

## **Mediating Role of Board Expertise between Board Characteristics and Bank Performance: Empirical Evidence from Licensed Banks in Ghana**

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**Abstract:** This study examines the mediating role of board expertise in the relationship between board characteristics and bank performance in Ghana. Using a quantitative approach, secondary data were collected from 20 licensed banks over the period 2014 to 2024, yielding 200 firm-year observations. Mediation analysis was conducted using a bootstrapped procedure with 5,000 resamples to assess the robustness of the relationships among board characteristics, board expertise, and bank performance. Diagnostic and robustness tests indicate that the model is well specified and free from major econometric violations. The results show that board expertise partially mediates the relationship between board size and bank performance, as well as between non-executive directors and bank performance. However, board expertise does not mediate the relationship between board gender diversity and bank performance. These findings highlight the importance of board expertise as a mechanism for enhancing governance effectiveness and mitigating agency problems. The study recommends stronger emphasis on board expertise in board appointments and stricter regulatory enforcement of minimum expertise requirements for bank directors in Ghana.

**Keywords:** Board Expertise, Board Size, Bank's Performance, Non-Executive Director

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