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Governance and Financial Performance in Algerian Private Banks: Panel Evidence from 2012–2024

Cezayir Özel Bankalarında Kurumsal Yönetim ve Finansal Performans: 2012–2024 Panel Veri Bulguları

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Abstract

This study examines the impact of corporate governance mechanisms on the financial performance of private banks in Algeria. It specifically investigates the effects of board size, board meeting frequency, and bank size on return on equity (ROE). The analysis is based on a balanced panel dataset covering a sample of Algerian private banks over the 2012–2024 period. Panel-data econometric techniques were employed, and the random-effects model was selected

Özet

Bu çalışma, kurumsal yönetim mekanizmalarının Cezayir’de faaliyet gösteren özel bankaların finansal performansı üzerindeki etkisini incelemektedir. Araştırmada özellikle yönetim kurulu büyüklüğünün, yönetim kurulu toplantı sıklığının ve banka büyüklüğünün özkaynak kârlılığı üzerindeki etkileri değerlendirilmiştir. Analiz, 2012–2024 döneminde Cezayir’de faaliyet gösteren özel bankalardan oluşan bir örnekleme ait dengeli panel veri setine

following the application of the relevant specification and model-selection tests. The findings demonstrate that governance mechanisms are significantly associated with the financial performance of private banks. Board size has a positive effect on ROE, suggesting that broader representation and more diverse expertise within boards may strengthen oversight, strategic decision-making, and managerial effectiveness. Bank size also exerts a positive effect, indicating that larger private banks may benefit from economies of scale, resource diversification, stronger operational capacity, and improved market positioning. Conversely, board meeting frequency has a negative effect on ROE. This result implies that holding more meetings does not necessarily improve bank performance and may instead reflect reactive governance, coordination difficulties, higher administrative costs, or inefficiencies in decision-making. The overall model is statistically significant, and the included governance variables explain a meaningful proportion of the variation in bank performance. The study recommends strengthening governance practices through the effective composition of boards, improving the quality and productivity of board meetings, developing internal control and risk-management systems, and supporting the sustainable growth of private banks. These measures can enhance profitability, institutional resilience, and competitiveness within the Algerian banking sector. Keywords: bank governance; financial performance; return on equity; private banks; panel data; Algeria JEL Classification: C23, G21, G32, G34, M14	dayanmaktadır. Araştırmada panel veri ekonometrisi yöntemleri kullanılmış ve ilgili model belirleme ve uygunluk testlerinin uygulanmasının ardından tesadüfi etkiler modeli tercih edilmiştir. Bulgular, kurumsal yönetim mekanizmalarının özel bankaların finansal performansı ile anlamlı biçimde ilişkili olduğunu göstermektedir. Yönetim kurulu büyüklüğünün özkaynak kârlılığı üzerinde pozitif bir etkisi belirlenmiştir. Bu sonuç, kurullarda daha geniş temsili ve farklı uzmanlık alanlarının bulunmasının gözetim kapasitesini, stratejik karar alma sürecini ve yönetim etkinliğini geliştirebileceğini göstermektedir. Banka büyüklüğünün etkisi de pozitif bulunmuştur. Daha büyük özel bankaların ölçek ekonomilerinden, çeşitlendirilmiş kaynaklardan, daha güçlü operasyonel kapasiteden ve gelişmiş piyasa konumundan yararlanabildiği anlaşılmaktadır. Buna karşılık yönetim kurulu toplantı sıklığının özkaynak kârlılığı üzerinde negatif bir etkisi olduğu belirlenmiştir. Bu bulgu, toplantı sayısındaki artışın performansı kendiliğinden iyileştirmediğini; aksine tepkisel yönetimi, koordinasyon sorunlarını, yükselen idari maliyetleri veya karar alma verimsizliğini yansıtabileceğini düşündürmektedir. Araştırma modeli genel olarak istatistiksel açıdan anlamlıdır ve incelenen yönetim değişkenleri finansal performanstaki değişimin önemli bir bölümünü açıklamaktadır. Çalışmada yönetim kurullarının etkili biçimde yapılandırılması, toplantıların niteliğinin geliştirilmesi, iç kontrol ve risk yönetimi sistemlerinin güçlendirilmesi ve özel bankaların sürdürülebilir büyümesinin desteklenmesi önerilmektedir. Anahtar Kelimeler: banka yönetimi; finansal performans; özkaynak kârlılığı; özel bankalar; panel veri; Cezayir JEL Sınıflandırması: C23, G21, G32, G34, M14
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I. Introduction

Corporate governance is a modern concept that has gained increasing importance in economic and financial literature, particularly after the global financial crises that highlighted the need to enhance transparency, accountability, and oversight within institutions. Governance aims to regulate the relationship between the board of directors, executive management, shareholders, and stakeholders, thereby contributing to improved performance efficiency, reduced conflicts of interest, and enhanced institutional stability.

In the banking sector, governance is of particular importance given the pivotal role banks play in financial intermediation and supporting financial stability. It contributes to strengthening the effectiveness of internal controls and risk management, and improving the quality of administrative decisions, which positively impacts the financial performance of banking institutions. In Algeria, the Bank of Algeria has adopted a series of regulatory reforms aimed at consolidating the principles of banking governance in accordance with international standards, as part of its efforts to develop the banking sector and enhance its efficiency and ability to meet economic challenges.

1. Research Problem:

To what extent do governance mechanisms affect the financial performance of private commercial banks in Algeria during the period 2012-2024?

2. Sub-Questions

1 - What is the nature of the impact of governance mechanisms, specifically the size of the board of directors, on the financial performance of private commercial banks in Algeria during the period 2012-2024?

2 - What is the nature of the impact of the number of board meetings on the financial performance of private commercial banks in Algeria during the period 2012-2024?

3. Study Hypotheses

1 - There is a statistically significant relationship between the size of the board of directors and the financial performance of private commercial banks in Algeria during the study period.

2 - There is a statistically significant relationship between the number of board meetings and the financial performance of private commercial banks in Algeria during the study period.

4. Study Significance

This study is of great importance to both academic and applied researchers, given its significance in the subject of banking sector governance and its role in improving the financial performance of banks, especially in light of the economic and financial transformations taking place in the Algerian banking sector. From an academic perspective, this study contributes to enriching the literature on banking sector governance by analyzing the relationship between governance mechanisms and financial performance indicators using modern econometric methods. This, in turn, contributes to expanding academic knowledge in the field of banking sector economics and financial governance. From a practical perspective, the study's importance lies in providing findings and recommendations that Algerian banks and regulatory bodies can utilize to improve governance systems and enhance financial efficiency and banking stability. The study is particularly significant given the unique nature of the Algerian banking environment, which is still gradually adopting international governance standards.

5. Study Objectives

This study aims to achieve a set of academic and applied objectives, the most important of which are:

- To highlight the role of banking sector governance in improving the financial performance of Algerian banks;
- To measure the impact of certain governance mechanisms, such as board size and the number of meetings, on financial performance indicators;
- To analyze the relationship between governance variables and return on equity (ROE);
- To identify the most appropriate benchmark model for interpreting the relationship between governance and financial performance using dashboard data models.

6. Methodology

The study adopted a standard methodology based on panel data models, due to their ability to combine temporal and cross-sectional dimensions, thus enabling a more accurate and realistic analysis of the behavior of Algerian commercial banks during the study period. In this context, a random effects model was estimated using the Generalized Least Squares (GLS) method to address some potential standard problems, particularly the heterogeneity of variance and the sequential correlation between error limits over time. The GLS method is more efficient than the Ordinary Least Squares (OLS) method because it provides more accurate and reliable estimates when there are imbalances in the assumptions of the classical model.

II. LITERATURE REVIEW

1. Bank Governance and Financial Performance

1.1 General Concepts of Bank Governance:

Many economists throughout history have addressed the concept of governance. This can be traced back to 1776 with Adam Smith's book, *The Wealth of Nations*, in which he emphasized the need to separate ownership from management. Smith explained the fundamental problem of governance as follows: managers are not expected to run and supervise a company in the same way that partners typically supervise their own interests, because these managers are managing other people's money, not their own.(Smith, 1776)

In 1932, Adolf Berle and Gardiner Means also addressed the concept of corporate governance in their book, *The Modern Firm and Private Property*, which focuses on the performance of modern companies, the optimal use of resources, and issues related to the separation of ownership from management.(Berle & Means, 1932, pp. 4–8)

The Organisation for Economic Co-operation and Development (OECD) defines bank governance as a system by which business organizations are directed and supervised. A corporate governance system establishes the necessary structure and framework for distributing tasks and responsibilities among the bank's participants, such as the board of directors, managers, and other stakeholders.(OECD, 2023, p. 16) It also establishes the rules and regulations necessary for making decisions related to the bank's affairs. Through this process, the corporate governance system provides the appropriate structure that enables the bank to define its objectives. Good governance should provide the necessary incentives for the board of directors to pursue objectives that benefit the bank and its shareholders,(Bakader & Chemakhi , 2023, p. 190) and facilitate effective oversight, thus encouraging banks to use their available resources efficiently.(Supervision, 2021, pp. 1-5)

1.2 The Importance of Bank Governance

Governance is more important in banks than in other institutions due to their unique nature. Bank failures affect the financial stability of the banking sector. Its importance lies in the following:(Taylor & Francis, 2021, p. 5237)

- The increasing privatization in South America, Western Europe, Asia, and the former Soviet Union has led to a greater need to develop methods for managing these newly privatized institutions. As a result, the new shareholders in these institutions now need to protect their rights.
- The increasing privatization in South America, Western Europe, Asia, and the former Soviet Union has led to a greater need to develop methods for managing these newly privatized institutions. Therefore, new shareholders in these institutions now need their rights protected.
- The increasing financial importance of pension funds has significantly impacted institutions and played a crucial role in the implementation of global standards for protecting shareholder rights.
- Public debate intensified during the 1980s in the United States and the 1960s in Europe, enriching the dialogue on corporate governance, particularly at the political level, given the scale and impact of these transactions.
- Discussions on governance have grown in Eastern Europe, Asia, and emerging economies to attract foreign investors. Among the most targeted investors are those affiliated with pension funds in the United States and the United Kingdom, allowing them to disseminate their views and culture in these countries.

1.3 Objectives of Bank Governance

The proper application of governance contributes to achieving a number of objectives, the most important of which are(Kyere & Ausloos, 2021, p. 1873):

- Ensuring the efficiency of the company's management and oversight;
- Ensuring the review of financial performance, the allocation of company funds, and compliance with the law;
- Ensuring the disclosure of financial results, the results of the company's activities, anticipated risk factors, and transactions with other parties;
- Ensuring the existence of governance structures that enable the company's management to be accountable to its shareholders;

- Ensuring fair and equal treatment of all shareholders, especially in the case of controlling shareholders;
- Ensuring independent oversight by non-employee entities of managers and accountants to ensure the preparation of final financial statements in accordance with high-quality accounting standards;
- Ensuring that shareholders have the power to intervene in case of problems and support management's efforts in the long term;
- The possibility of resorting to legislation and laws in case of violations of the principles of fairness in transactions.

2. Second: The Concept of Bank Financial Performance:

2.1 The Concept of Bank Financial Performance:

A bank's financial performance refers to its ability to achieve its financial and economic objectives. It is an indicator of the soundness and efficiency of its management of available resources. It also reflects the bank's capacity to generate financial returns that meet the expectations of shareholders and investors, while fulfilling its financial obligations. (Al-Homaidi, Almaqtari, Ahmad, & Tabash, 2023, p. 158) From an economic perspective, financial performance is linked to the extent to which a bank achieves its strategic goals and reflects the levels of efficiency and effectiveness it achieves through its various activities. (Ozili, 2023, p. 3)

The evaluation of a bank's financial performance depends on several key factors, most notably profitability. Profitability includes net income from loan interest and investments, as well as commissions, fees, and income from other business activities. These profits must be sufficient to cover costs and generate a net profit that meets shareholders' expectations. (Alharbi & Hussainey, 2024, p. 71) In addition to profits, profitability is a crucial factor, measured through indicators such as return on assets (ROA) and return on equity (ROE). These ratios reflect the bank's ability to generate profits relative to its capital and available financial assets. (Banna, Hassan, & Alam, 2022, p. 1463)

2.2 Financial Performance Indicators (Financial Ratios)

Financial performance focuses on a set of financial indicators that reflect a bank's ability to achieve its objectives and manage its resources efficiently. These indicators are used to assess the bank's financial position and overall performance, and to assist in making strategic decisions. Measuring a banking institution's performance is an expression of its financial position, using financial analysis tools to identify strengths and weaknesses and improve performance.

2.2.1 Profitability Ratios:

Profitability ratios are among the most important financial indicators used in evaluating banking performance. They measure a bank's ability to generate profits through the optimal use of its resources, reflecting its sustainability and competitiveness. (Al-Homaidi, Almaqtari, Ahmad, & Tabash, 2023, p. 186)

Despite the importance of profitability ratios, they suffer from some limitations, most notably neglecting the risk factor and failing to consider investments that may reduce profits in the short term in exchange for higher returns in the future. (Ozili, 2023, p. 4)

2.2.2 Return on Assets (ROA):

Return on Assets (ROA) measures a bank's ability to generate profits from its total assets. It is an indicator of management efficiency in allocating resources and using investments to achieve the best possible return. (Banna, Hassan, & Alam, 2022, p. 1464)

$$\text{Return on Assets (ROA)} = \frac{\text{Net profit after tax}}{\text{Total assets}}$$

2.2.3 Return on Equity (ROE):

The return on equity (ROE) is one of the most important profitability indicators, as it measures a bank's ability to generate profits from shareholders' funds and the efficiency with which shareholders' equity is used to generate returns. It is calculated by dividing net profit after tax by total equity. The higher the ROE value, the better the bank's financial performance. (Dietrich & Wanzenried, 2011, p. 310)

$$\text{Return on Equity (ROE)} = \frac{\text{Net profit after tax}}{\text{Equity}}$$

III. Presentation of Results

1. Standard Models and Estimation Methods

1.1 General Formulation of a Panel Data Model

A panel data model is an advanced standard framework that combines cross-sectional and time-series data dimensions. This model allows for the study of the behavior of a group of economic units, such as institutions or countries, over a specific period. It is distinguished by its ability to handle subtle variations between units, as well as track dynamic changes over time. (Wooldridge, 2021) This provides more accurate and reliable results compared to traditional models. This model is widely used in economic and financial studies, particularly in analyzing economic performance and growth, and governance structures. The general panel data model takes a form that integrates dependent and independent variables with spatial and temporal dimensions simultaneously. (Baltagi, B. H, 2021) This integration contributes to improving estimation efficiency and reducing the problem of transaction bias. The general model takes the following form:

$$Y_{it} = \alpha + \beta X_{it} + u_{it}$$

where:

- Y_{it} : the dependent variable of unit i at time t
- X_{it} : the independent variables
- α : a constant
- u_{it} : the error limit

However, this simple model does not account for the varying characteristics of economic units, necessitating the use of more complex models, such as the stochastic effects model.

1.2 Measurement methods

Table 1. Definition and measurement of variables

variable	Definition	Measurement
Independent variables		
BS	Board size	The total number of the members on the board
NBM	Number of board meetings	
size	Bank size	Logarithm of total assets
dependent variable		
ROE	Return on equity	$(\text{ROE}) = \frac{\text{Net profit after tax}}{\text{Equity}}$

Source: Prepared by researchers

2. Second: Presenting and Discussing the Results

This section presents and descriptively analyzes the results obtained, aiming to provide a comprehensive overview of the key characteristics of the studied sample and the various aspects of the study. This helps in extracting the essential data that paves the way for a more in-depth discussion in subsequent stages.

3. Descriptive Analysis of Bank Variables

This study was conducted on private banks, focusing on the Return on Equity (ROE) indicator.

3.1 Pooled Regression Model

Table. 02 represents the pooled regression model for private banks

Dependent Variable: ROE?				
Method: Pooled Least Squares				
Date: 04/30/26 Time: 12:25				
Sample: 2012 2024				
Included observations: 13				
Cross-sections included: 8				
Total pool (balanced) observations: 104				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-10.92695	6.582659	-1.659959	0.1001
BS?	1.341174	0.224748	5.967448	0.0000
NBM?	-0.508055	0.135973	-3.736443	0.0003
SEIZ?	0.613636	0.263634	2.327604	0.0219
Root MSE	3.807477	R-squared		0.395918
Mean dependent var	10.94038	Adjusted R-squared		0.377795
S.D. dependent var	4.922517	S.E. of regression		3.882880
Akaike info criterion	5.588734	Sum squared resid		1507.676
Schwarz criterion	5.690441	Log likelihood		-286.6141
Hannan-Quinn criter.	5.629938	F-statistic		21.84678
Durbin-Watson stat	1.058444	Prob(F-statistic)		0.000000

Source: Prepared by researchers using EViews 13

Substituted Coefficients:

$$ROE_1 = -10.926945961 + 1.34117401545BS_1 - 0.508055076386NBM_1 + 0.613635646726SEIZ_1$$

$$ROE_2 = -10.926945961 + 1.34117401545BS_2 - 0.508055076386NBM_2 + 0.613635646726SEIZ_2$$

$$ROE_3 = -10.926945961 + 1.34117401545BS_3 - 0.508055076386NBM_3 + 0.613635646726SEIZ_3$$

$$ROE_4 = -10.926945961 + 1.34117401545BS_4 - 0.508055076386NBM_4 + 0.613635646726SEIZ_4$$

$$ROE_5 = -10.926945961 + 1.34117401545BS_5 - 0.508055076386NBM_5 + 0.613635646726SEIZ_5$$

$$ROE_6 = -10.926945961 + 1.34117401545BS_6 - 0.508055076386NBM_6 + 0.613635646726SEIZ_6$$

$$ROE_7 = -10.926945961 + 1.34117401545BS_7 - 0.508055076386NBM_7 + 0.613635646726SEIZ_7$$

$$ROE_8 = -10.926945961 + 1.34117401545BS_8 - 0.508055076386NBM_8 + 0.613635646726SEIZ_8$$

Statistical analysis

The results of the pooled linear regression (OLS) model showed high statistical significance, with an F-test value of approximately 21.84 and a p-value of 0.0000. This indicates that the independent variables combined significantly influence the return on equity (ROE). The explanatory power of the model (R^2) was approximately 39.6%, a moderate power reflecting the fact that a large proportion of the changes in financial performance are explained by the governing variables. At the transaction level, board size (BS) was found to have a significant positive effect at the 1% level, as a larger number of members contributes to improved financial performance, potentially reflecting greater expertise within the board. Conversely, the number of meetings (NBM) showed a significant negative effect, suggesting that NBMuent meetings may be associated with organizational imbalances or ineffective decision-making. Bank size (SEIZ) showed a significant positive effect at the 5% level, indicating that larger banks perform better due to economies of scale. Although the fixed threshold was not statistically significant, the Durbin-Watson statistic (1.05) indicates a positive autocorrelation in errors, which could affect the efficiency of the estimates. Therefore, despite the model's importance, it remains limited because it ignores individual differences between banks, justifying a shift to more accurate panel data models.

3.2 Static Effects Model

Table. 3 represents the results of the fixed-effects model estimation for private banks

Dependent Variable: ROE?					
Method: Pooled Least Squares					
Date: 04/30/26 Time: 12:26					
Sample: 2012 2024					
Included observations: 13					
Cross-sections included: 8					
Total pool (balanced) observations: 104					
Variable	Coefficient	Std. Error		t-Statistic	Prob.
C	4.009809	7.438922		0.539031	0.5912
BS?	0.343534	0.316784		1.084444	0.2810
NBM?	-1.274215	0.442979		-2.876471	0.0050
SEIZ?	0.463642	0.261902		1.770287	0.0800
Fixed Effects (Cross)					
1--C	9.707466				
2--C	-1.188017				
3--C	0.462855				
4--C	-2.622335				
5--C	-0.623237				
6--C	-2.042418				
7--C	0.803579				
8--C	-4.497893				
Effects Specification					
Cross-section fixed (dummy variables)					
Root MSE	3.275189		R-squared		0.553014
Mean dependent var	10.94038		Adjusted R-squared		0.504951
S.D. dependent var	4.922517		S.E. of regression		3.463471
Akaike info criterion	5.422167		Sum squared resid		1115.594
Schwarz criterion	5.701862		Log likelihood		-270.9527

Hannan-Quinn criter.	5.535479		F-statistic	11.50601
Durbin-Watson stat	1.425514		Prob(F-statistic)	0.000000

Source: Prepared by researchers using EViews 13

Substituted Coefficients:

$$ROE_1 = 9.70746581087 + 4.00980882928 + 0.3435341242BS_1 - 1.27421542989NBM_1 + 0.463642008938SEIZ_1$$

$$ROE_2 = -1.18801671357 + 4.00980882928 + 0.3435341242BS_2 - 1.27421542989NBM_2 + 0.463642008938SEIZ_2$$

$$ROE_3 = 0.462854521671 + 4.00980882928 + 0.3435341242BS_3 - 1.27421542989NBM_3 + 0.463642008938SEIZ_3$$

$$ROE_4 = -2.62233507286 + 4.00980882928 + 0.3435341242BS_4 - 1.27421542989NBM_4 + 0.463642008938SEIZ_4$$

$$ROE_5 = -0.623236611631 + 4.00980882928 + 0.3435341242BS_5 - 1.27421542989NBM_5 + 0.463642008938SEIZ_5$$

$$ROE_6 = -2.04241806031 + 4.00980882928 + 0.3435341242BS_6 - 1.27421542989NBM_6 + 0.463642008938SEIZ_6$$

$$ROE_7 = 0.803578700766 + 4.00980882928 + 0.3435341242BS_7 - 1.27421542989NBM_7 + 0.463642008938SEIZ_7$$

$$ROE_8 = -4.49789257493 + 4.00980882928 + 0.3435341242BS_8 - 1.27421542989NBM_8 + 0.463642008938SEIZ_8$$

analysis

The results of the fixed-effects model showed a clear improvement compared to the pooled model, with an explanatory power (R^2) of approximately 55.3%. This is a good ratio, reflecting a greater ability to explain changes in return on equity (ROE). Furthermore, the model as a whole was statistically significant at the 1% level ($\text{Prob}(F) = 0.0000$), confirming the validity of the independent variables in explaining financial performance. At the level of individual transactions, the number of meetings (NBM) variable was found to have a statistically significant negative effect at the 1% level. This suggests that an increase in meetings may be associated with a decrease in financial performance, which could be explained by organizational problems or weaknesses in decision-making efficiency within boards of directors. In contrast, the board size (BS) did not show statistical significance ($\text{Prob} = 0.2810$), meaning its effect becomes negligible after accounting for individual differences between banks. This indicates that the effect of this variable in the pooled model was affected by the homogeneity of the sample. Bank size (SEIZ) showed a weak positive effect at the 10% level, indicating a possible but not strong relationship. The fixed threshold was also not statistically significant. On the other hand, the fixed effects values for each bank reflect clear individual differences between banks affecting their financial performance, justifying the use of this type of model. The Durbin-Watson statistic (1.42) indicates a positive autocorrelation, but it is less pronounced than in the pooled model. Therefore, it can be argued that the fixed effects model is more accurate in capturing the unobserved characteristics of each bank, making it more suitable than the pooled model, although some variables lost their statistical significance after including these effects.

3.3 The Random Effects Model

Table. 4 represents the results of the random effects model estimation for private banks

Dependent Variable: ROE?		
Method: Pooled EGLS (Cross-section random effects)		
Date: 04/30/26 Time: 12:27		

Sample: 2012 2024				
Included observations: 13				
Cross-sections included: 8				
Total pool (balanced) observations: 104				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-8.156588	6.370418	-1.280385	0.2034
BS?	1.035802	0.242023	4.279776	0.0000
NBM?	-0.520052	0.170900	-3.043022	0.0030
SEIZ?	0.589202	0.245003	2.404872	0.0180
Random Effects (Cross)				
1--C	2.157099			
2--C	0.565336			
3--C	-0.693677			
4--C	0.174639			
5--C	-1.472804			
6--C	-0.154561			
7--C	0.478254			
8--C	-1.054287			
	Effects Specification			
			S.D.	Rho
Cross-section random			1.156177	0.1003
Idiosyncratic random			3.463471	0.8997
	Weighted Statistics			
Root MSE	3.599624	R-squared		0.236175
Mean dependent var	6.991456	Adjusted R-squared		0.213260
S.D. dependent var	4.138646	S.E. of regression		3.670911
Sum squared resid	1347.559	F-statistic		10.30667
Durbin-Watson stat	1.148807	Prob(F-statistic)		0.000006
	Unweighted Statistics			
R-squared	0.380678	Mean dependent var		10.94038
Sum squared resid	1545.711	Durbin-Watson stat		1.001536

Source: Prepared by researchers using EViews 13

ubstituted Coefficients:

$$ROE_1 = 2.15709941396 - 8.15658816104 + 1.03580217761BS_1 - 0.520052212702NBM_1 + 0.589201960894SEIZ_1$$

$$ROE_2 = 0.565335972049 - 2.15658816104 + 1.03580217761BS_2 - 0.520052212702NBM_2 + 0.589201960894SEIZ_3$$

$$ROE_3 = -0.693677007241 - 8.15658816104 + 1.03580217761BS_3 - 0.520052212702NBM_ + 0.589201960894SEIZ_3$$

$$ROE_4 = 0.174639230972 - 8.15658816104 + 1.03580217761BS_4 - 0.520052212702NBM_4 + 0.589201960894SEIZ_4$$

$$ROE_5 = -1.47280353994 - 8.15658816104 + 1.03580217761BS_5 - 0.520052212702NBM_5 + 0.589201960894SEIZ_5$$

$$ROE_6 = -0.154561317547 - 8.15658816104 + 1.03580217761BS_6 - 0.520052212702NBM_6 + 0.589201960894SEIZ_6$$

$$ROE_7 = 0.47825393276 - 8.15658816104 + 1.03580217761BS_7 - 0.520052212702NBM_7 + 0.589201960894SEIZ_7$$

$$ROE_8 = -1.05428668502 - 8.15658816104 + 1.03580217761BS_8 - 0.520052212702NBM_8 + 0.589201960894SEIZ_8$$

The results of the Random Effects Model showed good statistical significance, with an F-test value of approximately 10.31 and a p-value of 0.000006. This indicates that the independent variables collectively significantly affect the return on equity (ROE). The explanatory power of the model (R^2) was approximately 23.6% in the weighted version, which is relatively weak compared to the fixed effects model, but remains acceptable in random panel models due to the nature of the estimation. At the individual transaction level, the size of the board of directors (BS) was found to have a very significant positive effect at the 1% level. An increased number of members leads to improved financial performance, reflecting the importance of diverse expertise within the board. Conversely, the number of meetings (NBM) had a significant negative effect at the 1% level, suggesting that a high number of meetings may reflect inefficiencies or internal organizational problems that negatively impact performance. Bank size (SEIZ) showed a significant positive effect at the 5% level, indicating that larger banks perform better due to economies of scale and operational efficiency. The fixed threshold, however, was not statistically significant. Furthermore, the variance components indicate that the majority of the variance is due to idiosyncratic errors (approximately 90%), compared to only about 10% for differences between banks, supporting the random model hypothesis. The Durbin-Watson statistic (1.14) indicates a weak positive autocorrelation. Therefore, this model balances the consideration of individual differences with maintaining estimation efficiency and was adopted as the optimal model based on the Hausman test, which confirmed its suitability compared to the fixed-effects model.

3.4 Preference tests among the estimated models for the relationship specific to private banks

❖ Lagrange Multiplier Test – Breusch-Pagan

Table. 05 represents the results of the Lagrange multiplier test for private banks

Lagrange Multiplier Tests for Random Effects			
Null hypotheses: No effects			
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives			
	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	18.51550	0.001769	18.51727
	(0.0000)	(0.9664)	(0.0000)
Honda	4.302965	0.042065	3.072400
	(0.0000)	(0.4832)	(0.0011)
King-Wu	4.302965	0.042065	3.747509

	(0.0000)	(0.4832)	(0.0001)
Standardized Honda	5.251936	0.170597	-0.815251
	(0.0000)	(0.4323)	(0.7925)
Standardized King-Wu	5.251936	0.170597	0.450509
	(0.0000)	(0.4323)	(0.3262)
Gourieroux, et al.	--	--	18.51727
			(0.0000)

Source: Prepared by researchers using EViews 13

This test aimed to evaluate the suitability of using pooled OLS versus panel data models that account for differences between sub-units. The results showed that the Breusch-Pagan test yielded a p-value of 18.51727 with a significance level of 0.0000, thus rejecting the null hypothesis that assumes the absence of individual effects between banks. The results of the Honda and King-Wu tests further supported this conclusion with their high statistical significance. Conversely, the time effects were found to be insignificant, meaning that the variance in the model is primarily due to differences between banks, not over time. Economically, this indicates the presence of distinct institutional and structural characteristics among the banks that cannot be ignored. Consequently, pooled OLS is deemed unsuitable for this dataset. Panel models are therefore the better option as they capture this unobserved variance between units.

❖ **Redundant Fixed Effects Test**

Table. 05 represents the results of the excess fixed effects test for private banks

Redundant Fixed Effects Tests				
Pool: PANEL				
Test cross-section fixed effects				
Effects Test		Statistic	d.f.	Prob.
Cross-section F		4.669344	(7,93)	0.0002
Cross-section Chi-square		31.322982	7	0.0001
Cross-section fixed effects test equation:				
Dependent Variable: ROE?				
Method: Panel Least Squares				
Date: 04/30/26 Time: 12:28				
Sample: 2012 2024				
Included observations: 13				
Cross-sections included: 8				
Total pool (balanced) observations: 104				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-10.92695	6.582659	-1.659959	0.1001
BS?	1.341174	0.224748	5.967448	0.0000
NBM?	-0.508055	0.135973	-3.736443	0.0003
SEIZ?	0.613636	0.263634	2.327604	0.0219
Root MSE	3.807477	R-squared		0.395918
Mean dependent var	10.94038	Adjusted R-squared		0.377795

S.D. dependent var	4.922517	S.E. of regression	3.882880
Akaike info criterion	5.588734	Sum squared resid	1507.676
Schwarz criterion	5.690441	Log likelihood	-286.6141
Hannan-Quinn criter.	5.629938	F-statistic	21.84678
Durbin-Watson stat	1.058444	Prob(F-statistic)	0.000000

Source: Prepared by researchers using EViews 13

This test is used to determine whether fixed effects are necessary in a statistical model, i.e., whether the unobserved characteristics of each bank significantly influence the dependent variable. The results showed an F-test value of (4.669344) with a significance level of (0.0002), and a chi-squared value of (31.322982) with a significance level of (0.0001), definitively rejecting the null hypothesis. This implies the existence of substantial and constant differences between banks that cannot be ignored. Economically, these differences reflect unmeasurable factors such as governance quality, management efficiency, and organizational culture within each bank. The results also indicate that these factors directly influence financial performance as measured by return on equity. Therefore, the fixed-effects model provides a more accurate representation of reality compared to the pooled model because it allows for the control of these unobserved differences between banks.

❖ **Hausmann Test (Trade-off between fixed and random effects)**

Table. 07 represents the results of the Hausmann test for private banks.

Correlated Random Effects - Hausman Test				
Pool: PANEL				
Test cross-section random effects				
Test Summary		Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random		05.337477	3	0.3015
Cross-section random effects test comparisons:				
Variable	Fixed	Random	Var(Diff.)	Prob.
BS?	0.343534	1.035802	0.041777	0.0007
NBM?	-1.274215	-0.520052	0.167023	0.0650
SEIZ?	0.463642	0.589202	0.008566	0.1749
Cross-section random effects test equation:				
Dependent Variable: ROE?				
Method: Panel Least Squares				
Date: 04/30/26 Time: 12:29				
Sample: 2012 2024				
Included observations: 13				
Cross-sections included: 8				
Total pool (balanced) observations: 104				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.009809	7.438922	0.539031	0.5912
BS?	0.343534	0.316784	1.084444	0.2810
NBM?	-1.274215	0.442979	-2.876471	0.0050

SEIZ?	0.463642	0.261902	1.770287	0.0800
	Effects Specification			
Cross-section fixed (dummy variables)				
Root MSE	3.275189	R-squared		0.553014
Mean dependent var	10.94038	Adjusted R-squared		0.504951
S.D. dependent var	4.922517	S.E. of regression		3.463471
Akaike info criterion	5.422167	Sum squared resid		1115.594
Schwarz criterion	5.701862	Log likelihood		-270.9527
Hannan-Quinn criter.	5.535479	F-statistic		11.50601
Durbin-Watson stat	1.425514	Prob(F-statistic)		0.000000

Source: Prepared by researchers using EViews 13

The Hausmann test is a fundamental test in panel data models, used to determine the best model between fixed effects and random effects. The results showed a chi-squared value of 5.337477 with a probability of 0.3015, greater than 5%, meaning the null hypothesis was not rejected. This indicates that the differences between the two models' estimates are not statistically significant. Therefore, the effects of individual banks are not related to the explanatory variables in the model. Economically, this suggests that the differences between banks can be considered random and not due to systematic factors related to the independent variables. Consequently, they can be modeled as random components without affecting the efficiency of the estimate. Thus, the random effects model is the most suitable in terms of efficiency and statistical accuracy.

❖ Choosing the optimal model

Table. 8 Represents the results of estimating the optimal model using the random effects model.

Dependent Variable: ROE?				
Method: Pooled EGLS (Cross-section random effects)				
Date: 04/30/26 Time: 12:27				
Sample: 2012 2024				
Included observations: 13				
Cross-sections included: 8				
Total pool (balanced) observations: 104				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-8.156588	6.370418	-1.280385	0.2034
BS?	1.035802	0.242023	4.279776	0.0000
NBM?	-0.520052	0.170900	-3.043022	0.0030
SEIZ?	0.589202	0.245003	2.404872	0.0180
Random Effects (Cross)				
1--C	2.157099			
2--C	0.565336			
3--C	-0.693677			
4--C	0.174639			
5--C	-1.472804			
6--C	-0.154561			
7--C	0.478254			
8--C	-1.054287			
	Effects Specification			

			S.D.	Rho
Cross-section random			1.156177	0.1003
Idiosyncratic random			3.463471	0.8997
	Weighted Statistics			
Root MSE	3.599624	R-squared		0.236175
Mean dependent var	6.991456	Adjusted R-squared		0.213260
S.D. dependent var	4.138646	S.E. of regression		3.670911
Sum squared resid	1347.559	F-statistic		10.30667
Durbin-Watson stat	1.148807	Prob(F-statistic)		0.000006
	Unweighted Statistics			
R-squared	0.380678	Mean dependent var		10.94038
Sum squared resid	1545.711	Durbin-Watson stat		1.001536

Source: Prepared by researchers using EViews 13

The results showed that the Random Effects Model (RANM) was the most suitable for explaining the impact of governance variables on return on equity (ROE). The model was statistically significant at the 1% level (Prob(F) = 0.000006), with an explanatory power of 23.6%. The results indicated a positive and significant effect of both board size (BS) and bank size (SIZE) on financial performance, while board meeting NBMuency (NBM) had a negative and significant effect. The results also showed that most of the variance was due to internal factors specific to each bank, reflecting differences in their administrative and organizational characteristics. Therefore, the Random Effects Model is the most appropriate model for explaining the relationship between governance and financial performance in the study sample.

❖ Equating the random effects for each bank

Substituted Coefficients:

$$ROE_1 = 2.15709941396 - 8.15658816104 + 1.03580217761BS_1 - 0.520052212702NBM_1 + 0.589201960894SEIZ_1$$

$$ROE_2 = 0.565335972049 - 8.15658816104 + 1.03580217761BS_2 - 0.520052212702NBM_2 + 0.589201960894SEIZ_2$$

$$ROE_3 = -0.693677007241 - 8.15658816104 + 1.03580217761BS_3 - 0.520052212702NBM_3 + 0.589201960894SEIZ_3$$

$$ROE_4 = 0.174639230972 - 8.15658816104 + 1.03580217761BS_4 - 0.520052212702NBM_4 + 0.589201960894SEIZ_4$$

$$ROE_5 = -1.47280353994 - 8.15658816104 + 1.03580217761BS_5 - 0.520052212702NBM_5 + 0.589201960894SEIZ_5$$

$$ROE_6 = -0.154561317547 - 8.15658816104 + 1.03580217761BS_6 - 0.520052212702NBM_6 + 0.589201960894SEIZ_6$$

$$ROE_7 = 0.47825393276 - 8.15658816104 + 1.03580217761BS_7 - 0.520052212702NBM_7 + 0.589201960894SEIZ_7$$

$$ROE_8 = -1.05428668502 - 8.15658816104 + 1.03580217761BS_8 - 0.520052212702NBM_8 + 0.589201960894SEIZ_8$$

These equations represent a linear regression model designed to explain changes in return on equity (ROE) through a set of banking governance variables: board size (BS), number of meetings (NBM), and audit committee size (SEIZ). The negative constant in the model indicates that the baseline ROE is negative in the absence of the independent variables, reflecting the importance of these factors in improving financial performance. The results also show a positive effect of board size, which contributes to higher ROE, and a similar effect of audit committee size, which enhances financial performance by improving oversight mechanisms. Conversely, the number of meetings negatively impacts ROE, potentially indicating that NBMuent meetings are associated with inefficient decision-making. Furthermore, the variation in the constants across periods or units reflects differences in underlying performance among the banks or years studied.

IV .Conclusion:

The importance of governance in improving financial performance is highlighted by its contribution to raising the operational efficiency of banks. It helps direct financial resources rationally, achieving a balance between return and risk. The more effective the governance systems, the greater the bank's ability to develop appropriate financial strategies that contribute to enhancing profitability and improving competitiveness. Governance also helps reduce manifestations of administrative corruption and unprofessional interference that may negatively affect financial decisions, which directly impacts the stability of the banking institution's financial performance. Among the most important findings were the following:

- The results showed that governance mechanisms in Algerian private banks have a direct and clear impact on financial performance, as these mechanisms are significantly correlated with the Return on Equity (ROE) indicator. This reflects a direct response of financial performance to the governance variables adopted in the study.
- It was found that the size of the board of directors (BS) positively affects financial performance, indicating that an increase in the number of board members is associated with an improvement in the financial results of private banks. This effect is consistently demonstrated across the estimated models. The results also showed that the number of board meetings (NBM) negatively impacts financial performance, with a higher number of meetings associated with a lower return on equity. This indicates an inverse relationship between meeting NBMuency and performance efficiency.
- Bank size (SEIZ), however, registered a significant positive impact, reflecting a correlation between the expansion of banking activity and improved financial performance within private banks.
- Furthermore, the results for private banks demonstrate the model's considerable explanatory power, with relatively stable trends in the variables, indicating a clear relationship between governance and financial performance in this sector.

In light of the study's findings, the following recommendations can be made:

- Enhance the effectiveness of boards of directors by selecting experienced, competent, and specialized members, thereby improving the quality of strategic decisions and boosting banks' financial performance.
- Reorganize board meetings, focusing on their quality and outcomes rather than their quantity, while establishing clear agendas and effective mechanisms for monitoring decision implementation.
- Encourage banks to expand their operations and diversify their banking services to achieve economies of scale and increase resource efficiency, which will positively impact return on equity.

Declarations

Ethics Approval

Ethical approval was not required because the study relied exclusively on secondary bank-level financial data and did not involve human participants, personal information, clinical procedures, or experimental interventions.

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Competing Interests

The authors declare that they have no financial or non-financial competing interests that could have influenced the research reported in this article.

Author Contributions

Elmahdi Bakader and Mahmoud Berkane contributed to the conceptualization and design of the study, data collection and curation, econometric analysis, interpretation of the findings, and preparation of the manuscript. Both authors critically revised the manuscript, approved its final version, and accept responsibility for the integrity of the work.

Data Availability

The data supporting the findings of this study are available from the corresponding author upon reasonable request, subject to any restrictions imposed by the original data sources.

Code Availability

The econometric procedures and analytical code used in the study are available from the corresponding author upon reasonable request.

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Use of Generative Artificial Intelligence

Generative artificial intelligence tools were used solely to support language editing and improve the clarity and organization of the manuscript. The authors reviewed and verified the resulting text and take full responsibility for the accuracy, originality, and integrity of the published content. Such tools were not used to generate, fabricate, or manipulate the study's data, analyses, or findings.

Research Integrity Statement

The authors confirm that the study was conducted in accordance with accepted principles of academic integrity. The submitted manuscript is original, has not been published previously, and is not under consideration by another journal. Both authors have approved the final manuscript and agree to its submission for publication.

Conflict of Interest

The authors declare that they have no conflict of interest.

Informed Consent

Not applicable.

Declaration of Generative AI and AI-Assisted Technologies

The authors declare that no generative artificial intelligence (AI) or AI-assisted technologies were used in the design of the study, data collection, analyses, or interpretation of the scientific content of this manuscript. Any language-editing support was reviewed and verified by the authors, who take full responsibility for the content of the published article.

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Genişletilmiş Özet

Giriş

Kurumsal yönetim, finansal kuruluşlarda şeffaflığın, hesap verebilirliğin, sorumluluğun ve etkili gözetimin sağlanmasına yönelik temel bir kurumsal çerçeve olarak giderek daha fazla önem kazanmaktadır. Bankaların tasarrufların ekonomiye aktarılması, finansal aracılık faaliyetlerinin yürütülmesi ve ekonomik istikrarın korunmasında üstlendikleri kritik işlev, bankacılık yönetişimini diğer işletmelerdeki kurumsal yönetim uygulamalarından daha hassas hâle getirmektedir. Yetersiz yönetişim uygulamaları yalnızca ilgili bankanın kârlılığını ve sürdürülebilirliğini değil, aynı zamanda finansal sistemin güvenilirliğini de olumsuz etkileyebilmektedir. Bu nedenle yönetim kurulunun yapısı, toplantı etkinliği, gözetim kapasitesi ve bankanın kurumsal ölçeği, finansal performansı açıklayan başlıca unsurlar arasında değerlendirilmektedir. Cezayir bankacılık sektörü, uluslararası yönetişim standartlarına uyum sağlamaya ve özel bankaların finansal sistem içindeki etkinliğini artırmaya yönelik düzenleyici reformların sürdürüldüğü bir dönüşüm sürecinden geçmektedir. Bununla birlikte, kurumsal yönetim mekanizmalarının Cezayir’de faaliyet gösteren özel bankaların finansal performansı üzerindeki etkisini uzun dönemli verilerle inceleyen ampirik araştırmalar sınırlıdır. Bu çalışma, söz konusu araştırma boşluğunu gidermek amacıyla 2012–2024 döneminde yönetim kurulu büyüklüğü, yönetim kurulu toplantı sayısı ve banka büyüklüğünün özkaynak kârlılığı üzerindeki etkisini analiz etmektedir. Araştırmanın temel sorusu, seçilen yönetişim mekanizmalarının Cezayir özel bankalarının finansal performansını ne ölçüde ve hangi yönde etkilediğidir. Çalışma, yönetim ile performans arasındaki ilişkiye ilişkin literatüre gelişmekte olan bir bankacılık sistemi bağlamında ampirik katkı sunmakta ve banka yöneticileri, yönetim kurulları, yatırımcılar ve düzenleyici kurumlar açısından politika önerileri geliştirmeyi amaçlamaktadır.

Yöntem

Araştırmada, Cezayir’de faaliyet gösteren seçilmiş özel bankaların 2012–2024 dönemine ait gözlemlerini kapsayan dengeli panel veri seti kullanılmıştır. Panel veri yaklaşımı, bankalar arasındaki yapısal farklılıkları zaman içindeki değişimlerle birlikte değerlendirme olanağı sağlaması nedeniyle tercih edilmiştir. Bu yaklaşım, yalnızca yatay kesit veya zaman serisi analizlerine kıyasla daha fazla gözlem sunmakta, serbestlik derecesini artırmakta ve gözlemlenemeyen birim özelliklerinin kontrol edilmesini kolaylaştırmaktadır. Araştırmanın bağımlı değişkeni, bankaların hissedar sermayesini kâra dönüştürme kapasitesini gösteren özkaynak kârlılığıdır. Özkaynak kârlılığı, vergi sonrası net kârın toplam özkaynağa oranlanmasıyla ölçülmüştür. Bağımsız değişkenler yönetim kurulu büyüklüğü, yönetim kurulu toplantı sayısı ve banka büyüklüğünden oluşmaktadır. Yönetim kurulu büyüklüğü kurulda görev yapan toplam üye sayısı, toplantı sıklığı ilgili dönemde gerçekleştirilen yönetim kurulu toplantılarının sayısı ve banka büyüklüğü toplam varlıkların doğal logaritmasıyla ölçülmüştür. Analiz sürecinde önce değişkenlerin temel özelliklerini ortaya koymak amacıyla betimleyici istatistikler ve korelasyon yapısı değerlendirilmiştir. Daha sonra havuzlanmış en küçük kareler, sabit etkiler ve rastgele etkiler modelleri karşılaştırılmış; ilgili model belirleme ve uygunluk testlerinin sonuçlarına dayanılarak rastgele etkiler modeli seçilmiştir. Model, olası değişen varyans ve hata terimleri arasındaki korelasyon sorunlarını azaltmak ve daha etkin tahminler elde etmek amacıyla genelleştirilmiş en küçük kareler yöntemiyle tahmin edilmiştir. Katsayıların yönü, büyüklüğü ve istatistiksel anlamlılığı üzerinden araştırma hipotezleri değerlendirilmiştir. Böylece yönetişim değişkenlerinin özkaynak kârlılığındaki değişimleri açıklama gücü hem bireysel katsayılar hem de modelin genel anlamlılığı çerçevesinde incelenmiştir.

Bulgular

Ekonometrik analiz sonuçları, kurumsal yönetim mekanizmalarının Cezayir özel bankalarının finansal performansı ile anlamlı biçimde ilişkili olduğunu göstermektedir. Yönetim kurulu büyüklüğünün özkaynak kârlılığı üzerindeki etkisi pozitif ve istatistiksel olarak anlamlı bulunmuştur. Bu bulgu, daha geniş yönetim kurullarının farklı mesleki uzmanlıkları, kurumsal deneyimleri ve stratejik bakış açılarını bir araya getirerek gözetim kapasitesini ve karar kalitesini geliştirebildiğini düşündürmektedir. Kurul üyelerinin bilgi ve yetkinlik bakımından çeşitlenmesi, yönetim faaliyetlerinin daha kapsamlı değerlendirilmesini ve bankacılık risklerinin daha etkili biçimde izlenmesini sağlayabilir. Banka büyüklüğünün özkaynak kârlılığı üzerindeki etkisinin de pozitif olduğu belirlenmiştir. Bu sonuç, daha büyük bankaların ölçek ekonomilerinden, çeşitlendirilmiş gelir kaynaklarından, gelişmiş teknolojik altyapıdan ve daha güçlü operasyonel kapasiteden yararlanabildiğini göstermektedir. Ayrıca büyük bankaların piyasa görünürlüğünün ve finansmana erişim olanaklarının daha yüksek olması, kârlılık performansını destekleyebilmektedir. Buna karşılık, yönetim kurulu toplantı sayısının özkaynak kârlılığı üzerindeki etkisi negatif bulunmuştur. Toplantı sıklığındaki artışın finansal performansı kendiliğinden iyileştirmediği; tersine, sorunlara tepki olarak düzenlenen toplantıları, koordinasyon güçlüklerini, yüksek idari maliyetleri veya karar süreçlerindeki verimsizliği yansıtabileceği anlaşılmaktadır. Dolayısıyla toplantı sayısından çok toplantıların gündemi, hazırlık düzeyi, karar kalitesi ve kararların uygulanma etkinliği önem taşımaktadır. Modelin genel olarak istatistiksel açıdan anlamlı olması, seçilen yönetim değişkenlerinin bankalar arasındaki özkaynak kârlılığı farklılıklarının kayda değer bir bölümünü açıkladığını ortaya koymaktadır. Bulgular, araştırma hipotezlerini genel olarak desteklerken yönetim mekanizmalarının etkisinin değişkenlerin niteliğine ve uygulanma biçimine göre farklılaşabileceğini göstermektedir.

Sonuç

Çalışma, 2012–2024 döneminde Cezayir’de faaliyet gösteren özel bankalarda kurumsal yönetim ile finansal performans arasındaki ilişkiye ilişkin ampirik kanıtlar sunmaktadır. Sonuçlar, yönetim kurulu büyüklüğü ve banka büyüklüğünün özkaynak kârlılığını olumlu yönde etkilediğini, yönetim kurulu toplantı sıklığının ise olumsuz bir etkiye sahip olduğunu göstermektedir. Bu bulgular, yönetim kalitesinin yalnızca biçimsel mekanizmaların varlığı veya sayısı ile değerlendirilemeyeceğini ortaya koymaktadır. Yönetim kurullarının etkili çalışabilmesi için üye sayısının yanı sıra üyelerin uzmanlığı, bağımsızlığı, deneyimi ve bankanın ihtiyaçlarına uygun yetkinlik çeşitliliği de dikkate alınmalıdır. Benzer şekilde, toplantıların sıklığını artırmak yerine açık gündemlere, zamanında sunulan güvenilir bilgilere, stratejik tartışmalara ve alınan kararların düzenli biçimde izlenmesine öncelik verilmelidir. Düzenleyici kurumların yönetim kurulu yapısı, iç kontrol, risk yönetimi ve performans değerlendirme sistemlerine ilişkin standartları güçlendirmesi önerilmektedir. Özel bankaların sürdürülebilir büyümesinin desteklenmesi, dijital altyapının geliştirilmesi ve gelir kaynaklarının çeşitlendirilmesi de ölçek avantajlarının finansal performansa yansıtılmasına katkıda bulunabilir. Bununla birlikte, banka büyüklüğünün artmasıyla ortaya çıkabilecek karmaşıklık ve sistemik riskler etkili denetim mekanizmalarıyla yönetilmelidir. Çalışma, Cezayir özel bankacılık sektörüne özgü uzun dönemli panel veriler kullanması bakımından literatüre katkı sağlamaktadır. Gelecekteki araştırmalarda yönetim kurulu bağımsızlığı, kadın temsili, sahiplik yoğunlaşması, risk komitesi yapısı ve CEO ikiliği gibi ek değişkenlerin incelenmesi; performansın özkaynak kârlılığının yanı sıra aktif kârlılığı, net faiz marjı ve risk ayarlı göstergelerle ölçülmesi önerilmektedir.