



THE IMPACT OF BOARD SIZE ON SHAREHOLDERS' WEALTH MAXIMISATION OF QUOTED DEPOSIT MONEY BANKS IN NIGERIA

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Abstract

This study examines the impact of board size on shareholders' wealth maximisation of quoted deposit money banks in Nigeria. The independent variables include board size, while shareholders' wealth maximization is proxied by Economic Value Added (EVA). An ex-post facto research design is employed, utilizing panel data regression analysis on financial statements of fourteen (14) quoted deposit money banks in Nigeria from 2014 to 2023. Secondary data were sourced from annual reports and relevant regulatory bodies, with multiple regression techniques used to test the hypotheses. Findings revealed that board size has an insignificant negative influence on shareholders' wealth maximization. Therefore, the study recommended that given the negative effect of Board Size on shareholders' wealth maximization, it is recommended that firms adopt a more streamlined board structure with an optimal number of directors. The focus should be on ensuring that the board is large enough to provide diverse perspectives but not so large as to create inefficiencies.

Keywords: board size, shareholders' wealth maximisation, economic value added, quoted deposit money banks, Nigeria

1. Introduction

The principal purpose of every profit-driven organization is to maximize the value added to shareholders' investments. This concept of ideological prosperity enhances growth, survival, and sustainability in businesses, especially inside financial institutions (Momah, et al. 2023). Waleru and Ezeunwa (2021) contended that shareholder returns signify the effective utilization of resources and the capacity to make profits inside a corporation.

The maximization of shareholders' wealth has received increased focus as a central corporate objective, especially in emerging economies like Nigeria. Shareholders' wealth maximization is the process through which a firm enhances its stock value by providing greater returns to shareholders via capital appreciation, dividends, or a combination of both (Gideon, 2023).

According to Afolabi (2020) and Olokoyo et al. (2021) maximizing shareholders' wealth is essential for maintaining investor confidence and ensuring economic stability within the financial sector. Both regulatory mandates and market-based incentives shape the emphasis on maximizing shareholders' wealth in Nigeria, a developing economy with a rapidly changing financial landscape (Olowe, 2018).

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Economic Value Added (EVA) is a performance measurement tool that evaluates a company's financial performance by determining the value created beyond the required return on its invested capital. It measures the true economic profit by subtracting the cost of capital from the Net Operating Profit After Tax (NOPAT). EVA serves as a more comprehensive indicator of shareholders' wealth maximization compared to traditional accounting measures because it accounts for both operating performance and the cost of financing. A positive EVA indicates that the company generates value for shareholders by earning more than its capital cost, while a negative EVA suggests value destruction.

Corporate governance ensures that corporate decisions align with the interests of shareholders while balancing the needs of other stakeholders such as employees, customers, and regulators. Effective governance frameworks align management actions with shareholder interests, reduce conflicts, and improve transparency and regulatory compliance (Clarke, 2020). One significant corporate governance mechanism includes board size.

Board size significantly influences governance outcomes, with each additional board member contributing specialized knowledge and oversight (Coles et al., 2008). However, too large a board can reduce decision-making efficiency (Jensen, 1993). In the context of Nigerian banks, an optimal board size is key to achieving strategic agility and effective governance, which can positively impact shareholders' wealth (Ujunwa, 2012).

High-profile corporate failures, such as Enron in 2001, WorldCom in 2002, and Lehman Brothers in 2008, illustrate the need for robust governance systems to prevent collapses and maintain investor trust (Clarke, 2020). The 2008 global financial crisis further underscored governance's vital role in monitoring management and financial stability, leading countries worldwide to adopt stricter governance standards to protect stakeholders and promote sustainable growth (Organisation for Economic Co-operation and Development [OECD], 2015).

Governance deficiencies have significantly impacted the stability and growth of several Nigerian banks due to issues related to capital adequacy and regulatory compliance, which have constrained its ability to maximize shareholder wealth (Uwuigbe et al., 2016). According to Ogbechie (2016), Union Bank faced governance challenges in strategic decision-making and risk management, leading to diminished financial performance and shareholder returns over time. The emphasis on an efficient and competent board size further underscores the necessity of strong governance frameworks to ensure sustained value creation for shareholders (Central Bank of Nigeria [CBN], 2023).

The eventual restructuring and rebranding of Skye Bank to Polaris Bank, exemplifies the severe consequences of governance lapses, as inadequate board oversight and poor risk management led to financial instability, prompting its regulatory acquisition by the Central Bank of Nigeria (Adelopo, 2010; Central Bank of Nigeria, 2018). These cases highlight the broader systemic weaknesses in Nigeria's banking sector, where ineffective corporate governance mechanism can erode shareholders' wealth and threaten institutional survival. Nevertheless, the global financial environment witnessed the collapse of Silicon Valley Bank in the United States and this further illustrates the governance mechanism failure that would have ordinarily protect shareholder wealth (Hiltzik, 2023).

Several studies have focused on board size and its impact on shareholders wealth maximization. Furthermore, the methodological approach of past studies has predominantly relied on financial performance indicators such as Return on Assets (ROA), Return on Equity (ROE),

and stock price appreciation, which do not fully account for economic profitability after considering the cost of capital. This study addresses the methodology gap by employing EVA as the primary measure of shareholders' wealth maximization, providing a more precise assessment of value creation.

The attempt to address these gaps has necessitated the need to seek answer to how board size impact on shareholders' wealth maximization. Therefore, the study examined the impact of board size on shareholders' wealth maximization. Furthermore, the study formulated a hypothesis in null form in order to validate the objective from its findings. The null hypothesis is stated as:

H₀₁: There is no significant impact between board size and shareholders' wealth maximization of quoted deposit money banks in Nigeria.

While the study focused on board size and shareholders' wealth maximisation, the study period spanned from 2014 to 2023 thereby covering a period of ten (10) years. This period was selected on the premise of a revised corporate governance code of 2018 as well as the overlap of economic recession witnessed in Nigeria within this period. Therefore, conducting a study on board size and shareholders' wealth would benefit the academic circle by adding to the existing body of knowledge. Furthermore, board and management of banks and relevant stakeholders would benefit by ensuring that corporate governance mechanism impact on their profitability and residual owners. Nevertheless, the regulators of banks would benefit in ensuring that corporate governance rules in terms of board size are maintained and sustained.

2. Literature Review

Conceptual Review

Shareholders' Wealth Maximisation

Shareholders' Wealth refers to the financial value that shareholders derive from their ownership in a company, and it serves as a key performance indicator in corporate governance and financial management. The primary goal of most businesses is to maximize the wealth of their shareholders, which is often considered a measure of the company's success and sustainability (Klein, 2010; Shuaibu & Mohammed, 2023).

Shareholder wealth is commonly defined as the present value of expected future returns to the company's shareholders. These returns can be in the form of dividends or capital gains from the appreciation of stock prices (Jones, 2018). One measure of shareholders' wealth is the market value of the company's common stock, which is reflected in the stock price at any given time. This price represents the market's evaluation of the firm's future earnings potential and is influenced by several factors, including profitability, growth prospects, and risk (Pandey, 2005).

The measurement of shareholder wealth maximization can be approached by using market value added (MVA), economic value added (EVA), cash flow measures, and accrual accounting methods (Omubo-Pepple, 2023). The adoption of EVA for this study underscores the significance of operational decision and financing decision.

Economic Value Added

Economic Value Added (EVA) was popularized by Stern Stewart & Co., who argued that EVA provides a clearer measure of value creation compared to accounting-based indicators like net income or earnings per share (Stern, et al 1995). Stern, et al (1995) and Sharma and Kumar

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(2010) see EVA as an indicator of shareholder wealth maximization considers the true cost of capital employed and aligning internal performance measures with shareholder interests.

The primary advantage of EVA lies in its ability to link operating performance with shareholder value, aligning management decisions with long-term financial health rather than short-term earnings (Young & O'Byrne, 2001). This alignment is achieved by subtracting the weighted average cost of capital (WACC) from the NOPAT, essentially charging managers for the capital employed, which encourages efficient capital use and discourages excessive risk-taking.

Research has demonstrated EVA's relevance as a performance metric across industries and economies. Sharma and Kumar (2010) found that EVA is positively associated with stock returns and is more predictive of shareholder wealth than traditional accounting measures. They argue that EVA is a superior indicator of financial performance because it incorporates both profitability and the cost of financing, providing a more holistic view of a company's financial health.

Osaze and Ilaboye (2008) emphasised that EVA's applicability in assessing the financial performance of companies in emerging markets suggest that EVA can serve as a comprehensive measure for evaluating corporate governance effectiveness and strategic decision-making, as it requires companies to consider both internal performance and external investor expectations. Therefore, EVA is defined as a measure that captures the economic profit of a company by subtracting the cost of capital from net operating profit after taxes.

Board Size

Globally, banks are overseen by a competent board of directors that complies with established corporate governance best practices. Daghsni, et al (2016) assert that board size is a primary factor that can impact the effectiveness of the board of directors in mitigating discretionary and opportunistic managerial actions. Higgs (2003) argued that non-executive directors as part of a board size of a firm play a crucial role in mitigating managerial excesses in financial statement reporting. Florackis (2008), as cited in Riyad (2022), suggests that board size influences board effectiveness.

In a corporate governance setting, the board size of an organization is an influential factor in overseeing and enhancing shareholders' wealth. Therefore, board size can be seen as the total number of members on the board of directors (Fauzi & Locke, 2012).

Empirical Review

Board Size and Shareholders Wealth Maximisation

Okoro and Anyanwu (2023) explored the effect of board size on economic value Added in Nigeria. Using qualitative interviews and quantitative analysis of eight quoted banks from 2016 to 2022. Their findings affirmed a positive relationship between board size and EVA, noting significant improvements in performance metrics linked to larger boards. The authors advised that Nigerian banks focus on optimizing board size to enhance governance and maximize shareholder wealth.

Anderson and Zhang (2022) investigated the relationship between board size and shareholders' wealth in 150 commercial banks across Europe. Using a panel data approach with fixed effects, their findings showed that banks with smaller boards (7–9 members) demonstrated superior financial performance compared to those with larger boards (15+ members). Specifically, banks with optimal board sizes achieved a 12% higher return on equity (ROE), indicating that smaller boards enhance decision-making efficiency and accountability. Their research aligns with

agency theory, which suggests that overly large boards may lead to inefficiencies due to coordination difficulties and diluted decision-making power.

Brimah et al. (2024) examined the impact of corporate governance mechanisms on the financial performance of deposit money banks in Nigeria from 2013 to 2022. Corporate governance was measured by board size among others. While adopting the panel regression technique to analyse data, the findings indicated that board size significantly impact the financial performance of the banks. However, extending the period gap could substantiate or provide a different narrative to the findings.

Uwuigbe and Fakile (2024) researched on the effect of board size on financial performance of listed banks in Nigeria. The findings revealed a significant negative relationship between board size and financial performance. The findings suggested that larger boards experience increased agency problems, reducing their effectiveness. The study concluded that smaller boards are preferable for enhancing financial performance and recommended maintaining board sizes below 13 to mitigate free-rider issues.

Mitchell and Roberts (2023) conducted a longitudinal study on Australian banks from 2018 to 2022 by examining the impact of board size on bank performance. Using a dynamic panel regression model, they found a non-linear relationship between board size and financial performance. Their findings indicated that performance peaked when boards consisted of 11–13 members, beyond which additional board members led to diminishing returns due to increased coordination costs. Banks with optimal board sizes exhibited a 15% higher market-to-book ratio compared to those with larger boards.

Theoretical Review

Theories that explain board size and shareholders' wealth maximisation include the Agency theory, Stakeholder theory, Stewardship theory, Wealth Maximization theory and Signalling theory. However, the agency theory underpins the study.

Agency Theory

Agency theory, as articulated by Jensen and Meckling (1976) and Donaldson and Davis (1991), posits that managers will not prioritize maximizing shareholder returns unless incentivized by suitable corporate governance frameworks established within large organizations to protect shareholder interests. The agency theory highlights the conflict of interest between managers (agents) and business owners (principals), proposing mechanisms to align the agents' actions with the principals' goals (Jensen & Meckling 1976). The corporate governance mechanism is a key component proposed by agency theory (Lopes, 2008; Bushman & Smith, 2001; Shapiro, 2005), emphasizing the relationship between the agent and the principal.

The established corporate governance mechanisms effectively serve shareholder interests and mitigate agency losses. According to Donaldson and Davis (1991), as referenced by Temple (2019), agency loss arises when the residual returns to shareholders are lower than they would be if the shareholders managed the business independently. Agency theory, as articulated through governance structures, delineates mechanisms for mitigating agency losses, including executive incentive schemes that financially reward executives for maximizing shareholder interests (Eisenhardt 1989).

Jensen and Meckling (1976) proposed executive compensation schemes, such as performance-based stock options, which align managers' benefits with those of shareholders when

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managers act in the shareholders' best interest. Donaldson and Davis (1991) argue that these schemes link executive compensation and benefits to shareholder returns, promoting long-term value maximization for the organization while discouraging short-term executive actions that may hinder organizational growth.

3. Methodology

The study adopts an ex post facto research design, which is appropriate for the examination of financial outcomes based on historical data. The population of this study consist of fourteen (14) listed Deposit Money Banks in Nigeria. Thus, banks listed on the Nigerian Exchange Group (NGX) as of 31st December 2023 forms the population of the study. Given that the study covers a ten-year period from 2014 to 2023 and the focus is on listed deposit money banks in Nigeria, only, deposit money banks that were listed prior to 2014 and remained listed to 2023 are selected. Therefore, the census sampling technique was used in arriving at the sample size of fourteen (14) listed deposit money banks in Nigeria. This technique is considered appropriate as it includes all items of the population which provides the bases for statistical inference on the entire population. The population of listed deposit money banks in Nigeria as at December 31, 2023 is presented in Table 1.

Table 1

Population and Sample of Listed Deposit Money Banks

S/N	Bank	Listing Date	Incorporation Date
1	Access Holdings Plc	November 18 1998	February 8 1989
2	EcoBank Transnational Incorporated	September 11 2006	October 3 1985
3	FBN Holdings Plc	November 2 2012	August 13 2012
4	FCMB Group Plc	June 21 2013	November 12 2012
5	Fidelity Bank Plc	May 17 2005	November 19 1987
6	GT Holding Company Plc	February 12 2008	July 20 1990
7	Jaiz Bank Plc	February 10 2017	July 20 2003
8	Stanbic IBTC Holdings Plc	November 23 2002	March 14 2012
9	Sterling Bank Plc	August 17 1993	November 26 1960
10	Union Bank Plc	1970	May 30 1969
11	United Bank for Africa	March 31 1990	February 23 1961
12	Unity Bank Plc	December 22 2005	April 27 1987
13	Wema Bank Plc	February 13 1990	May 2 1945
14	Zenith Bank Plc (CG+)	October 21 2004	May 30 1990

Source: *Nigerian Exchange Group (NGX) 2025.*

Model Specification

The study's model is designed to capture the relationship between board size and shareholders' wealth maximization (DVs). The model of Omobo and Nathan (2023): $SHW_{it} = \beta_1 BS + \beta_2 BC + \beta_2 BI + \beta_3 DSH + \mu$ was modified for the purpose of this study; hence the empirical model is written as: $EVA_{it} = \beta_0 + \beta_1 BS_{it} + \mu_{it} \dots \dots (1)$; Where EVA is economic value

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added; and BS is Board Size; β_0 is Intercept term; β_1 is Coefficients of the independent variables; and μ is Error term.

Technique of Data Analysis

While the study used secondary source to obtain data from audited annual report the study the multiple regression technique of analysis. Considering the panel nature of the data the Fixed Effect Model and the Random Effect Model were employed in order to determine the suitability of the model. The Hausman specification test was used in deciding between the fixed effect and random effect models on the basis that both models are suitable.

Furthermore, the classical assumption of a linear regression suggests the comparison of these models to the ordinary least square by employing the Lagrangian Multiplier test. Additional diagnostic tests, such as multicollinearity, heteroskedasticity, and normality of residual error test, and the adjusted R-square were carried out to ensure the robustness of the results.

Variables, Definition and Measurement

Table 2

Variable Measurement

Variable	Definition	Measurement	Source
Dependent Variable Economic Value Added (EVA)	Subtracting the cost of capital from net operating profit after taxes	EVA=NOPAT-(Capital x WACC)	Okoye & Olokoyo (2016)
Independent Variable Board Size (BS)	Total number of members on the board of directors	Number of Directors in the board	Okoye & Olokoyo (2016)

Source: Researcher's Compilation, 2025

4. Results and Discussions

Descriptive Statistics

The descriptive result is provided in Table 3.

Table 3

Descriptive Result

Variable	Obs	Mean	Std. Dev.	Minimum	Maximum
EVA	140	-3.24e+08	2.14e+09	-5.98e+09	3.73e+09
BS	140	11.186	2.745	7	15

Source: STATA Output, 2025

The results from Table 3 indicate that the mean EVA for the sample of 140 observations is approximately -324.8 billion Naira. This negative mean suggests that, on average, quoted deposit money banks in Nigeria are not generating sufficient returns to cover their cost of capital, implying potential value erosion for shareholders. The standard deviation of 2.144 billion Naira indicates substantial variability in EVA across banks, reflecting the diverse financial performances of the institutions. The minimum EVA of -5.975 billion Naira indicates the worst-performing bank in terms of economic profit, while the maximum of 3.732 billion Naira suggests that some banks are still able to create significant economic value.

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Board size represents the total number of directors on the board, influencing decision-making and governance effectiveness. The mean board size across the sample is 11.186 members, indicating that most Nigerian deposit money banks maintain an average board size of eleven (11) members. The standard deviation of 2.745 suggests some level of variation, but not excessively so. The minimum board size observed is 7, which aligns with regulatory recommendations for corporate governance in Nigeria, while the maximum is 15, reflecting banks that may prefer larger boards to incorporate diverse expertise and oversight capabilities.

Correlation Matrix

Correlation depicts the direction and degree of association between the independent variable and the dependent variable of the study. The result from correlation matrix is shown in Table 4.

Table 4

Pairwise Correlation

Variables	EVA	BS
EVA	1.000	
BS	-0.028 (0.743)	1.000

Source: STATA Output, 2025

The correlation matrix results in Table 4 provide insights into the relationships between Economic Value Added (EVA) and board size. The correlation between EVA and board size (BS) is negative (-0.028) but statistically insignificant ($p = 0.743$), indicating that board size has no significant linear association with shareholder wealth maximization.

Diagnostic Tests

These tests are necessary in ensuring that, the Best Linear Unbiased Estimators (BLUEs) are arrived at. These include, the test of normality, Multicollinearity and Heteroskedasticity.

Normality Test

Table 5

Shapiro-Wilk W Test for Normal Data

Variable	Obs	W	V	Z	Prob>Z
EVA	140	0.98028	2.163	1.743	0.04066
BS	140	0.96458	3.885	3.065	0.00109

Source: STATA Output, 2025

The normality test results in Table 5 using the Shapiro-Wilk W test indicated non-normal distributions for the variables in the study. The dependent variable, EVA, yielded a W statistic of 0.980 with a p-value of 0.041, while independent variable of BS revealed a lower W values 0.965 and p-value of 0.001, all below the 0.05 significance threshold. This suggests a rejection of the null hypothesis of normality, implying that the data for these variables deviated significantly from a normal distribution. These findings align with Razali and Wah (2011), who established the Shapiro-Wilk test as a robust tool for detecting non-normality, particularly in small to moderate sample sizes.

Multicollinearity Test

Table 6

Variance Inflation Factor

Variables	VIF	1/VIF
BS	1.000	1.0000
Mean VIF	1.000	

Source: STATA Output, 2025

The Multicollinearity test, as presented in Table 6, provides insight into the relationships between the independent variable and dependent variable, and the potential impact on the reliability of the regression model. The Variance Inflation Factor (VIF) value for the independent variable is well below the commonly accepted threshold of 10, which indicates that there is no significant Multicollinearity.

Heteroskedasticity Test

Table 2

Breusch-Pagan / Cook-Weisberg test for Heteroskedasticity

Chi2(1)	Prob>chi2
0.03	0.8588

Source: STATA Output, 2025

The heteroskedasticity test results in Table 7, using the Breusch-Pagan / Cook-Weisberg test, assess whether the variance of the residuals is constant across all levels of the independent variables. The null hypothesis (Ho) assumes constant variance (homoskedasticity). The chi-squared value (chi2(1)) is 0.03, with a corresponding p-value of 0.8588. Since the p-value is greater than the common significance level of 0.05, we fail to reject the null hypothesis and conclude that there is absence of heteroskedasticity in the model. This suggests that the variance of the errors is constant. Hence, the efficiency of the model is not affected.

Hausman Specification Test

Table 3

Hausman (1978) Specification Test

	Chi2(1)	Prob>chi2	Remark
Model	0.04	0.8470	REM

Source: STATA Output, 2025

The Hausman specification test results in Table 8 are used to determine whether a random effects or fixed effects model is more appropriate for the study. The chi-square test value is 1.18, with a corresponding p-value of 0.8470. Since the p-value is much greater than the commonly used significance level of 0.04, we fail to reject the null hypothesis, which suggests that the random effects model is appropriate. This implies that the random effects assumption, which assumes that the unobserved individual-specific effects are uncorrelated with the explanatory variables, holds in this case. Therefore, the random effects model is preferable over the fixed effects model for this analysis, as there is no significant evidence to suggest that fixed effects would provide a better specification for the data.

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Regression Results

Table 9

Summary of Regression Results (Random Effect Model)

EVA	Coef.	St. Err	t-value	p-value	95% Conf	Interval
BS	-2.29e+07	6.67e+07	-0.34	0.731	-1.54e+08	1.08e+08
Constant	-6.76e+07	7.73e+08	-0.09	0.930	-1.58e+09	1.45e+09
Mean		3.383e+08	SD		2.135e+09	
Dependent			dependent			
Var			var			
Overall r-squared		0.0008	Number of obs		140	
Chi-square		0.12	Prob>chi2		0.7314	
R-squared within		0.0012	R-squared between		0.0004	

****** $p < .05$

Source: STATA Output, 2025

The model of the study investigates the impact of board size on shareholders' wealth maximisation among quoted deposit money banks in Nigeria, using Economic Value Added (EVA) as the proxy for shareholders' wealth. The model adopts a panel regression framework, where EVA is specified as the dependent variable and board size (BS) as the key independent variable, controlling for time and firm effects.

The statistical results indicate that board size has a negative but statistically insignificant effect on EVA, suggesting that variations in board size do not meaningfully explain changes in shareholders' wealth. With an overall R-squared of 0.0008 and a model p-value of 0.731, the findings reveal that the model has very limited explanatory power, highlighting the need to consider other governance or firm-specific variables in explaining shareholders' wealth maximisation in the Nigerian banking sector.

Test of Hypotheses

Based on the regression results of the study, the null hypothesis of the study is tested as follows.

H₀₁: Board size has no significant effect on shareholders' wealth maximization of quoted deposit money banks in Nigeria.

From the regression results, the coefficient for Board Size $-2.29e+07$ and a p-value of 0.731. Since the p-value is greater than the 0.05 significance level, we fail to reject the null hypothesis, indicating that Board Size has an insignificant negative effect on shareholders' wealth maximization.

Discussion of Findings

Board Size (BS) and Shareholders' Wealth Maximization

The regression results reveal a negative but statistically insignificant relationship between board size (BS) and Economic Value Added (EVA), with a coefficient of $-2.29e+07$ and a p-value of 0.731. This indicates that an increase in board size is associated with a decrease in EVA, but

the relationship lacks statistical support, suggesting that board size has no significant impact on shareholders' wealth maximisation in quoted deposit money banks in Nigeria.

This finding aligns with Uwuigbe et al. (2020), who also reported an insignificant link between board size and firm performance in the Nigerian banking sector, emphasizing that board effectiveness may rely more on composition than size. Similarly, Ehikioya (2019) found that large boards tend to slow decision-making without necessarily improving firm value. However, the result contradicts Kajola (2018), who found a significant positive relationship between board size and financial performance in Nigerian firms, arguing that broader expertise enhances value creation. Oludele and Obisesan (2022) also reported that increasing board size can improve shareholders' wealth in regulated industries. These mixed findings underscore the need to consider institutional context and other board attributes beyond size.

Policy Implication of Findings

The findings of this study have several important policy implications for firms and regulators, particularly in relation to corporate governance and financial performance. The significant negative effect of Board Size (BS) on Shareholders' Wealth Maximization suggests that larger boards may not necessarily contribute to better financial performance, which could indicate inefficiencies such as decision-making delays or conflicts of interest among a larger number of members. This finding calls for policymakers to consider regulating or advising firms to maintain an optimal board size that balances effective governance with operational efficiency.

5. Conclusion and Recommendation

In line with the findings of the study, the study concludes that Board Size has an insignificant negative effect on shareholders' wealth maximization, suggesting that larger boards may lead to little or no effect on shareholders' wealth maximization, likely due to decision-making delays and possible conflicts within the board. Therefore, the study recommended that given the negative effect of Board Size on shareholders' wealth maximization, it is recommended that firms adopt a more streamlined board structure with an optimal number of directors. The focus should be on ensuring that the board is large enough to provide diverse perspectives but not so large as to create inefficiencies.

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