables since the correlation coefficients are relatively less than 0.8.

#### 4.2. Results of Ordinal Least Squares

From **Table 3**,  $R = 0.562$  is the correlation coefficient indicating a moderate positive relationship between BS, BI, GD, BE, BM, CD and SHVC. Also, the R-squared of 0.316 indicates that about 31.6% of the variation in shareholder value is explained by the independent variable.

**Table 3.** The model summary.

Model	R	R-squared	Adjusted R-squared	Std. Error of the Estimate	Durbin-Watson
1	0.562	0.316	0.159	0.23065	2.063

Source: Authors using SPSS 20.

**Table 4.** ANOVA results.

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1.180	11	0.107	2.016	0.047
1 Residual	2.554	48	0.053		
Total	3.734	59			

Source: Authors.

**Table 4** provides the results of an ANOVA test including: F-statistic (which measures the ratio of variance between groups to variance with groups) and the degrees of freedom (df). Since the p-value is 0.047, this indicates that the model is statistically significant at 5% and that at least one of the predictors (Board independence) is significantly related to shareholder value.

**Table 5.** Model parameters.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.646	0.208		3.098	0.003
<b>Board Size</b>					
less than 5	-0.072	0.128	-0.115	-0.564	0.575
5 - 10	-0.124	0.101	-0.234	-1.231	0.224
11 - 15	-0.018	0.112	-0.037	-0.165	0.870
<b>Board independence</b>	0.245	0.072	0.435	3.394	0.001
<b>Board gender</b>	0.166	0.102	0.226	1.629	0.078
<b>Board expertise</b>	-0.083	0.102	-0.107	-0.812	0.421
<b>Board Meetings</b>					
1 Meeting	0.125	0.131	0.151	0.958	0.343
2 Meetings	0.087	0.126	0.135	0.690	0.493
3 Meetings	0.085	0.102	0.165	0.830	0.411
4 Meetings	0.097	0.115	0.155	0.840	0.405
<b>CEO duality</b>	0.013	0.090	0.023	0.149	0.882

Source: Authors using SPSS 25.

From **Table 5**, the constant is positive and significant at 1% indicating that when all independent variables are held at zero, the predicted level of shareholder value creation remains positive. Board size, irrespective to its various sizes (less than 5 members, 5 - 10 members and 11 - 15 members) has an insignificant effect on shareholder value creation. This implies that creating sufficient value for shareholders does not depend on the size of the board. We therefore reject the hypothesis that “*There is a positive effect of Board size on shareholder value creation in PLCs in Cameroon*”. Also, Board independence has a positive and significant effect on shareholder value creation at 1% level of significance. This indicated that the presence of independent Board enhances shareholder value creation. We therefore accept the second hypothesis, which stated that “there is a positive effect of board independence on shareholder value creation in PLCs”.

Board gender diversity has a positive and significant effect on shareholder value creation at 10%. This indicates that the presence of women in the board increases shareholder value creation. We then accept the third hypothesis, which states that

“There is a positive effect of gender diversity on shareholder value creation in PLCs”.

The results also indicate that Board expertise has a negative and insignificant effect on shareholder value creation. This implies that the presence of members who are specialized in accounting, finance and even auditing does not necessarily lead to shareholder value creation. The fourth hypothesis, which stated that “there is a positive effect of board expertise on shareholder value creation in PLCs” is rejected.

Looking at the control variables, the results show that board meeting (irrespective of the number of meetings) and CEO duality all have positive and insignificant effect on shareholder value creation. This indicates that board meeting and CEO duality do not lead to an improvement of shareholder value creation.

### 4.3. Discussion of Results

The study examined the effect of board characteristics on shareholder value creation in PLCs in Cameroon. It tested several hypotheses relating to Board size, Board independence, Board gender diversity, and Board expertise to determine their effects on shareholder value creation.

As per the findings, Board size disclosed an insignificant effect on shareholder value creation. This means that the number of directors in the board does not affect the shareholder value creation. This is probably because the members may not have the necessary skills needed to make the board efficient. Also, according to the agency theory, larger boards require greater monitoring cost, which will negatively affect profit generated by the company and as such shareholder value. This result is in line with that of [Chenwi \(2021\)](#), [Wokwen et al. \(2023\)](#), [Mwongera \(2022\)](#), [Gatehi and Nasieku \(2022\)](#), and [Kamenjarska and Ivanovski \(2020\)](#), who found an insignificant effect of board size on a firm’s performance. It, however, contradicts that of [Awad et al. \(2023\)](#), [Halidu et al. \(2024\)](#), [Kazan \(2022\)](#), and [Abiad et al. \(2025\)](#), who argued that a larger board size contributes positively and significantly to shareholder value creation.

The results also show that Board independence has a positive and significant effect on shareholder value creation. This indicates that the presence of non-executive Board enhances the value creation for shareholders. With their various skills, independent directors can successfully control and ensure reliable reporting in the course of their duties. This is in conformity with the agency theory, which holds that increasing the number of independent directors will mean greater pressure on and more supervision of managers, thus reducing their ability of the managers to engage in fraudulent activities, hence improving shareholder value. Conversely, it contradicts the stewardship theory, which is against monitoring and supervision, holding that managers should be trusted. This results tie with that of [Chenwi \(2021\)](#), [Nchendeh \(2016\)](#), [Mwongera \(2022\)](#), [Ehugbo \(2021\)](#), [Osiga and Kimutia \(2023\)](#), [Johl et al. \(2015\)](#), and [Sareminia et al. \(2023\)](#). This result is equally opposed by [Kazan \(2022\)](#), [Marouan and Moez \(2015\)](#) and [Gatehi and Nasieku \(2022\)](#), who

argued that while board independence improves monitoring, it does not necessarily translate into better financial performance if independent directors lack industry-specific expertise.

Board gender diversity revealed a positive and significant effect on shareholder value creation. Overall, it is widely accepted that having female directors brings unique insights and perspectives that can positively impact firm performance (Ben-nouri et al., 2018; Terjesen et al., (2016). According to Martinez and Alvarez (2019), women are able to have a better impact in decision-making when there is more than one woman on the board, as their voices become stronger. The Resource Dependency Theory (RDT) considers that a diversified Board supports more connections with the external environment that can lead to increased access to resources. Consequently, female directors can contribute to the resources of the firm through their connections and relationships. This result is in line with that of Awad et al. (2023) and Akinwole and Ajide (2019), who argued that the presence of more females in the board promotes openness in governance and may induce a positive perception of fair representation, beneficial to the shareholders. This result is in contradiction with those of Chenwi (2021) and Kazan (2022)).

Board expertise discloses a positive and insignificant effect on shareholder value creation. The failure could be attributed to overemphasis on technical expertise at the expense of essential skills like industry knowledge and strategic vision. Secondly, where such experts have conflict of interests or are biased implying, they are not independent, shareholder value will not be enhanced. This result is in line with Kutum (2015), who investigated the effect of board characteristics on firm performance in Palestine and found board expertise to have an insignificant effect on firm performance. However, this result opposes the RDT, which emphasizes the significance of board expertise in building bridges to critical resources. Also, this result is in contradiction with those of Osga and Kimutia (2023), Suleiman and Muhammad Nasir (2021), and Gambo et al. (2019), who nurse the view that a Board having directors in the fields of accounting, finance and auditing tends to improve shareholder value creation and overall firm performance.

For the control variables, board meeting (irrespective of the number of meetings) and CEO duality all have positive and insignificant effect on shareholder value creation. This indicates that board meeting and CEO duality do not lead to an improvement in shareholder value creation. The explanation could be that more Board meetings may not necessarily translate to efficient decision-making if there exists excessive focus on monitoring that distracts from strategic guidance. More meetings too could step up red tape and slow decision-making. On the other hand, CEO duality can lead to unchecked decision-making, lack of independent oversight, and even conflict of interest.

## 5. Conclusion and Policy Recommendations

According to World Bank (2018), Cameroon faces significant challenges in corporate governance, with only 30% of board members having formal governance train-

ing. In Cameroon, corporate failures such as witnessed in COFINEST, Dominion Finance, and Global Finance, SONARA, BICEC Bank, and CAMAIRCO have raised a lot of concerns about the effectiveness of Board oversight in PLCs in Cameroon. This study examines the impact of board characteristics on shareholder value creation in Public limited companies in Cameroon. The relationship between board characteristics and value creation was tested by conducting an OLS regression analysis using data from a sample of 60 public limited companies across three regions (Littoral, Center and North-West). Evidence through the OLS revealed that having non-executive directors and females in the board significantly enhances shareholder value creation. However, board size and board expertise did not exhibit a significant effect on shareholder value creation.

In light of these results, the following policy recommendations are proposed:

- 1) Board independence should be enforced in the PLCs in Cameroon in order to bring unbiased perspectives, reduce conflicts of interest, and improve oversight, which culminates in enhancing credibility, transparency, and accountability.
- 2) Women should be included in the board of directors so as to ensure diverse perspectives. However, the women must be knowledgeable and experienced to be able to contribute to innovative problem solving and rational decision-making.
- 3) Board size should be optimised to ensure it aligns with company needs and OHADA regulations.

Although this study didn't consider other characteristics like ownership structure, external market factors, and company-specific financial variables, the results remain valid and the findings contribute to the existing literature on value creation in Public Limited Companies in Cameroon, providing valuable insights.

## Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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