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Effects of corporate governance on organizational effectiveness in some selected deposit money banks in makurdi metropolis, Nigeria

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Abstract

The effectiveness of a few Makurdi Metropolis deposit money banks was examined in this study in relation to corporate governance. Finding out how board size influences the organizational effectiveness of a few particular deposit banks in Makurdi was one of the study's main objectives. The study focused on the five hundred and fifty (550) workers of a few carefully chosen deposit money institutions. 220 persons made up the sample size, which was determined using the Taro Yamane formula. First-hand information was used in the study. A questionnaire was the main instrument used to collect data. The statistical packages for social sciences (SPSS 21) were employed to evaluate the developed hypotheses, and regression and correlation analysis were the techniques used to analyze the data. The unprocessed data from the original source was displayed using tables and simple percentages. The study found that deposit money banks with beta coefficients of .247.197 perform significantly better when they have a diverse, large, and independent board, as well as when director compensation is high, 022 and 205. As per the beta coefficient, the board size had the highest beta values, measuring .247. In conclusion, the study discovered that certain deposit money institutions in Makurdi metropolis benefited from board diversity, board size, and director remuneration.

Keywords: Corporate governance; Board Size; Board diversity; Director Remuneration; Board independent; Organizational Effectiveness

1. Introduction

The quality of corporate governance makes a significant difference to the effectiveness and ineffectiveness of organizations" has gained widespread acceptance. In certain chosen deposit money Banks in Makurdi metropolis, the corporation's governance structure can guarantee that the interests of various stakeholders are satisfied in order to further the main goal of boosting firm effectiveness and shareholders' wealth (Saygili, Saygili and Taran, 2021). Thus, in certain chosen deposit money banks in Makurdi city, the corporate governance (CG) framework is probably going to have an impact on the firm's effectiveness. The structures and procedures that govern how businesses are run are referred to as corporate governance (CG) (Khongmalai and Distanont, 2017). On June 15, 2000, in Nigeria, the Corporate Affairs Commission was prompted to form a 17-member committee as part of its search for international best practices. The task assigned to this committee, which is led by Atedo Peterside (OON), is to find flaws in Nigeria's current corporate governance procedures and devise solutions that will strengthen them. A code that outlines the best practices that publicly traded companies and any other companies with multiple stakeholders registered in Nigeria should adhere to when exercising their authority over the direction of their business, supervising executive actions, maintaining transparency and accountability in their governance within the legal framework and the market, and for other related purposes (Mbu-Ogar, Effiong & Abang, 2017; Osho, & Ogodor, 2018).

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1.1. Statement of the Problem

Ineffective corporate governance practices have a cankerworm effect on the banking sector and have caused private and public entities to fail across all economic sectors, which have a negative impact on the performance of the economy as a whole. For example, Sanusi (2019) claims that, even though Nigerian banks were successfully recapitalized in 2016, within three years of the reform, inadequate governance caused systemic capital inadequacy and illiquidity. This led to the Central Bank of Nigeria (CBN) taking over eight banks and infusing 620 billion naira in bailout funds into the struggling banks. Only Union Bank and Bank PHB (now Keystone Bank) survived out of eight banks, demonstrating how poor management takes resources away from worthwhile endeavors. Creating corporate governance frameworks that are safe, beneficial to all shareholders, and an efficient way to monitor management while preventing them from taking undue advantage of their control is a difficult task for policy makers (Amer, 2014). The primary issues that prevent organizations from accomplishing their goals are mismanagement, bureaucracy, waste, theft, incompetence, and irresponsibility on the part of directors and staff (Adekunle and Aghedo, 2014).

Objective of the Study

This study's primary goal is to investigate how corporate governance affects the efficiency of a few Nigerian deposit money banks as an organization. The study aims to achieve the following specific objectives.

- To determine the effects of board size on organisational effectiveness of selected Deposit Money Banks in Makurdi metropolis
- To examine the effects of board diversity on organisational effectiveness of selected Deposit Money Banks in Makurdi Metropolis.
- To ascertain the effects of director's remuneration on organisational effectiveness of selected Deposit Money Banks in Makurdi Metropolis.
- To evaluate the effects of board independence on organisational effectiveness of selected Deposit Money Banks in Makurdi Metropolis.

1.2. Research Questions

In the light of the research problem, the study sets to provide answers to the following research questions as follows:

- What extent do board size have effects on organisational effectiveness of selected Deposit Money Banks in Makurdi Metropolis?
- What is the effect of board diversity on organizational effectiveness of selected Deposit Money Banks in Makurdi Metropolis?
- Does director's remuneration have effects on organisational effectiveness of selected Deposit Money Banks in Makurdi Metropolis?
- To what extent do board independence have effects on organisational effectiveness of selected Deposit Money Banks in Makurdi Metropolis?

1.3. Research Hypotheses

The following null hypotheses were formulated to achieve objectives of the study:

- H01: Board sizes do not have significant effects on organisational effectiveness of selected Deposit Money Banks in Makurdi Metropolis.
- H02: Board diversity does not have significant effects on organisational effectiveness of selected Deposit Money Banks in Makurdi Metropolis.
- H03: Directors remuneration does not have significant effects on organisational performance of selected Deposit Money Banks in Makurdi Metropolis.
- H04: Board independence does not have significant effects on organisational performance of selected Deposit Money Banks in Makurdi Metropolis.

2. Review of Related Literature

2.1. Concept of Corporate Governance

Over the past few decades, corporate governance has drawn more attention in the cutthroat business world of today. The relationship between corporate governance and firm effectiveness has also been the subject of extensive research

(Iqbal, Nawaz, and Ehsan, 2019). The issue of a conflict of interest between a company's shareholders, stakeholders, and management gave rise to corporate governance. CG is defined by the Organization for Economic Co-operation and Development (OECD, 2022) as the relationship that entails deciding how to accomplish these objectives and keeping an eye on performance between a company's board of directors, government shareholders, and other stakeholders.

Corporate governance refers to the set of regulations, customs, and procedures that govern how a company is run. It basically entails striking a balance between the interests of the various parties involved in a business, including the government, the community, shareholders, management, suppliers, and financiers (Mzenzi, Mori, & Kurt, 2020).

Corporate governance, as defined by Jamal and Waqas (2018), is the process by which the Board of Directors, along with its committees, acts on behalf of the company's shareholders and other stakeholders to give management guidance, power, and oversight. Furthermore, CG is defined as the systems and procedures used to manage and guide businesses. Good corporate governance (CG) supports increased accountability and transparency for the company's investors and helps them address stakeholder concerns (Abdallah and Bahloul, 2021). According to Chancharat and Chancharat (2019), the purpose of corporate governance is to facilitate managers' ethical behavior and help them make excellent decisions that will advance the business corporation's development agenda and benefit stakeholders. It also helps to establish a sense of ownership and coordinated governance.

2.2. Board Size

An essential component of corporate governance is the size of the board of directors, which varies amongst private and public companies based on the size, type, and cultural makeup of the enterprise (Chancharat, Detthamrong, and Chancharat, 2019). Chancharat, Detthamrong, and Chancharat (2019) argued that there is no one standard format for board composition when attempting to determine the right number. They went on to say that a widely constituted size is required due to the importance of the board size on an organization's performance. They said that a board that is largely composed will, in most cases, guarantees the efficacy and efficiency of organizational operations, increasing information sharing, high-level managers' accountability, and transparency.

From an agency perspective, Chancharat, Detthamrong, and Chancharat (2019) contended that a sizable board would aid in resolving the agency dilemma. All levels of management will be sufficiently supervised and controlled mechanisms with a wealth of experience and knowledgeable people in charge of the organization's policy decisions. However, Chancharat, Detthamrong, and Chancharat, (2019), stated that communication, cooperation, and better organization are more characterized in small board composition, which will lead to effective supervision and monitoring of operations. According to this study, board size refers to the total number of directors on the board of each sample firm which is inclusive of the CEO and Chairman for each accounting year.

2.3. Board Diversity

Various explanations have been adduced to account for diversity in board composition. In the opinion of Rao and Tilt (2016); Naciti (2019), the diversity variable in the board of directors in an organization is characterized by a different set of attributes like the board composition, experiences of the members, their expertise in policy formulating for the organizations' progress. This global trend is buttressed by the assertion of Joanna, Siri, and Jakub (2020). Vitolla, Raimo, and Rubino, (2019) highlighted the diverse alteration as regards their mode of interaction, skill set, cognitive ability, experience and even educational attainments. Furthermore, other studies have examined the value differences between both genders in the organization. The important of in the organisation, range from full commitment to the vision of the business, diligence in work ethics, good sense of coordination, and an establishment of an amiable environment within the board, which tends to improve the process of the decision making.

2.4. Directors Remuneration

Remuneration is broadly used as an incentive that affects strategies planned and decisions made and adopted by directors which cause great impact on firm performance and profitability. It may also be simply known as a reward to the directors in realization of their efforts and hence it can motivate directors to perform their duties well and work harder for the best interests of shareholders (Sakahuhwa & mazviona, 2017).

Ekundayo (2018) investigated the impact of motivation on employee performance in a number of Nigerian insurance firms. Motivation was found to be the most important factor affecting employee performance. Furthermore, the research revealed a direct, robust, and beneficial link between employee motivation and performance. Dube, Sakahuhwa and mazviona. (2017) looked at the effect of encouraging front-line staff in Jordanian retail businesses on organizational commitment and found that front-line staff motivation has a major impact on organizational commitment.

Nigerian code of corporate governance(2018) The Board ensures that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. Individuals tend to be more productive if their working condition and salary and effectively taking care of. Top level executive if are wrongly remunerated, their zeal and effort will be tarnished, and as such, the motivation to do the job will not be there to perform in the best interest of their principle (shareholders) (Ataay, 2018).

2.4.1. Board Independence

Independence of the board is a very crucial and important element in corporate governance. According to Ali (2016), the independence of an organizational board will enhance the formulation of unprejudiced decisions, which will relieve the organization from financial troubles. The composition of a board with a large number of non-executives is able to supervise and monitor organization with utmost effectiveness and efficiency. This is because non-executive board members are not in direct contact with daily activities of the organization since they do not hold any official. In terms of information flow between management and performance, the non-executive on the board proposed more options for improved organizational management (Vitolla, Raimo, & Rubino, 2019).

Board independence exhibits that board members do not depend on the CEO and management due to its composition issues. External board members are not involved in the daily firm operations, but they are more likely to cogitate more independent when it comes to the financial performance of the firm. Moreover, their experiences support in generating novel perspectives and ideas regarding earning performance (Bhaduri, & Selarka, 2016).

2.4.2. Organisational Effectiveness

There are many definitions of organizational effectiveness, and the term is often used inter-changeably with organizational performance. However, most researchers agree that organizational effectiveness extends beyond organizational performance (market share, profits, return on investment, or efficiency) to embrace measures such as customer service and social responsibility. There are many possible indicators of organizational effectiveness. Such as Customers satisfaction, Employees commitment, reputation of the organization, quality of techniques, response rate of managers to the feedback, working environment of organization, corporate social responsibility, relationship with external interested parties with management (Zuva, & Zuva, 2018).

Organisational effectiveness can be defined as the attainment of goals in the organisation's mission or vision statement. The higher the degree of congruence between the organisation's defined goals and objectives with measurable and calculated results, the greater the organisation effectiveness (Manoharan and Singal, 2019).

2.5. Theoretical Framework

Grant & Osanloo (2014) described theoretical framework as the structure that can hold or support a theory of a research study.

2.5.1. Agency Theory

This study is anchored on agency theory; this was selected because of their relevance to the composition of the hierarchy of corporation and the functions of the directors, with respect to good corporate governance. Agency theory was developed by Jensen and Meckling in (1976) and they defined the agency relationship as a form of contract between a company owner and its managers ,where the owners (as principal) appoints an agent (the managers) to manage the company on their behalf as a part of this arrangement the owners must delegate decision making authority of the management, this suggests that the governance of a company is based on the conflicts of interest between the company's owners, shareholders, its manager and major providers of debts finance, each of these groups has different interest and objective.

The shareholder want to increase their income and wealth, their interest is with the returns that the company will provide in the form of dividends and also in the value of their shares, the value of their shares depends on the long term financial prospect of the company. Shareholders are therefore concerned about dividends but they are even more concerned about long term profitability and financial prospect, because these affect the value of their shares.

The relevance of this theory to the study is that organizations are expected to adopt good corporate governance that will enable employee have a good direction which will make them be effectively committed to achieving the organization's goals. This theory informed objective number one, two, three and four. The theory also inform the dependent variable which is effectiveness of the banking industry that if board size, board diversity, directors remuneration and board independence play their role, then there is likely to be a high performance of the banks and vice versa. Aguilera, Filatotchev, Gospel, & Jackson. (2008) challenged agency perspective and termed it as “closed system.” They propose an organizational sociology approach to comparative corporate governance to better capture the patterned variation that results from interdependencies between firms and their environment. Their “open system” perspective view corporate governance in terms of effectiveness in achieving their goals. They adopt a much broader definition of effectiveness as opposed to agency theory and their proposed framework is comprehensive for assessing how institutional context affects the appropriateness of alternative governance process.

2.6. 2.4 Review of Empirical Studies

This section provides a review of related literature from journals, articles and previous research papers on corporate governance and organizational effectiveness.

A study by Kiilu, Paolo (2022) examined the Impact of Directors’ Remuneration on Banks’ Performance: Evidence in the US Banking System. The adopted methodology is based on panel data analysis and the content analysis approach. Firstly, the results of the data analysis make it possible to highlight the existence of a significant link between the remuneration policies adopted by banks concerning the corporate results obtained in terms of profitability. Secondly, the results show differences, in terms of impact on banking performance, between the remuneration of chief executive officers and the remuneration of directors.

Bayelign, Ayalew and Sitotaw, (2022) assessed the effect of Corporate governance and financial performance in the emerging economy: The case of Ethiopian insurance companies the study used an explanatory research design with econometric panel data from nine insurance companies from 2012 to 2020. Random effect estimation technique was used to find out the most significant variable. Return on asset and equity were used to measure the financial performance and board size, management soundness, board remuneration, financial disclosure, debt and dividend policy as explanatory variables. A multi-panel linear regression model was also utilized. The result revealed that board size, management soundness, board remuneration, and financial disclosure have a positive and significant effect on insurance company financial performance, whereas debt and dividend payout have a negative and significant impact on insurance company financial performance.

Iskandar and Angellinab (2022) assessed the Role of Board Size and Working Capital Management in Corporate Governance on Firm Performance in Indonesia. Population of the study was 786 companies, of which there were 191 manufacturing sector companies. From the total population of these companies, the number of companies that meet the criteria of the research sample was 114 companies. The sample in this study is manufacturing companies listed on the Indonesia Stock Exchange for the period of 2017-2021. The panel regression method was used to analyse research data. In this study, corporate governance was proxied by independent commissioners and ownership structure, while firm performance was measured by ROA and ROE. Meanwhile, the mediating variable, board size was measured by the number of board of directors and working capital management was measured by average payment period. The results showed that independent commissioners had a significant positive effect as measured by ROA and ROE. While ownership structure also had a significant positive effect as measured by ROA. In addition, working capital management was proven to have a partial mediating role in the relationship between independent commissioners and ROA.

Ali, Alim, Ahmed and Nisar, (2022) assessed the Impact of Corporate Governance on Performance: A Study of Listed Firms in Pakistan. This study used quantitative approach to discover the association between the variables. The population of this study consists of the data of the top 75 companies registered in the Pakistani stock market. The correlation test is used to measure the relationship between each assumption to see the firm performance. The research found that there is a connection between the performance of the firm with the overall extent of directors, board independence, and average education of board representatives.

El-feky, (2023) assessed the impact of Board Gender Diversity and Firm’s Financial Performance in Egypt. The study employed a variety of statistical approaches to validate the hypotheses, including tests of validity and reliability, and multiple regression analysis. The study sample encompasses the 100 most active firms in the Egyptian Exchange (EGX) according to trading value as per the EGX100 index. The results of the study concluded that there is a positive and significant impact of organizational learning levels on the dimensions of sensing opportunities and threats, and risk management & reconfiguration, while the study doesn't support the assumed relationship of organizational learning dimensions on dimension of seizing opportunities, where the positive and significant impact is limited to the level of the individual, the organization, feed-forward, and feedback.

Ika, Wisnu, Harjum, and Sugeng, (2023) assessed the impact of Gender Diversity of Board and Debt: Firm size moderating Role (Evidence from Indonesia). The research was conducted based on panel data from non-financial enterprise listed on the Indonesia Stock Exchange for the 2015-2020 period. This paper's population consists of nonfinancial enterprises listed on the Indonesia Stock Exchange. Sample size was 83 non-financial enterprises in Indonesia-listed firms. This study used a purposive sampling method. Our study results propose that board gender diversity has a negative impact on capital structure. However, the relation between gender diversity on board and the size of a firm is significantly positive for capital structure.

3. Methodology

3.1. Research Design

A cross-sectional survey design was adopted for this study. This design is considered appropriate because it was used to collect relevant data from the respondents on the research variables. Data collected was used for data analysis.

3.2. Population of the Study

The Population for this study consists of 550 employees of Access Bank Plc, First Bank of Nigeria Plc, Zenith Bank Plc, United Bank for Africa and Guaranty Trust Bank Plc. Convenience is the main reason for selecting these five banks out of many other Deposit Money Banks in Makurdi metropolis. The study population is summarized in the tabular form below for easy assessment.

3.3. Techniques of Data Analysis

Data collected will be presented using descriptive and inferential statistics. Descriptive statistics was used to answer the research questions. Pearson Moment Product Correlation (r) was used to explore relationships between the variables, specifically to assess both the direction (positive or negative) and strength of the relationship between the variables. The data was cleaned, checked for accuracy, edited and well coded before being analyzed using Statistical Package for Social Sciences (SPSS) version 21. A multiple regression analysis was conducted to determine the extent of the effect of CG on organizational effectiveness. This will be done at 5% (0.05) level of significance. The decision rule is that any hypothesis with a significance value less than 0.05 should be rejected and accepted if otherwise.

4. Results

4.1. Introduction

Data gathered from respondents, tests of hypotheses, and discussions of findings were all given in this chapter.

Table 1 Response Rate

Item	Total	Percentage (%)
Questionnaire Administered	231	100
Questionnaire Returned	220	95.0
Questionnaire Not Returned	11	5.0

Source: Field Survey, 2023.

The result presented in Table 4.1 shows that a total of 231 copies of the questionnaire were distributed and 220(95.0%) were successfully completed and returned by the respondents while 11(5.0%) were not returned by the respondents. The response rate of the questionnaire was high enough for any meaningful research work. Data presentation and analysis was done based on the valid questionnaires retrieved from the respondents.

The result presented in Table 4.2 showed the demographic characteristic of respondents by gender, age, educational qualification and working experience. The distribution of the respondents by gender shows that 119(54.1%) were males while 101 (45.9 %) were females. This implies that the distribution of respondents cut across genders and most respondents (employees of selected deposit money banks) who participated in the survey were males.

The age distribution of the respondents indicated that 79(35.9%) of the respondents were from the age range of 20-25 years, 100(45.5 %) were between 26 and 30 years and 31(14.1 %) respondents were from the age of 31-35 years while

10(4.5%) were from 36 years and above. This implies that the respondents who participated in the survey were old enough to provide valid answers to the topic under investigation.

Table 2 Demographic Characteristics of Respondents

Attributes	**Frequency**	**Percentage (%)**
Gender		
Male	119	54.1
Female	101	45.9
Total	220	100
Age		
20-25 years	79	35.9
26-30 years	100	45.5
31-35 years	31	14.1
36 years and above	10	4.5
Total	220	100
Educational Qualification		
OND/NCE	93	42.3
HND/B.Sc	119	54.1
M.Sc/Ph.D	8	3.7
Total	220	100
Experience		
1-5 years	94	42.7
6-10 years	93	42.3
11-15 years	26	11.8
16-20 years	1	0.5
21-25 years	5	2.3
21-25 years	1	0.5
Total	220	100

Source: Field Survey, 2023.

The distribution of respondents based on level of education as presented in Table 4.2 showed that, 93(42.3%) respondents had OND/NCE qualifications, 119(54.1 %) had HND and degree qualifications while 8(3.7%) had M.Sc and Ph.D qualifications. This implies that the respondents were educated enough to understand the effects of work-life balance on performance of selected Deposit Money Banks in Makurdi Metropolis.

The result in Table 4.2 also showed the distribution of respondents by experience as follows: 94(42.7 %) respondents had experience from 1-5 years, 93(42.3 %) had experience from 6-10 years, 26(11.8 %) had experience from 11-15 years and 1(.5 %) have worked from 16-20 years while 5(2.3%) had experience from 21-25 years and 1(.5%) 26 years and above. This implies that the respondents had enough working experience to provide valid answers to the topic under investigation. They had understanding on how corporate governance will affect performance of selected deposit money banks in Makurdi Metropolis.

Table 3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.502[a]	0.252	0.238	0.54355	1.509

a.Predictors: (Constant), Board Independent, Board Diversity, Board Size, Director Remuneration; b.Dependent Variable: Organisational Effectiveness; **Source**: Computation from SPSS Output, 2023

Table 4.3 conclusion demonstrated how variations in the dependent variable might be accounted for by modifications to the independent variables. The R-square value was 0.252, and the 95% confidence interval shows that changes in Board Size, Board Diversity, Director Remuneration, and Board Independent caused a 57.1% variation in the performance of a sample of deposit money institutions in Makurdi. The R value of 0.502 in the table demonstrates that there is a significant positive link between the variables. The Durbin-Watson statistic was used to determine if auto-correlation existed or not. The Durbin-Watson statistic will be close to 2, or (a value of 2 or close to 2 is desirable), when there is no auto-correlation. The Durbin-Watson statistic for this model was calculated to be 1.509, which was reasonably near to 2. This meant that auto-correlation did not exist.

Table 4 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	21.430	4	5.357	18.133	0.000[b]
Residual	63.521	215	0.295		
Total	84.951	219			

a.Dependent Variable: Organisational Effectiveness; b.Predictors: (Constant), Board Independent, Board Diversity, Board Size, Director Remuneration

Source: Computation from SPSS Output, 2023

Table 4.4 Analysis of Variance (ANOVA) results showed that the processed data had a significance level of 0.000 and an F-value of 18.133, all of which indicated that the model was valid, fit, and statistically significant. This suggests that corporate governance issues, Board Size, Board Diversity, Director Remuneration, and Board Independent all have a big impact on how well some Nigerian deposit money banks performance.

Table 5 Regression Coefficients

MODEL		Unstandardized Coefficients		t	Sig.	Collinearity Statistics	
VARIABLES		B	Std. Error			Tolerance	VIF
1	(Constant)	3.192	0.259	12.331	0.000		
	Board Size	0.247	0.051	4.872	0.000	0.789	1.267
	Board Diversity	0.197	0.047	4.204	0.000	0.944	1.060
	Director Remuneration	0.022	0.048	0.458	0.647	0.778	1.286
	Board Independent	0-.205	0.039	5.265	0.000	0.756	1.322

a.Dependent Variable: Organisational Effectiveness

Source: Computation from SPSS Output, 2023.

According to the regression coefficient in Table 4.5, the performance of deposit money banks would be 3.192 if all other factors remained constant, while an increase of one unit board size would result in an increase of 24.7% in effectiveness for some deposit money banks and an increase of one unit in board diversity in 19.7% for other deposit money banks. Additionally, a shift in director remuneration would have a 0.22% negative impact on chosen deposit money institutions' effectiveness, while a unit rise in board independent would have a -20.5% negative impact. Additionally, the study discovered that every p-value (.000, .000, .647, and.000) was less than 0.05, showing that every variable has statistically significant effects on performance of selected deposit money banks in Makurdi metropolis. Regression analysis's findings also showed that certain deposit institutions in the Makurdi metropolitan will increase director remuneration.

Additionally, Table 4.10's tolerance and variance inflation factor (VIF) values demonstrated that multi-collinearity was not present. All of the variables' VIF values were less than 2, which is much less than the threshold of 10 that is deemed dangerous for regression analysis. According to the general rule, multi-collinearity is indicated when VIF values are greater than 10. The tolerance values, which range from 0 to 1, are a measurement of the correlation between the predictor variables. The association between a variable and the other predictor variables is stronger the closer to zero the tolerance value for that variable is. All tolerance values for this model were high; they ranged from 0.789 for board size to 0.756 for board independent.

4.2. Test of Hypotheses

The four hypotheses formulated in this study were tested at 0.05 level of significance as follows:

4.2.1. $H0_1$:Board sizes have no discernible impact on the operation of specific Makurdi metropolis deposit money banks

According to the first hypothesis's outcome (t = 4.872, P 0.05), board size strongly predicted the effectiveness of a subset of deposit money institutions in the Makurdi metropolis. This suggests that the null hypothesis (Ho1) is not supported by statistical data. The null hypothesis (Ho1) was rejected since the P-value (0.000) is less than the 0.05 level of significance (P 0.05), and we draw the conclusion that board size have a substantial impact on the performance of particular deposit money institutions in the Makurdi metropolis.

4.2.2. H02:The functioning of a few Makurdi metropolis deposit money banks is unaffected by board diversity

According to Table 4.10's findings (t = 4.204, P 0.05), board diversity significantly predict the effectiveness of a subset of deposit money institutions. This implies that the null hypothesis (Ho2) is refuted statistically. The null hypothesis was rejected since the P-value (0.000) is less than 0.05 level of significance (P 0.05), and we draw the conclusion that board diversity significantly affect the effectiveness of particular deposit money banks in the Makurdi metropolitan.

4.2.3. $H0_3$:Director Remunerations have no discernible impact on the functioning of particular deposit money institutions in Makurdi city

The third hypothesis contends that having a family has no appreciable impact on how well certain deposit money institutions operate in the Makurdi city. The results showed that director remuneration have a substantial impact on the effectiveness of certain deposit money institutions (t = .458, P 0.05). This means that the null hypothesis (Ho3) is supported by statistical evidence. The null hypothesis was rejected since the P-value (0.034) is less than 0.05 level of significance (P 0.05), and we draw the conclusion that director remuneration has a substantial impact on the effectiveness of certain deposit money institutions in the Makurdi metropolitan.

4.2.4. $H0_4$:Board independent have no significant effect on effectiveness of deposit money banks in Makurdi city.

The conclusion of hypothesis four showed that the performance of a few selected deposit money institutions in the Makurdi metropolis is significantly impacted by board independent (t = -5.265, P 0.05). This means that the null hypothesis (Ho4) is supported by statistical data. The null hypothesis was rejected since the P-value (0.002) was less than the 0.05 level of significance (P 0.05), and we thus conclude that board independent have a substantial impact on the effectiveness of particular deposit money institutions in the Makurdi metropolis.

5. Discussion of Findings

The study's findings on objective one showed that certain deposit money institutions in the Makurdi city function significantly better when the is a good Board size. The p-value (0.000) was lower than the significance level when regression was employed to test the hypothesis at the 5% level of significance. The statistical value for this is P-value 0.000 = 0.05. This result is consistent with earlier research that found important effects of board size conditions on corporate success. According to El-feky, (2023) study on the impact of Board Gender Diversity who agreed that good board size will be advantageous for both the company and the employees. According to Iskandar and Angellinab (2022), assessed the Role of Board Size who agreed with the outcome, good board size boost productivity by offering different advice to employees. Good board sizes have a considerable impact on effectiveness. The research implies that good board size helps both individuals and organisation in decision making, which boosts their productivity at work.

The second objective's findings showed that certain deposit money institutions in the Makurdi city performed significantly better when they are diversity of board. The p-value (0.00) was lower than the significance level when regression was employed to test the hypothesis at the 5% level of significance. The statistical value for this is P-value 0.000 = 0.05. Taylor and Don (2010) acknowledged that board diversity increase effectiveness by bringing different view to an organisation which lends validity to this finding. According to a study by Ika, Wisnu, Harjum, and Sugeng, (2023) assessed the impact of Gender Diversity of Board and Debt. The study found a strong correlation between Gender Diversity of Board and the effectiveness in banking sector. The conclusion is that Gender Diversity of Board has a good influence on individual employees, which translates to increased employee productivity and improved organizational effectiveness, necessitating ongoing provision of such increment.

The study found that having a family has a substantial impact on how well certain deposit money institutions in the Makurdi city function. The p-value (.647) was higher than the significance level when regression was employed to test the hypothesis at the 5% level of significance. The statistical value for this is P-value 647 = 0.05. This result is in line with Kiilu, Paolo (2022) examined the Impact of Directors’ Remuneration on Banks’ Performance, which found that these obligations had a significant impact on both employee satisfaction and organizational effectiveness. The study has implications for managers since it indicates that director remuneration increase employee’s productivity.

The data from test four's findings showed that board independent have a big impact on how well a few deposit money institutions in Makurdi city perform. The p-value (0.000) was less than the significance level when regression was employed to test the hypothesis at the 5% level of significance. The statistical value for this is P-value 0.000 = 0.05. This result is consistent with Bayelign, Ayalew and Sitotaw, (2022) assessed the effect of corporate governance and financial performance in the emerging economy, which confirmed that board independent, has a considerable impact on organizational performance in line with this outcome. Board independent significantly affects organizational effectiveness. The implication of this finding is that banks should give director a chance to be independent why carrying out their daily activities.

6. Conclusion

This study investigates how several deposit money banks in Makurdi Metropolis behave in relation to corporate governance. The study's conclusions showed that the effectiveness of a few chosen deposit money institutions in Makurdi Metropolis was strongly impacted by good corporate governance. The study finds that certain deposit money institutions in the Makurdi city function better when director remuneration increases. Employees are motivated and encouraged to be more productive when there are good board sizes to give direction. The survey also finds that board diversity in banks is essential because they can come up with different ideal that can lead to organizational effectiveness. The final study also comes to the conclusion that limited board size influences organization's effectiveness.

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