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The Board Structure and Dynamics' Implications on Management Performance in Sub-Saharan Africa

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Abstract

This work critically examined board structure and underlying dynamics, and their implications for management performance, with a precise emphasis on selected deposit money banks in the Nigerian Exchange Group (NEG). The study discussed chronic governance issues in emerging economies, including poor management, excessive executive power, concentrated ownership, and weak accountability systems. The study focused specifically on the impact of boardroom relationships and board characteristics on management performance in Nigeria's banking sector. The research used a quantitative approach within a positivist paradigm and an explanatory research design. Selected deposit money banks' audited annual reports and governance disclosure data were also used as secondary data, which spanned from the year 2018 to 2025. Descriptive statistics, correlation analysis, and fixed-effects panel regression were used for data analysis. The results indicate that board size, board independence, gender diversity, and number of meetings had a positive and significant impact on management performance. In contrast, ownership concentration and leadership dominance had a negative impact on managerial effectiveness. The study found that the effectiveness of governance is not merely about the formal organisational structure of boards, but also about the internal dynamics of how members interact and how power is distributed within the boardroom. The study thus made recommendations for enhanced governance reforms, specifically focused on board independence, diversity, even distribution of leadership on the board, and the board's participation in decision-making. The study contributed to the literature on governance by combining structural and behavioral aspects into a single analytical framework.

Keywords: Corporate Governance, Board Structure, Boardroom Dynamics, Management Performance, Sub-Saharan Africa.

Introduction

The growing importance of corporate governance in management and organisational studies stems from its significant impact on institutional accountability, managerial effectiveness, sustainability, and the long-term competitiveness of organisations. The increased complexity of the business environment, the rising demands of regulators, and the repeated failures of companies in both developed and emerging markets have drawn greater attention from scholars and practitioners to governance structures and boardroom processes. The corporate scandals of Enron, Lehman Brothers, Parmalat, and WorldCom, among others, served as a catalyst for a new era in corporate governance, revealing the profound repercussions of inadequate board oversight, insufficient monitoring systems, executive opportunism, and a lack of mechanisms for strategic control. These company woes proved that it was not only financial instability that could cause a company to collapse, but also governance weaknesses related to the suboptimal design of boards and poor boardroom dynamics. Thus, corporate boards have become a main focus of current discussions around organisational efficiency and management performance. In the governance system, the board of directors is the supreme decision making and supervisory body responsible for protecting shareholder interests, overseeing management activities, providing strategic direction, and holding the institution accountable. Much of the research on the board focused on its structural aspects, including the number of directors, board independence, ownership concentration, gender diversity, CEO duality, and board leadership structure. Scholars believed these structural properties to affect the effectiveness of boards in monitoring and advising. In recent years, however, the governance literature has come to acknowledge that the effectiveness of a board cannot only be measured by structural variables, as internal relational processes, power dynamics, behavioral patterns, and decision-making quality within the boardroom also play a crucial role in shaping governance outcomes (Yakubu & Oumarou, 2023). Board structure refers to the formal structure and composition of the governing board, including leadership arrangements, diversity, independence ratio, ownership representation, and the number of directors. Theorists of governance have long argued that a proper board structure will positively impact managerial discipline, agency, strategic direction, and organisational performance. Agency theorists, in particular, suggested that the independence and diversity of boards of directors deter managerial opportunism by enhancing board oversight and accountability. From this point of view, a governance structure within an

organisation is designed to ensure that management actions align with the interests of shareholders and the organisation's objectives. This stance has been affirmed by a number of empirical studies in various jurisdictions that have shown board characteristics to be positively related to firm performance outcomes. Khan et al. (2021) determined that board composition was a key determinant of Malaysian companies' performance, as it improved strategic supervision and monitoring efficiency. On a similar note, Coleman and Wu (2021) reported that governance mechanisms boosted firm performance in Nigeria and Ghana. Although board structure is widely considered important, there is no clear consensus among governance scholars on the implications of board configurations for management performance. The literature presented one stream of argument that larger and more diversified boards were positively associated with effective management since they offered greater expertise, access to external resources, and strategic perspectives. According to Asare et al. (2023), both board diversity and governance systems positively affect financial performance and the institutional stability of African banking markets. Similarly, Onyekwere and Babangida (2022) found that board diversity had a positive effect on the performance of commercial banks in Nigeria, resulting from increased professional competencies and decision quality. These studies indicated that the more boards included diverse knowledge, skills, and perspectives to augment managerial oversight, the more effective they seemed. On the other hand, there was a strand of governance literature that questioned whether a larger or more diverse board led to better management outcomes. It was suggested that overly large boards could lead to coordination issues, inefficiency in communication, a lack of strategic cohesion, and bureaucratic delays in organisational decision-making. Apochi et al. (2022) argued that the effects of ownership structure and board configuration on firm performance were inconsistent, and that contextual institutional realities largely influenced the effectiveness of governance. Likewise, Aluoch et al. (2020) found mixed linkages between board structure and firm performance in Nairobi Securities Exchange–listed firms. Such opposing results suggested that governance structures may be insufficient to account for the differences in management performance between organisations.

In addition to structure, recent literature on governance has highlighted the importance of boards' hidden dynamics for the organisation's results. Boardroom dynamics are the behavioral, relational, and interactional processes within the board that impact strategic decisions, managerial oversight, and organisational control. These dynamics encompass leadership influence, communication styles, power dynamics, conflict resolution, trust development, participation rates, and deliberation quality. Governance scholars argued that even well-constructed boards could be ineffective if board relations were dominated, politically influenced, strongly unequal in information sharing, or weak in participation. Not only does a governance system require a specific composition, but it is also crucial how board members interact, deliberate, and exercise strategic judgment.

Partly because many organisations were still facing governance problems despite adhering to formal governance rules, the focus on boardroom dynamics also increased. This was a

significant issue, as it highlighted the limitations of structural governance reforms in resolving more fundamental governance issues of relations and behaviors. Yahaya (2024) noted that board independence moderated the impact of managerial influence and had a significant effect on the firm's performance. Likewise, Yakubu and Oumarou (2023) found that board composition and gender diversity influenced important organisational decisions regarding capital structure and strategic financial management. These results lent weight to the idea that governance outcomes are the product of a complex interplay between structural governance and internal boardroom processes. In emerging markets like Nigeria, the governance debate is especially significant, as the institutions within which organisations operate remain weak in regulation, subject to political interference, marked by ownership concentration, and lacking enforcement mechanisms. Despite various governance reforms aimed at enhancing the accountability and managerial oversight of these corporations, many still face governance inefficiencies, poor managerial performance, and strategic instability. Board capture, executive dominance, lack of transparency, inadequate monitoring systems, and impaired board independence have been common corporate governance issues in Nigeria. According to Ozili (2020), research on governance in Nigeria has found that structural and institutional weaknesses persist, affecting the company's accountability and performance in the country. The Nigerian banking sector faces one of the most challenging governance environments in the country due to its critical systemic role in the economy, regulatory sensitivity, and a history of governance challenges.

PROBLEM STATEMENT

There have been several banking failures and financial scandals in Nigeria attributed to deficiencies in board expectations, an overdominant executive, poor risk governance, and inadequate management oversight. Accordingly, governance issues in the banking system have received much interest from regulators, scholars, and policymakers who aim to improve institutional stability and managerial accountability. Okoye et al. (2020) found that governance mechanisms influenced commercial banks' financial performance, as these mechanisms performed monitoring and strategic oversight. In the same vein, Bala (2025) stated that a good governance framework facilitated the performance of the banking sector in emerging economic contexts by fostering accountability in management and discipline in operations. While there is already a significant body of empirical research on governance, important conceptual and empirical gaps remain to be resolved. Second, much of past research has been confined to financial measures of performance, with comparatively faint interest in the concept of managerial performance as a whole, that is, as the overall performance of the organisation, in terms of management effectiveness, the execution of the strategy, the efficiency of operations, and the responsiveness of the institution. This focus was somewhat narrow, as it did not provide much insight into how governance structures actually affect management's functioning within organisations. Second, much of the literature to date has been limited in that it has considered the board's structural aspects in isolation from the

dynamics that make governance mechanisms work in practice. Thus, research on governance lacked the connection between formal board structures and behavioral governance processes. Third, evidence from Nigeria remained scattered across sectoral and governance dimensions, providing an inadequate integrative understanding of the relationship among board structure, boardroom dynamics, and management performance. The gaps identified above were addressed in this study through a critical analysis of the implications of board structure and dynamics for management performance in the selected deposit money banks listed on the Nigerian Exchange Group. The banking industry was the right empirical field to choose for this reason: it has robust governance regulations, is economically relevant, and has long faced governance-related managerial issues in practice. This study differed from previous research, which focused mainly on financial results, by examining management performance in the context of governance, including both structural and behavioral aspects of board effectiveness. The main purpose of this study was to critically examine the roles of board structure and boardroom dynamics in influencing management performance in corporate institutions in Sub-Saharan Africa. In particular, the study examined the effect of board structural characteristics on managerial performance and the implications of board relationships for managerial effectiveness in selected Nigerian Deposit Money Banks.

To achieve this goal, the study addressed the following research questions:

i. How do board structural characteristics influence management performance in selected Nigerian deposit money banks?
ii. To what extent do underlying boardroom dynamics affect management performance within Nigerian corporate governance institutions?

The following objectives guided the study:

a. To examine the effect of board structural characteristics on management performance in selected Nigerian deposit money banks.
b. To evaluate the implications of underlying boardroom dynamics on management performance within the Nigerian banking sector.

LITERATURE REVIEW

Conceptual Review

Corporate Governance and Board Structure

Corporate governance is the system or structure that guides, monitors, and regulates the organisation, with the aim of providing accountability, transparency, efficiency, and safeguarding the interests of various stakeholders. Governance mechanisms establish the connections between shareholders, management, boards of directors, regulators, and other stakeholders of the organisation. In this context, the board of directors plays a pivotal role as the key supervisory body for strategic oversight, management monitoring, policymaking, and organisational accountability. Thus, it is a consistent fact that the functioning of the organisations and their management effectiveness are very much dependent on the quality and functioning of their board structure. Board structure is the formal organisation and composition of the board of directors, such as board size, board independence, representation

by ownership, gender diversity, board leadership, and director expertise. These structural dimensions were posited to affect the board's ability to monitor management effectively, mitigate agency problems, and make sound decisions that increase the likelihood of positive organisational outcomes. The dynamic relationship between board structure and organisational performance was presented by Khan et al. (2021), who argued that board structure affects managerial efficiency, strategic responsiveness, and accountability systems. They also showed that successful boards contributed to the performance of their organisations by providing 'managerial discipline and institutional oversight'. The conventional wisdom in the governance literature held that greater size would provide boards with more expertise, a more varied range of professional knowledge, and greater access to resources that could enhance organisational management. Of particular interest to the resource dependency theorists is the fact that directors offer organisations important external ties, professional networks, and strategic resources that are vital to organisational survival and competitiveness. In this sense, varied boards were valuable for their ability to secure better management advice and to open up institutional perspectives. Board structures have been found to positively affect the financial performance and stability of African banking markets, according to Asare et al. (2023). Likewise, Coleman and Wu (2021) found that governance mechanisms positively affected company performance in Nigeria and Ghana. The link between board structure and management performance, however, was a subject of contention. Critics also pointed out that large boards often created coordination, communication, participation, and bureaucratic problems that affected the organisation's effectiveness. Apochi et al. (2022) noted that the effects of ownership and board structures on organisational performance were inconclusive, as governance outcomes were contingent on internal organisational conditions and institutional realities. Similarly, Aluoch et al. (2020) found mixed results of the effect of board structure on the performance of Nairobi Securities Exchange listed companies. This ambivalent result prompted the idea that structural forms of governance may be inadequate to account for differences in management performance. Another significant aspect of governance talk was board independence. Independent directors are expected to enhance their oversight roles, minimizing management dominance and ensuring objectivity in strategic decision-making. Agency theorists proposed that independent boards mitigate conflicts of interest between managers and shareholders through effective monitoring mechanisms. In the same vein, Yahaya (2024) found that board independence was a significant moderator of the relationship between CEO tenure and firm performance, underscoring the importance of governance independence in managerial accountability systems. However, governance researchers did not agree that nominal independence automatically implies effective governance in an institutional context characterized by political connections, ownership concentration, and lax regulatory enforcement. Another key aspect of the board structure was the gender diversity and inclusiveness in governance systems. Diversity was becoming an accepted feature of good governance in contemporary governance discourse, as diverse boards tend to offer broader cognitive perspectives, stronger ethical perspectives, and better strategic

viewpoints. Yakubu and Oumarou (2023) posited that board composition and gender diversity had a significant impact on strategic financial decisions and organisational outcomes. In the same vein, Onyekwere and Babangida (2022) reported that board diversity had a positive impact on the performance of Nigerian commercial banks, attributable to better decision quality and a wider range of managerial competencies. These findings corroborated emerging academic studies indicating that diversity can enhance the effectiveness of governance by enhancing deliberation and minimizing groupthink tendencies.

Boardroom Dynamics and Management Performance

While governance research was once focused on structural board features, a growing body of research has highlighted the significance of boardroom dynamics in explaining managerial performance. Boardroom dynamics are the behavioral, relational, and interactional patterns that occur in the boardroom and affect the quality of decision-making, strategic oversight, conflict management, participation, and organisational control. The effectiveness of governance, therefore, depends on the nature of interactions and relationships between board members and executives, as well as on the board's composition. Boardroom dynamics encompass leadership influence, communication patterns, trust relationships, power distribution, mutual participation, conflict resolution mechanisms, and the quality of deliberation. Even when the formal governance framework seems sufficient, boardroom dynamics often cancel each other out, resulting in poorer organisational performance, according to governance scholars. Executive-dominated boards, boards where there is political interference, information asymmetry, or passive participation, tend to provide poor oversight. Thus, governance was increasingly recognized as a process of behavior, not just a form of governance. The increasing significance of boardroom dynamics was partly due to the fact that many organisations continued to suffer governance failures despite having internationally recognized governance codes and governance reforms in their structures. The fact that the trend was unfolding meant that governance issues were not only structural but also in the relationships and behaviors of boardrooms. Itopa et al. (2022) revealed a significant relationship between board characteristics and earnings management practices in Nigerian listed companies, indicating that the outcomes of good governance hinge on the quality of internal board interactions and monitoring. In a parallel study, Ehikioya et al. (2021) found that corporate boards played a significant role in shaping the capital structure dynamics of companies in Nigeria, indicating that boardroom relationships and decision-making processes influenced the organisation's strategic outcomes. The results supported the notion that governance models need to be analyzed not only in terms of structure but also in terms of how effectively boards operate. The governance literature also highlighted the importance of power dynamics in boardrooms for managerial accountability and organisational outcomes. Board independence and effective managerial oversight are often undermined by CEO dominance, concentrated ownership influence, and politically connected directors. Elite networks, family ownership structures, and political affiliations that affect the neutrality of governance are

common on many boards in many emerging economies. This kind of dynamic produces a governance environment in which boards are symbolic and, therefore, lack the substance to be influential in managing performance effectively. In the Nigerian context, governance scholars have repeatedly identified governance weaknesses, including ineffective boardroom interactions, a weak culture of participation, poor transparency, and compromised oversight systems. According to Ozili (2020), governance studies in Nigeria have shown that governance, institutional, and structural constraints still hamper corporate accountability and firm efficiency in the country. Likewise, Bala (2025) noted that the effectiveness of governance in Nigerian banks was largely dependent on the board of directors' internal oversight and managerial accountability mechanisms.

Management Performance

Management performance is a measure of how well the organisation's management fulfills strategic goals, the institution's efficiency, accountability, and sustainable organisational development. Management performance is a more comprehensive measure of managerial performance than narrow financial measures, as it incorporates aspects such as the capacity to implement strategy, operational responsiveness, governance compliance, decision-making quality, innovation capacity, and stakeholder management. As a result, governance researchers concluded that management performance should not be based solely on profitability, as organizational sustainability largely depends on management's efficiency, discipline, and ability to adapt to change. Effective management performance is thus an indication of how well organisational leaders use resources, maintain accountability mechanisms, establish and achieve organisational objectives, and respond to the environment. The importance of corporate boards to management performance is evident, as they set a firm's strategic direction, oversee executives' actions, authorise organisational policies, and assess management's results. Governance structures affect management performance by shaping managerial discipline, accountability pressure, and strategic oversight and institutional control mechanisms within organizations. This means that governance structures can be ineffective, leading to an environment of managerial opportunism, low accountability, and poor strategic coordination. The latest literature on governance has begun to show that the internal dynamics of a boardroom, coupled with structural governance arrangements, affect management performance. While structural attributes of governance can create formal accountability, the effectiveness of enterprise management inevitably hinges on how boards exercise their powers, how they monitor management, and whether they are involved in strategic decision-making. This is an interactional perspective that marked a breakthrough from the traditional governance model in which the structure of a board was the only factor taken into account in explaining the performance of an organisation.

Theoretical Review

Agency Theory

Agency Theory continued to be one of the leading theoretical frameworks in corporate governance research. Jensen and Meckling first formulated the theory explaining the relationship between the principal and the agent in an organisation. The theory assumes that shareholders grant decision-making power to managers, who are agents charged with making decisions about the organisation's resource use on behalf of the owners. But often, conflict arises when managers pursue their own agendas that don't align with those of their shareholders. Agency theory researchers have argued that agency conflicts and managerial opportunism can be minimized through governance mechanisms such as board independence, ownership monitoring, and strategic oversight. Hence, the board of directors serves as a mechanism for monitoring management and ensuring it acts in the company's shareholders' interests. From this prism, good board regimes instill managerial discipline, accountability, and improved organisational performance. The applicability of Agency Theory in this study is evident in its explanation of how it relates to governance structures, monitoring, and control mechanisms for management performance. Independent and diverse boards should help to prevent "managerial opportunism," provide better strategic oversight, and make organisations more efficient. The results of several studies, including Khan et al. (2021), Coleman and Wu (2021), and Okoye et al. (2020), have confirmed this view, showing a positive correlation between governance mechanisms and organisational performance. But critics claimed that Agency Theory overemphasized the control mechanisms and ignored the relational and behavioral aspects of governance. The theory assumed that the effectiveness of governance was mainly attributable to the structural monitoring set-up. However, growing empirical evidence indicated that board dynamics had an important impact on governance outcomes. Thus, Agency Theory failed to fully account for the multifaceted relationship between governance and managerial performance.

Resource Dependency Theory

Resource Dependency Theory offered another valuable insight into the board's effectiveness and management's performance. The theory posited that organisations rely on external resources for survival and competitiveness, and that boards play important roles in obtaining these resources through networks, expertise, legitimacy, and institutional relationships. This view sees diversity and strategic linkages as the key to bringing boards the information, external relationships, and professional competencies that enhance organisational performance. Large and diverse boards are seen as good, therefore, as they increase resource capability and strategic flexibility within the organisation. This was supported by Asare et al. (2023) and Yakubu and Oumarou (2023), who demonstrated the positive effects of board diversity on strategic decision-making and organisational outcomes. The relevance of Resource Dependency Theory in this study is that the effectiveness of governance is not just about monitoring, but also strategic advisory and resource acquisition. Thus, boards can affect

management performance not only through control devices but also by contributing strategic resources, legitimate institutions, and managerial support. However, critics argued that Resource Dependency Theory overlooked intra-organisational power dynamics, governance conflicts, and boardroom dynamics. The theory tended to be more externally oriented and limited in its consideration of the behavioral aspects that impact the effectiveness of governance in boardrooms.

Empirical Review

Evidence on the link between board structure and organisational performance has been mixed and, at times, contradictory, depending on the institutional context studied. Khan et al. (2021) examined the link between board structure and firm performance in the context of Malaysian companies, revealing a significant impact of board structure on organisational outcomes, including strategic oversight and accountability mechanisms. The study stressed that independence of the board and quality of governance had a positive impact on the competitiveness of the organisation and managerial efficiency. In the African context, Asare et al. (2023) studied the relationship between board structures and bank financial performance in African banking markets, finding a positive relationship between governance mechanisms and organisational stability. In line with this, Coleman and Wu (2021) found that governance mechanisms positively affected corporate performance in Nigeria and Ghana. The studies bolstered the argument that effective governance structures positively impact on organisational outcomes. A number of studies were conducted on governance structure in various sectors in Nigeria. Ehugbo (2021) concluded that the board characteristics had a significant impact on the performance of microfinance banks in Nigeria. Also, Adekunle et al. (2024) noted a positive impact of board characteristics on corporate performance for the Nigerian oil and gas companies. Similarly, Bala (2025) found that governance quality positively affected banking sector performance in Nigeria. Other studies, however, found inconsistent or mixed results. Apochi et al. (2022) suggested that ownership and board structures had different impacts on organisational performance, as the institutional environment played a major role in governance outcomes. Likewise, Aluoch et al. (2020) observed inconclusive evidence regarding the interaction between board structure and firm performance among listed companies in Kenya. Although there had been extensive empirical research, gaps remained to be addressed. Most research focused on financial performance, overlooking broader aspects of management performance. But many studies have lacked a connection to the behavioral drivers of board effectiveness. This meant there was a lack of effort to understand better how board structures intertwine with boardroom dynamics to shape management performance in emerging institutional contexts such as Nigeria. This study thus sought to address these gaps by combining two perspectives on governance: the structural and behavioral. It analyzed them in a single framework centered on management performance in the Nigerian banking sector (Salaudeen, 2026).

METHODOLOGY

This study employed a quantitative research method within the positivist research paradigm to critically assess the implications of board structure and prevailing boardroom dynamics for the management performance of selected deposit money banks on the Nigerian Exchange Group (NEG). The quantitative approach was deemed suitable because the study aimed to examine measurable relationships between governance and management performance variables using objective statistical procedures. The positivist orientation is also responsible for the empirical testing, numerical measurement, and statistical interpretation of phenomena related to governance in the Nigerian banking sector. An explanatory approach was used in the study because the main aim was to determine the causal relationships among board structural characteristics, boardroom dynamics, and management performance. The explanatory design was found to be appropriate, as it enabled analysis of governance variables and their predictability of managerial outcomes in corporate institutions. The design also enabled the study to produce statistically verifiable evidence explaining the variations in the management performance of the selected deposit money banks in Nigeria.

The study population comprised all Deposit Money Banks listed on the Nigerian Exchange Group for the 2025 financial reporting period. The choice of the banking sector was based on its strategic economic value, its exposure to governance-related managerial difficulties in Nigeria, and its good governance framework. The particular banks selected for the study were listed banks, as they are subject to more rigorous corporate governance and public disclosure requirements than non-listed banks. Purposive sampling was used to select 10 major deposit money banks based on the following criteria: market capitalization, consistency in governance disclosure, data availability, and continuity of operations during the study period. Selected banks were those with complete governance and financial records spanning the period of the investigation.

The main source of data used in the study was secondary data. Audited Annual Reports, Corporate Governance disclosures, financial statements, Nigerian Exchange Group publications, and relevant institutional reports from 2018 to 2025 were used as sources for the data. Secondary data were deemed suitable because formal disclosure of governance variables (i.e., board size, board independence, board diversity, and ownership structure) is available in corporate annual reports. Likewise, management performance measures such as return on assets, operational efficiency ratios, and managerial productivity measures were available in audited financial statements. Management performance was the dependent variable in the study and was measured using return on assets (ROA) and operational efficiency indicators as proxies. Boardroom dynamics and board structural characteristics were the independent variables. Board structural characteristics were operationalized using board size, board independence, gender diversity, and ownership concentration. Boardroom dynamics were assessed using proxies for leadership dominance, board meeting frequency, participation intensity, and the effectiveness of governance interactions, as revealed in governance reports and institutional performance assessments.

Data analysis was conducted using descriptive and inferential statistical methods. Descriptive statistics, such as mean values, standard deviations, and minimum and maximum values, were used to present the characteristics of the study variables and to provide preliminary information on the governance of the banks selected for the study. The relationships among the governance variables and management performance were then examined using inferential statistics. Specifically, panel regression analysis was used since the study comprised of cross sectional and longitudinal data on several banks over several financial periods. To address unobserved heterogeneity and improve the reliability of the statistical estimates, a panel regression model was applied.

The model for the study was identified as the functional model and was designed as follows:

Management Performance = $\beta_0 + \beta_1 Board\ Structure + \beta_2 Boardroom\ Dynamics + \varepsilon$

Expanding the model:

$MP = \beta_0 + \beta_1 BSIZE + \beta_2 BIND + \beta_3 GDIV + \beta_4 OWNC + \beta_5 BMEET + \beta_6 LDOM + \varepsilon$

Where:

MP = Management Performance

BSIZE = Board Size

BIND = Board Independence

GDIV = Gender Diversity

OWNC = Ownership Concentration

BMEET = Board Meeting Frequency

LDOM = Leadership Dominance

β_0 = Constant Term

The Regression Coefficients are β_1 to β_6

ε = Error Term

The study adopted the fixed-effects regression model, as suggested by the Hausman specification test, which indicated that fixed-effects estimation was preferable to random-effects estimation. The software packages used for statistical analysis were SPSS and EVIEWS. Hypotheses were evaluated at the 5 percent level of significance, with p-values < 0.05 deemed significant. The study used only audited, publicly verifiable institutional reports from credible regulatory and corporate sources to ensure its validity and reliability. Ethical factors were also observed through accurate data reporting, objective statistical interpretation, and proper acknowledgment of all scholarly sources used in the study.

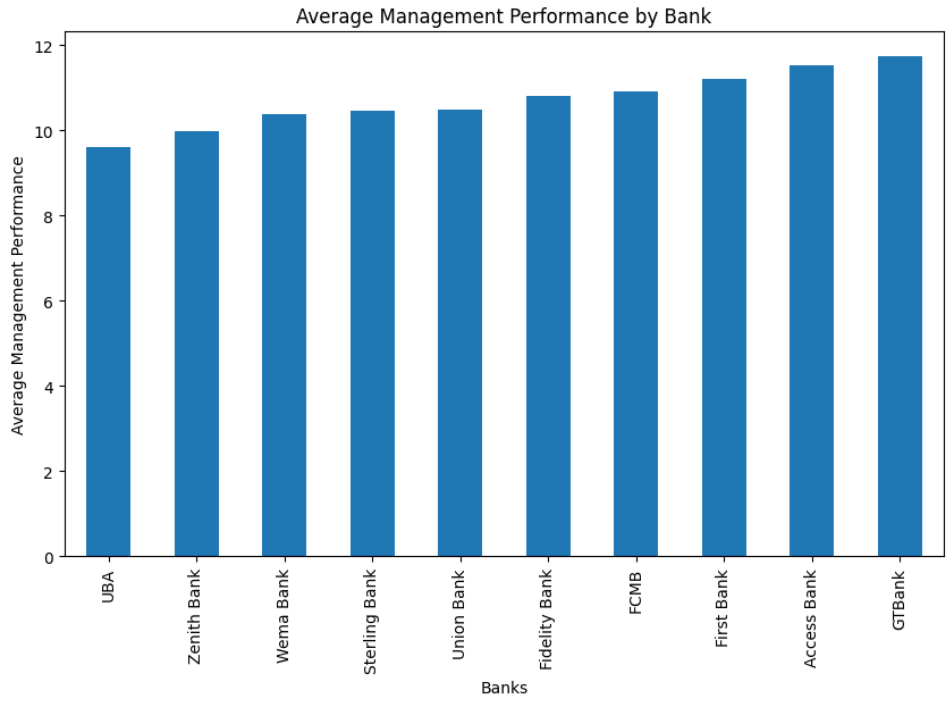


Figure 1: Average Management Performance by Bank

Figure 1 provided a comparative overview of average management performance across the sampled deposit money banks during the study period.

RESULTS

Descriptive Statistics of Study Variables

Table 1 provides descriptive statistics for variables used in the analysis of the implications of board structure and underlying board dynamics for the management performance of selected Nigerian deposit money banks from 2018 to 2025.

Table 1: Descriptive Statistics of Variables

Variables	Mean	Maximum	Minimum	Standard Deviation
Management Performance (MP)	12.48	24.63	4.11	5.27
Board Size (BSIZE)	11.36	17.00	6.00	2.91
Board Independence (BIND)	0.63	0.89	0.32	0.14
Gender Diversity (GDIV)	0.29	0.47	0.08	0.10
Ownership Concentration (OWNC)	41.72	73.15	18.30	13.64
Board Meeting Frequency (BMEET)	6.24	11.00	3.00	1.92
Leadership Dominance (LDOM)	0.44	0.83	0.11	0.17

Source: Researcher's Computation (2026)



Figure 2: Board Size vs Management Performance

Figure 2 further illustrated the positive relationship between board size and management performance among the selected Nigerian deposit money banks.

The descriptive statistics showed that the mean management performance of the selected banks during the study period was 12.48 percent, the minimum 4.11 percent, and the maximum 24.63 percent. The results suggested significant differences in the managerial efficiency of the sampled banks. The average board size for deposit money banks was 11 directors, indicating that most banks had moderately sized boards in line with Board governance regulations. The average independence score was 0.63, indicating that board members were, on average, about 63 percent independent across the sampled banks. Despite advocacy for good governance towards inclusiveness, the mean value for gender diversity was 0.29, indicating low representation of women on Nigeria's corporate boards. The average ownership concentration was 41.72 percent, indicating considerable concentration of equity holdings among dominant shareholders and institutional investors. The average frequency of board meetings was 6 per year, indicating moderate board activity across the sampled institutions. Leadership dominance yielded a mean value of 0.44, indicating a moderate influence of the executive on the boards' decision-making processes. The standard deviations also showed an acceptable range of variability among the variables, making the data acceptable for regression analysis.

Correlation Matrix

Table 2 presents the correlation coefficients among the study variables in order to examine the direction and strength of relationships between governance variables and management performance.

Table 2: Correlation Matrix

Variables	MP	BSIZE	BIND	GDIV	OWNC	BMEET	LDOM
MP	1.000						
BSIZE	0.512	1.000					
BIND	0.648	0.391	1.000				
GDIV	0.583	0.276	0.442	1.000			
OWNC	-0.417	-0.208	-0.331	-0.294	1.000		
BMEET	0.536	0.317	0.468	0.281	-0.194	1.000	
LDOM	-0.482	-0.166	-0.521	-0.307	0.415	-0.293	1.000

Source: Researcher's Computation (2026)

The results of the correlation analysis showed a positive correlation among Board Size, Board Independence, Gender diversity, Board meeting frequency, and management performance. The highest positive correlation was observed for Board independence at 0.648, indicating that board independence improved managers' performance in Nigerian banks. Management performance was also found to be positively linked to gender diversity, suggesting that better gender-inclusive governance enhanced decision quality in the organization and its operational efficiency. By contrast, there were negative relationships between ownership concentration, leadership dominance, and management performance. The measure of leadership dominance showed a negative correlation coefficient of -0.482, indicating that higher levels of top management dominance in the boardroom reduced managerial accountability and institutional effectiveness. The correlation also showed no severe multicollinearity, as all the independent variables were below 0.80.

Panel Regression Results

Table 3 showed the board structure and boardroom dynamics effect on management performance of selected DMBs in Nigeria using fixed effects panel regression estimates.

Table 3: Fixed Effects Regression Results

Variables	Coefficient	Standard Error	t Statistic	Probability Value
Constant	3.214	1.127	2.851	0.006
Board Size (BSIZE)	0.428	0.137	3.124	0.003
Board Independence (BIND)	4.516	1.241	3.639	0.001
Gender Diversity (GDIV)	2.873	1.036	2.773	0.008
Ownership Concentration (OWNC)	-0.071	0.028	-2.536	0.014
Board Meeting Frequency (BMEET)	0.619	0.212	2.920	0.005
Leadership Dominance (LDOM)	-3.418	1.287	-2.655	0.010

Diagnostic Statistics	Values
R^2	0.742
Adjusted R^2	0.713
F Statistic	25.637
Probability (F Statistic)	0.000
Durbin Watson Statistic	2.014

Source: Researcher's Computation (2026)

The results of the regression analysis showed that the structural and dynamic variables of the board of directors had a significant influence on the management performance of the selected Nigerian deposit money banks. Based on the coefficient of determination, an R2 value of 0.742 indicated that the combined effect of board structure and boardroom dynamics explained about 74.2 percent of the variation in boardroom management performance. The R^2 value of 0.713 also confirmed the model's goodness of fit. The F value of the regression was 25.637, and the probability value was P=0.000, which meant that the overall regression model was statistically significant. The Durbin-Watson statistic was 2.014, indicating no serious autocorrelation in the regression estimates. The coefficient of the board size was positive (0.428) and statistically significant (Probability < 0.05). This finding implied that larger boards boosted management performance by reducing board expertise, restricting professional representation, and weakening strategic oversight. Independence of the Board was also positively and significantly related to Management performance. The coefficient of 4.516 indicated that independent directors significantly enhanced the accountability of Nigerian bank managers and the effectiveness of their work. Gender diversity had a positive coefficient of 2.873 and a statistically significant probability value. This finding indicated that inclusive governance led to quality decision-making and managerial responses. The finding also showed that diverse boards fostered strategic deliberation and lessened the banking sector's governance rigidity. On the other hand, ownership concentration was negatively and statistically associated with management performance. A coefficient of -0.071 indicated a negative relationship between concentrated ownership and managerial flexibility, indicating greater governance conflict in the sampled institutions. Excessive executive influence also had a negative and statistically significant coefficient of -3.418 for board independence and organisational accountability measures. The frequency of board meetings had a positive and significant influence on management performance. The finding indicated that active board involvement led to strengthening of monitoring functions, improving strategic coordination, and managerial supervision in Nigerian deposit money banks.

DISCUSSION OF FINDINGS

The results of this study showed that the board structures were important determinants of the management performance of the selected deposit money banks in Nigeria. The significant positive relationship between board size confirmed the hypothesis that increasing board size can have a positive impact on the performance of the organisation because of the diversity of

expertise, monitoring capability, and professional knowledge. This result was similar to the results of Khan et al. (2021) and Asare et al. (2023), which revealed that effective board structures lead to better organisational performance and institutional stability. The positive relationship between board independence and management performance confirmed the assumptions of Agency Theory, which holds that independent boards increase managerial discipline and reduce opportunistic behavior. The results matched those of Yahaya (2024) and Coleman and Wu (2021), which showed that governance independence had a significant positive effect on organisational accountability and performance outcomes. Likewise, the positive impact of gender diversity aligned with modern governance views that stress inclusiveness as a means to strategic effectiveness and decision quality. The result was in line with Yakubu and Oumarou (2023) and Onyekwere and Babangida (2022), who found that board diversity had a positive effect on organisational outcomes due to improved deliberative processes and cognitive diversity. The negative relationship between ownership concentration and neutrality and flexibility in Nigerian banks' governance indicated that ownership concentration reduced their neutrality and flexibility. This finding was consistent with Apochi et al.'s (2022) assertion that concentrated shareholder ownership often leads to governance issues and inconsistent organisational outcomes. The negative associations between leadership dominance and management performance also highlighted how overpowering executive influence was detrimental to board effectiveness and accountability systems. This discovery has strengthened the argument for governance that managerial outcomes are greatly influenced by boardroom dynamics as well as by governance structure.

LIMITATION OF THE STUDY

The researcher has limited access to board meeting minutes, and access to the board's deliberations would have helped the researcher understand the quality of board communication, innovation, and dynamics.

However, the results of board decisions and attendance at board meetings show how seriously the board members have made themselves available for board business. Also, the quality of their communication and innovation is demonstrated in the performance of the management.

CONCLUSION AND IMPLICATIONS

This work critically examined board structure and underlying dynamics, and their implications for management performance, with a precise emphasis on selected deposit money banks on the Nigerian Exchange Group (NEG). The research was motivated by growing concern about the efficiency of corporate governance mechanisms in emerging markets, particularly in regulatory environments where regulatory issues, ownership structures, top-down management, and weak accountability are prevalent. To assess the impact of these two major dimensions of governance (board structural characteristics and boardroom dynamics) on the management performance of banks in Nigeria, the study particularly examined these governance dimensions. The study results showed that the structural attributes of Boards had

a significant effect on the management performance in the selected banks. In particular, Board size, Board independence, Gender diversity, and Board frequency were positively and significantly correlated with management performance. These results indicated that effective governance structures increased managerial accountability, decision-making quality, and organisational efficiency, while also providing strategic oversight. The findings also showed that the greater the diversity of knowledge, independence, and strategic involvement within the Board, the more effective the governance. The study also found that boardroom power dynamics affected management performance in Nigerian deposit money banks. Leadership dominance and ownership concentration yielded negative and statistically significant results, suggesting that concentrated ownership and strong executive influence reduced board effectiveness, governance neutrality, and managerial accountability mechanisms.

The results thus confirmed the idea that governance effectiveness can extend beyond formal structural settings to encompass more complex processes of behavior and relationships within boardrooms. The study concluded that formal governance structures are not the only factors explaining management performance in corporate institutions in Nigeria. Instead, the effectiveness of governance relies heavily on the interplay between the board structure and the board's internal dynamics. Independent boards with diversity, engagement, and a balance of power were more likely to enhance management effectiveness and institutional accountability. In contrast, boards with high levels of concentrated ownership and over-concentrated executive authority were associated with poor management performance and reduced governance effectiveness. The results of this study had important implications for the theory of governance in today's world. The study validated the applicability of Agency Theory, as it was found that independent governance structures enhanced managerial discipline and organisational accountability. The findings simultaneously enriched existing governance discourses by highlighting a need to go beyond structural governance arrangements and consider how management performance outcomes are mediated.

The study has thus helped enrich the literature on governance by bringing the structural and behavioral approaches to governance together within a single analytical framework. In practice, the study suggested that regulatory bodies and corporate organisations in Nigeria should focus on improving governance and reinforcing boards' composition and internal boardroom mechanisms. Governance policies should focus on independence, diversity, inclusion, participation, and a well-balanced governance structure to minimize executive dominance and ownership influence. In addition, regulatory bodies such as the Central Bank of Nigeria and the Securities and Exchange Commission should strengthen governance monitoring in the banking industry to ensure effective board accountability and transparency. The study also suggested that the move from symbolic governance compliance to substantive governance effectiveness should be attained. But many institutions adhere formally to governance codes, while boardroom dynamics remain low, politically driven, or unduly dominated by executives' interests. Thus, governance reforms need to emphasize, in addition to overall structural compliance, improvements in deliberative quality, participation equality,

and strategic oversight in boardrooms. Finally, the study added to the existing empirical literature by providing evidence for the Nigerian banking sector on the relationship between board structure, boardroom dynamics, and management performance. The study has therefore determined that sustainable organisational performance in emerging economies is highly reliant on governance structures characterized by effective structural arrangements, sound boardroom dynamics, and a balance of power among institutions.

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