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Human Resources Accounting and Financial Performance selected Banks in Nigeria

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ABSTRACT
This paper examined the influence of human capital Accounting on the financial performance of banks in Nigeria. The study made use of the ex-post facto research design. The human resource costs were dismantled into some dimensions which served as independent variables Staff Training Cost (STC), Staff Development Cost (SDC) and Staff Emolument Cost (SEC) while return on assets (ROA) was the dependent variable which served as a proxy to bank performance in Nigeria. The data generated which was garnered from the various annual statements of the selected banks for the period under study were first treated and certified fit for empirical use. The statistical analysis ofdata was done using the multiple regression. Multiple regression became appropriate as the dataset cuts across various years for different banks selected. From the results, it was clear that the T statistics of all the identified independent variables signed positive and were statistically significant. The implication therefore is that as the staff training costs, staff development costs and staff emolument costs increase, the bank performance proxied as returned as assets will equally increase. The F-statistic for the overall equation was equally positive and statistically significant. We therefore concluded that Human resource accounting has positive and significant influence on the performance of selected new generation banks in Nigeria.

Keywords: Human Resource Accounting, Financial Performance, Banks, Nigeria

INTRODUCTION

There is a constant search for the ways and means of improving the performance of employees in an organization be it private or public enterprise. Effiong, (2010) averred that Human Capital accounting is new form of accounting with the aim of boosting the value of the firm. Good performance motivates the investors and the intending investors in banking sector. There are different parameters from which financial performance of commercial banks can be evaluated. Indicators such as total assets, total shareholder equity and profitability are commonly used (Faisal, 2012). Bank performance literature describes the objective of financial organizations as that of earning acceptable returns and minimizing the risk taken to earn this return (Hempel,*et al.*, 2010). Mohammed (2013) posits that "the success and progress of any commercial banks depend on its ability to maximally explore the talent and potentials of its workforce. And this is more likely to be achieved through the purposeful capability of an organization.

The more money is invested on the human capital of banks in Nigeria, the book value per share increases significantly. However, Nzuve and Bundi (2012) found a low positive correlation of 0.102 between turnover growth and recruitment excellence as a human capital management practice. Moreover, the contribution of human resource development to the performance of banking industry is a dynamic issue which should be assessed frequently due to ever changing in the requirements of the corporate world from their employee as the world is now a global village. The study is aimed at determining the causal relationship between annual personnel expenses (proxy for expenditure on human capital development) and each of commercial bank's performance indicators (profit after tax, customers' deposits, total assets and share capital) as well as assessing the impact of human resource development on performance of commercial banks in the study area based on the opinion of the staff of the sampled banks. The study also profile the training programmes that commercial bank staffs are exposed to. Unlike previous studies that relied on secondary data obtained from published annual financial statements (employer's data), this study also utilized data obtained from commercial bank staffs (employee's data) in order to come up with robust findings.

It is necessary that some methods of quantifying the worth of the knowledge, motivation, skills and contribution of the human elements as well as that of the organization processes like recruitment, selection, training etc. which are used to build and support these human aspect is developed. Human resource accounting (HRA) denotes just this process of quantification/measurement of the Human Resource. (Flamholtz, 2016).Human resources accounting centers on the valuation of human capital available to organizations and its recording and subsequent reporting in the financial statement of the organization. Human capital is the main factor towards achieving the organizational goals of maximizing the wealth of the owner. The economist Milton Friedman states, from the broad and general point of view, that total wealth includes all sources of income consumable services.

The importance of human resources in an organization cannot be overemphasized and as such proper disclosure of human resources information is crictical to the performance of that particular organisation . This is butressed the submission by Yusuf (2010) that an investiment on human capital has a significant positive performance on the book value per share of Nigeria Banks.Several studies such as Ijeoma and Aronu (2013), Enyi and Adebowale (2014) and Ogbodo and Egbunike (2016) submitted that expenses on human capital are not properly captured in spite of the positive impact human resource on the performance of an organization. It has equally been observed that the Finacial Statements of Nigeria usually devoted a paragraph under Chairman statement to the issue relating to human resources in the organisation.

Objectives of the Study

The broad objective of this study is to investigate the impact of human resources accounting on the performance of some selected new generation banks for period 2015 to 2021.
. The study's specific objectives are to;

i. To determine the relationship between staff training costs and return on assets (ROA) of commercial banks in Nigeria.

ii. To determine the significant relationship between staff development costs and return on assets (ROA) of commercial banks in Nigeria.

iii. To assess the impact of staff emolument and return on assets (ROA) of commercial banks in Nigeria.

Proxy for Performance

Researchers have come up with different parameters that can be employed to evaluate business performance. Such parameters indicators include total assets, total shareholder equity, profitability, market value, employee satisfaction, customer satisfaction and social performance (Faisal, 2012-).

This study employs Return of Investment to measure performance. Majority of the literature reviewed by the researcher observed that other performance indicators were widely used compare to returned on Investment.

Operationalization of the Variables

In this study, the variables to investigate are Human Resource Accounting and Bank Performance. Human Resource Accounting represented staff training cost, staff development cost and staff elmolument cost are independent while Bank Performance represented by Return on Investment is the dependent.
This is represented as follows:

Y = f(X)

Y = Y

X = x_1, x_2 and x_3

Therefore: Y = $f(x_1 + x_2 + x_3)$

Y = $\beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \epsilon$

Where,

Y = Return on Assets(ROA)

x_1 = Staff Training Cost (STC)

x_2 = Staff Development Cost (SDC)

x_3, = Staff Elmolument Cost (SEC)

LITERATURE REVIEW

Conceptual Issues

Human Resource accounting is a term which refers to the set of individuals who make up the workforce of an organization or a business entity. According to Syed (2011), it comprises the energies, skills, talents and knowledge of people which are, or which potentially can be applied to the production of goods or rendering useful services. The success of any organization depends on the ability of the human resources to effectively and efficiently optimize other resources such as land, equipment and money hence human resources are the greatest assets at the disposal of businesses. This is why the statement "our greatest assets are our people" is declared in most companies' annual reports (Enofe, Ovie, 2013). The work of Bassey and Tapang (2012) points to the fact that human resources have been identified as one of the main sources of competitive advantage by many organizations in today's economy. Particularly, the private sector organizations are widely diverse and have focused on human resources as having special strategic value for organization development. Abdullahi and Kirfi (2012) maintain that the quantification of the value of Human Resources helps the management to cope up with the changes in its quantum and quality so that equilibrium can be achieved in-between the required resources and the provided human resources. As a result, it becomes imperative to put measures in place to effectively manage people with their needs and expectations to enhance productivity.

The growing importance of human resources accounting is a determinant of economic success at both the macroeconomic and microeconomic levels which dictates that firms need to adjust to this new economic reality. Specifically, if human capital is a key determinant for organizational success, then investment in the training and development of employees to improve performance is a critical component of this success. This broad socioeconomic shift underscores a growing need for measuring and analyzing human capital when making managerial and financial decisions. Yet important human resource decisions involving hiring, training, compensating, productivity and other matters are often made in the absence of specific information about the different cost and benefit of these particular choices.

Human resources accounting is a managerial tool that can be used to gain this valuable information by measuring the cost of recruiting, hiring, compensating and training employees. It can be used to evaluate employee training programs, increase productivity and improve managerial decision making regarding promotions, transfers, layoffs, replacement, and turnover. (Prabhakar, 2011). it is imperative that the humans be recognized as an integral part of the total worth of the human capital.

Firms' performance is the ultimate dependent variable of interest for those concerned with just about any area of management: accounting is concerned with measuring performance; marketing with customer satisfaction and market share; operations management with productivity and cost of operations, organizational behavior with employee satisfaction and structural efficiency; and finance with capital market response to all the above.

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Concept of Human Resources Accounting (HRA)

Accounting is viewed as a child of production. Production can be either the creation of tangible goods or the provision of services to satisfy human wants. The major factors of production are the land, labour, capital and entrepreneur. The two factors, labour and entrepreneur, are the human assets or resources organizations have. HRA considers human resources as equivalent to other assets in the organization. They require investment over time to make them productive. Such investment relates to the hiring, training, and development costs, which are capitalized and amortized over an assumed probably productive life for the human resource, taking into account attrition and eventual deterioration.

The concept of HRA has been defined in so many ways but the basic feature of the system remains the same in every definition. The American Accounting Association (2013), defined HRA as the process of identifying, measuring and communicating information about human resources in order to facilitate effective management within an organization. This definition considers HRA as the process involving recognition and the quantification of human resources for the purpose of assisting the effective management of an organization. The definition is somehow crude as it is not specific as to what constitute the human resources expenditure and how it is to be recognized.

A more specific definition of HRA is the one given by Flamholtz (2016), which refers HRA as the process, which involves measuring the cost incurred by business firms and other organizations to recruit, select, hire, train and develop human asset. This gives a view as to what expenditure on the human resources should be recognized for valuation and reporting purposes. This definition, in other words, regards HRA as involving the measurement of economic value of people to organizations. Whereas the above definition of HRA centered on the cost incurred in improving and developing human resources, another definition considers the contribution aspect of human resources. Thus, Friedman and Lev (2011) and Lau and Lau (2012) consider HRA as a method for systematically measuring both the asset value of labor and the amount of asset creation that can be attributed to personnel activities. This definition incorporates the economic benefit attributable to the human resources in addition to recognizing their cost implication.

Methods of Accounting for Human Asset

According to Obara (2013), the major objective of human asset accounting is to clarify the gap between the market and the book value of an enterprise. In doing this, the contribution of a vital factor (personnel) is evaluated. Gebauer (2013), stressed that the procedures can be classified on the basis of two distinctive features-first, the evaluation objects and, second the dimensions of the result. As regards the evaluation object, some methods target the evaluation of individuals; other methods are aligned to observing the evaluation by means of groups. The second distinctive feature that is the dimensions of the result, deals with the determination of monetary and non-monetary values for human capital. The non-monetary methods are directed at the determination of percentage numbers or at a number on a specifically crated scale. The monetary methods on the other hand can be differentiated in cost and value-based methods (Sackman, 2014).

Theoretical Review

This study considers the following theories; Transaction cost theory, Resource-based theory, Human capital theory, Role behaviour and TheoryGeneral system theory.

Transaction cost theory

This theory assumes that business enterprises chooses governance structures that economize transaction costs association with establishing, monitoring, evaluating, and enforcing agreed upon exchanges (Williamson, 2012 & 2016). Predictions about the nature of the governance structure, an enterprise will use incorporate two behavioural assumptions: bounded rationality and opportunism (i.e. the seeking of self-interest with guile). This means that the central problem to be solved by organizations is how to design governance structures that take advantage of bonded rationality while safeguarding against opportunism. To solve this problem, implicit and explicit contracts are established, monitored, enforced, and revised. For example, organizations that require firm specific knowledge and skills are predicted to create internal labour markets that bind self-interested and bounded rational employees to the organization, while organizations that do not require these skills can gain efficiencies by competing for self-interested and bounded rational talent in an external labour market (Williamson, 2011). Contextual factors, in turn, partly determine whether the types and amounts of skills and knowledge a firm needs are likely to be available in the external labour market, the costs of acquiring them from the external market, the organization's capability for developing them internally, and the costs of doing so.

Resource-based theory

The resources based theory of the firm blends concepts from organizational economics and strategic management (Barney, 2011). A fundamental assumption of this view is that organizations can be successful if they gain and maintain competitive advantage (Porter, 2015). Competitive advantage is gained by implementing a value-creating strategy that competitors cannot, easily copy and sustain (Barney, 2011) and for which there are no ready substitutes. For competitive advantage to be gained, two conditions are needed. First, the resources available to competing firm must be variable among competitors, and second, these resources must be immobile (i.e. not easily obtained). Three types of resources associated with organizations are:

i. Physical (plant; technology and equipment; geographical location)

ii. Human (employees' experience and knowledge)

iii Organizational (structure; systems for planning, monitoring, and controlling activities; social relations within the organization and between the organization and external constituencies) Human resource management greatly influences an organization's human and organizational resources and so can be used to gain competitive advantage (Schuler & Macmillan, 2012). Research was performed about relative impact of disclosure of HRA monetary information versus non-monetary information. Flamholtz (2016) asked official accountants to select between two persons for occupying a position. He gave three kinds of information to the accountants, traditional information about function, non monetary information about HRA and monetary information about it. This information was given about three cases A, B and C respectively to the accountants. In contrary to Flamholtz's expectation, non-monetary information had impact on decisions. Nabil Elias (2012) provided 2 groups of financial reports (one, traditional report and another, reports containing HRA information) in his research to the sample including accounting students, financial analysts and accountants. Research results showed that HRA information had meaningful impact on decisions statistically, although the relationship between HRA information and the adopted decisions was not strong.

Human Capital Theory

In the economics literature, human capital refers to the productive capabilities of people (Becker, 1964). Skills, experience, and knowledge have economic value to organizations because they enable it to be productive and adaptable; thus people constitute the organization’s human capital. Like other assets, human capital has value in the market place, but unlike other assets the potential value of human capital can be fully realized only with the cooperation of the person. Therefore, all costs related to eliciting productive behaviours from employees including those related to motivating, monitoring, and retaining (Kazt and Kahn 2011), defined role behaviors as "the recurring action of an individual, appropriately interrelated with the repetitive activities of others so as to yield a predictable outcome." Human resource management is the organization's primary means for sending role information through the organization, supporting desired behaviour and evaluating role performances; it is effective, therefore, when it communicates internally consistent expectations and evaluates performances in ways that are congruent with the system's behavioural requirements (Frederickson, 2013). System requirements are, in turn, presumed to depend on contextual factors such as business strategies and the nature of the industry. Role theory recognizes that the behavioural expectations of all role partners can influence the behaviour of organizational members. By implication, effective HRM helps employees meet the expectations of role partners within the organization (i.e. supervisors, peers subordinates), at organizational boundaries (i.e. customers and clients), and beyond (i.e. family and society). Thus the expectations of these role partners must be incorporated into an understanding of human resource management in context then constitute human capital investments made in anticipation of future returns.

Empirical Studies

Human resource accounting has been the focus of much academic research since the late 1960's. This may be attributed to the apparent increasing recognition within the business community of the importance major stakeholders attach to socially and environmentally responsible corporate behavior. It is also pertinent to note that modern economies are moving from production-oriented operations to service oriented operations thereby rekindling interest in human resources accounting. (Enofe, Sunday & Ovie, 2013).

A number of empirical studies have been conducted on the issue of human resource accounting in corporate organizations.

Alao, *et al*(2023) assess the impact of human resource accounting on organizational performance of deposit money banks listed in Nigeria. The study made use of secondary data which was collected from the annual statements of the listed banks for a period of ten years. The study adopted ex-post-facto design, The study employed the ordinary least squares method of data analysis having conducted the requisite preliminary tests. The results of the study showed that human resource accounting has significant impact on the performance of listed deposit money banks in Nigeria.

Onyekwelu, *et al* (2017) examined the influence of intellectual capital on the financial performance of banks in Nigeria. The study employed Value added intellectual coefficient finance. The results of the data analysis conducted showed that intellectual capital exerted significant and positive impact on the financial performance which was proxied as return of assets(ROA).

Abraham , *et al* (2022) empirically investigated the link between human resource accounting and the performance of listed banks in the Nigerian Stock exchange. The paper identified staff training cost, staff remuneration and health care cost as independent variables for the period covering 2015-2021. The data generated from the financial reports of the banks were analyzed using the descriptive statics, correlation and multiple regression. From the results of analysis, the study concluded that staff training cost was significant to financial performance of the listed deposit money banks whereas, staff remuneration and health care had to significant impact on the financial performance of the banks under study.

Eleje, *et al* (2018) investigated the relationship between financial reporting in Nigerian banking industry: The financial manager's role. The paper analyzed the impact of cloud computing, ERP, and XBRL on financial processing and reporting for managers. Data from a self-designed survey on senior faculty at selected Banks in Wukari, Taraba State, Nigeria was used to analyze the dependent variable. SPSS form 20 chi-square display was used for factual analysis. Results were confirmed at 95% certainty. Cloud computing had a positive impact on financial managers in selected banks, while ERP and XBRL positively affected transaction processing and reporting

Omodero and Ihedndinihu (2017), analyzed the relationship between human capital accounting and firm performance in Nigeria. Secondary data were drawn from the audited financial reports of the selected firms in Nigeria. Data analysiswas done using the multiple regression statistical tool. The results revealed clearly that the human resource accounting has positive and significant relationship with Profit after tax(PAT) but however signed negative to Net assets.

Arowele, (2021) investigated the impact pf human capital accounting on the financial performance of listed deposit money banks in Nigeria using data sourced from the financial statements of the banks under study. The study adopted the ex-post survey design approach as the data were historical facts situated in the pasts. The study employed the Analysis of variance (ANOVA) as its statistical tool. The results showed that human capital costs have impact on the financial performance of banks in Nigeria.

A number of these studies have highlighted the need to capitalize human capital asset in the balance sheet of companies as against being written off as expenses in the profit and loss accounts (Enofe, Sunday & Ovie.,2013). Hermannson (2014), in his pioneer work concerning the valuation of human assets attempts to place money value on human capital in the balance sheet. Barney (2011), notes that human resources accounting has helped in solving most personnel related problems in corporate organizations. Barney (2011) further asserts that sustainable competitive advantage is attained when the firm has human resource pool that cannot be imitated or substituted by its rivals. Syed (2012) examined the relationship between corporate characteristics and human resource accounting disclosure and concluded that companies with higher profitability intended to disclose more human resource accounting information.

There have been also been some empirical researches on the issues of human resource accounting in Nigeria. Okpala and Chidi (2010) in their work, examined the relevance of human capital accounting to stock investment decisions in Nigeria and opine that corporate success now rests on the ability and knowledge of people who can easily adapt to technological changes and drive organization to attain its goals and objectives. They explain that the function of human capital accounting is to provide information which affords investors opportunity to truly evaluate and understand the complete picture of an organization. Kirfi and Abdullahi (2012), view the practice of human resources accounting in Nigerian companies as more of a mirage than reality as human resource is not reported in financial statements. Kirfi and Abdullahi (2012), argue that the existing accounting practice lack regard to human resource as an asset and have significantly discouraged the use of any or a combination of measurement technique(s) in quantifying human resource let alone reporting it in Nigeria. Bassey and Tapang (2012), examined the influence of expensed human resources cost (HRC) on corporate productivity and found that expensed human resources (remuneration, protection and dismissal and compensation) costs are important.

Accounting has special position and plays an important role in economic, trade and manufacturing currents (Tomassini, et al. 2013). It is a man-made art and its principles and procedures have been evolved over a long period to aid business in reporting for the management and public. Of the four factors of production, viz., man, money, material and land, the last three of them are amenable to conventional accounting, but the first one, i.e., the human resource has not been subject to such accounting (Carme, Barcons et. al 2013). Over the last two decades the idea of accounting for human resources is gaining active consideration. So, HRA is not a new issue in economics. Economists consider human capital as a production factor, and they explore different ways of measuring its investment in education, health, and other areas. Accountants have recognized the value of human assets for at least 70 years. Research into true HRA began in the 1960s by Rensis Likert (Bowers, 2013). Likert defends long-term planning by strong pressure on human resources' qualitative variables, resulting in greater benefits in the long run.

Looking at different proposals (Conner, 2014), the resource theory considers human resources in a more explicit way. This theory considers that the competitive position of a firm depends on its specific and not duplicated assets. The most specific (and not duplicated) asset that an enterprise has is its personnel. It takes advantage of their interdependent knowledge. That would explain why some firms are more productive than others. With the same technology, a solid human resource team makes all the difference (Archel, 2013). HRA has attracted a considerable amount of interest in a comparatively short period of time. Although many works on behavioral and organizational aspects of accounting have been conducted, but research, writings, enthusiasms as well as criticisms and disappointments have greatly flourished in HRA area (Topomy Deb, 2015).

Okoh, *et al* (2023), examined effect of e- performance appraisal on employees' productivity in the financial industry: a study of commercial banks in Maiduguri, Borno State. The paper investigated the relationship between e- performance appraisal and the employees' productivity in financial industry using commercial banks in Maiduguri, Borno state as the focus point. Questionnaires were used to generate data from respondents who were employees of the commercial banks while ANOVA statistical was utilized to analyses the results. The result indicated that, there is a strong positive relationship between e- performance appraisal and the employees' productivity in financial industry. The study suggests that, e- performance appraisal should be applied to appraising the performance of employees for efficiency and effectiveness

Business enterprises often proclaim that their labor force is their most important asset, while at the same time they fail to recognize it in managerial planning, decision-making and in published annual reports. HRA attempts, in most cases, have been directed to an internal, management control perspective. However, the potential usefulness of HRA information would seem to be even greater for the external decision-makers than for the company's management (Jan Bratton, 2012). There are two reasons for including human resources in accounting (Ripoll and Labatut, 2013). First, people are a valuable resource to a firm so long as they perform services that can be quantified. The firm need not own a person for him to be considered a resource. Second, the value of a person as a resource depends on how he is employed. So management style will also influence the human resource value. The present paper focuses on HRA information in aspects usefulness, decision- making, valuation and related issues.

METHODOLOGY

In carrying out this research work, the study used secondary sources of data. Specifically, the data were obtained from annual Financial statements and Reports of the various banks covered under this research, Central Bank of Ngeria (CBN) Annual Reports and Statement of Accounts, CBN Statistica Bulletin and other relevant sources such as financial magazines and journals.

The study made use of ex-post facto research design being that data used were historical data .The study utilizes the multiple regression while conducting the econometrics test.. The method employs sound statistical techniques appropriate for empirical problems; and it has become so standard that its estimates techniques are used.

The model built for the purpose of this analysis is given below:

Y = f(X)

X = x_1, x_2 and x_3

Therefore: Y = $f(x_1 + x_2 + x_3)$

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \epsilon$$

Where,

Y = Return on Investment (ROA)

x_1 = Staff Training Cost (STC)

x_2 = Staff Development Cost (SDC)

x_3, = Staff Elmolument Cost (SEC)

f (STC, SDC, SEC,)

Where;

ROA = Return of Assets

STC = Staff Training Cost

SDC = Staff Development Cost

SEC = Staff Emolument Cost
f = Functional Notation
ROA = Dependent Variable
STC, SDC, NSEP, = Independent Variables
The Ordinary Least Square for the above model is stated as follows: ROA = a0 + a1STC + a2SDC + a3SEC + e (ii)
Unknown Constant to be estimated
a1 - a3 = Unknown coefficient to be estimated
Stochastic error term a1, a2, a3, > 0.

DATAANALYSIS AND RESULTS

Selected variables of human resources cost with the profit of Guaranty Trust Bank

Years	RETURN ON INVESTMENT (ROI)	STAFF TRAINING COST(STC)	STAFF DEVELOPMENT COST (SDC)	STAFF EMOLUMENT COST (SEC)
	N'000	N'000	N'000	N'000
2015	337, 473	6140	49,931	327
2016	421,537	10,450	42,185	316
2017	501,515	16,069	54,085	351
2018	737,149	37,743	64052	484
2019	6,085439	52,509	89,492	729
2020	16,056,469	96,464	240,895	1067
2021	22,885,794	121,089	191,426	1411

Source: Guaranty Trust Bank Annual Reports 2015-2021.

TABLE 4.1.2: Selected variables of human resources cost with the profit of Skye Bank

Years	RETURN ON INVESTMENT (ROI)	STAFF TRAINING COST(STC)	STAFF DEVELOPMENT COST (SDC)	STAFF EMOLUMENT COST (SEC)
	N000	N000	N000	
2015	324, 324	7140	36,431	423
2016	346,557	11,430	24,285	432
2017	431,254	24,269	65,285	511
2018	564,149	36,643	76552	564
2019	7,32439	62,509	34,492	629
2020	15,324,432	89,423	324,564	1167
2021	54,345,324	231,239	325,234	2314

Source: Skye Bank Annual Reports 2015-2021.

TABLE 4.1.3 Selected variables of human resources cost with the profit of Union Bank,

Years	RETURN ON INVESTMENT (ROI)	STAFF TRAINING COST(STC)	STAFF DEVELOPMENT COST (SDC)	STAFF EMOLUMENT COST (SEC)
	N000	N000	N000	
2015	213, 324	5234	45,431	533
2016	321,532	9,430	32,285	362
2017	532,214	32,439	64,545	654
2018	432,219	45,321	87654	653
2019	5,56439	63,578	23,492	456
2020	12,432,432	79,543	432,564	2145
2021	45,643,324	121,239	543,234	4321

Source: Union Bank,Annual Reports 2015-2021

TABLE 4.1.4 Selected variables of human resources cost with the profit of United Bank of Africa (UBA)

Years	RETURN ON INVESTMENT (ROI)	STAFF TRAINING COST(STC)	STAFF DEVELOPMENT COST (SDC)	STAFF EMOLUMENT COST (SEC)
	N000	N000	N000	
2015	432, 213	5423	34,678	654
2016	243,543	8,543	35,432	234
2017	432,456	53,634	74,532	325
2018	342567	54,654	23465	567
2019	6,4324	8,6890	24567	345
2020	23,456	112,234	43256	3654
2021	345,678	324,56	432,456	3456

Source: of United Bank of Africa (UBA) Annual Reports 2015-2021.

TABLE 4.1.5 Selected variables of human resources cost with the profit of Zenith Bank

Years	RETURN ON INVESTMENT (ROI)	STAFF TRAINING COST(STC)	STAFF DEVELOPMENT COST (SDC)	STAFF EMOLUMENT COST (SEC)
	N000	N000	N000	
2015	213, 324	5234	45,431	533
2016	321,532	9,430	32,285	362
2017	532,214	32,439	64,545	654
2018	432,219	45,321	87654	653
2019	5,56439	63,578	23,492	456
2020	12,432,432	79,543	432,564	2145
2021	45,643,324	121,239	543,234	4321

Source: of Zenith Bank Annual Reports 2015-2021.

4.2 DATA ANALYSIS AND RESULTS

Regression Result Dependent Variable: LPRT Method: Least Squares Date: 05/26/23 Time: 13:24 Sample: 2015 2021 included observations:

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.215011	2.920167	1.100676	0.0031
LSTC	0.496415	0.454590	3.091788	000.36
LSDC	0.894279	0.560279	2.595800	0.0016
LNSEP	2.557310	0.792320	2.127499	0.0080
R-squared	0.899572	Mean dependent var		15.08550
Adjusted R-squared	0.849358	S.D. dependentvar		1.767965
S.E. of regression	0.686194	Akaike info		2.373863
Sum squared resid	2.825176	Criterion		2.494897
Log likelihood	-7.869313	Schwarz criterion		2.241089
F-statistic	17.91472	Hannan-Quinn		1.991942
Prob(F-statistic)	0.002131	criter.		
		Durbin-Watson stat		

Source: AUTHOR, 2023

Regression result on retained profit, staff training cost, staff development cost and number of staff employed for the period

Variables	Estimated coefficient	Std error	t- statistic	Prob.
Constraint	3.215011	2.920167	1.100676	0.0031
LSTC	0.496415	0.454590	3.091788	000.36
LSDC	0.894279	0.560279	2.595800	0.0016
LSEC	2.557310	0.792320	2.127499	0.0080

Source: Authors'computation, 2023

R -square = 0.899559 Adjusted R - Square = 0.849339 Standard error of regression = 0.686237 F - Statistic = 17.91227 Durbin-Watson stat= 1.991942 Source: (E-Version, 2009).

The data presented in table 4.1.1 was run via E-view 2009 and the results shown on table 4.1.2. The least square multiple regression model was used with three independent variables (STC, SDC and SEC) and a dependent variable ROA. The following statistics are taken cognizance of; the coefficient of multiple determination (R2), F - ratio, the standard error of the regression (SER) and Durbin-Watson (DW) statistics.

R2 is used to measure the overall goodness of fit of the regression plane; the higher the R2, the better the goodness of fit. To pass the "goodness of fit" test, the coefficient of determination must have a value of at least 50%. The magnitude of the f-statistics is a test of the significance of the relationship between the dependent variable and the independent variables of a model taken together, while Durbin-Watson statistics is used to test for the first-order autocorrelation of the random variable because multiple regression was used, adjusted R2 or coefficient of multiple regression is also introduced.

From table 4.1.2, the constant value of 3.214179 is autonomous and indicates changes that could take place in the ROA of Banking sector, if the independent variables (STC, SDC and SEC) are held constant. The a1(0.49), is the coefficient of log of staff training cost (LSTC) which depicts that a percentage increase in the staff training cost could lead to forty nine percent increase in the profit of the organization banking sector. More so, the a2 (0.89) means that a percentage increase in log of staff development cost (SDC) could lead to eighty nine percent increases in the profit of the company. The a3 (2.56) depicts the coefficient of log of staff Emolument Cost (LNSEC. It indicates that a percentage increase could lead to two hundred and fifty six percent increase in the profit of the organization.

The coefficient of determination (R2) is ninety percent. It indicates that the independent variables (training cost, development cost and number of staff) capture approximately ninety percent of the total variation (i.e. one hundred percent) in the dependent variables (profits). That is, the independent variables explained ninety percent out of the one hundred percent variation that can occur in the dependent variable. The remaining percent (i.e. ten percent) represent the unexplained percentage and could be accounted for by other independent variables not built in the regression model. In addition to the co-efficient of determination is the adjusted R2. This means the coefficient of determination (R2) if adjusted from ninety to eighty four percent could create more room or chances for other independent variables in the regression model, hence increase the line of fit of the model. Testing for the overall significance of the model, the the F-statistic is used. The high significance of F-statistic value of 17.91472 confirms the fact that the high predictability of the model did not just occur by chance. It actually confirms that the model fits the data well. To test for the individual statistical significance of the regression parameters, the F-statistic of the respective variables were used. Considering their probability values which were automatically generated during the computation process by the computer software. The constant term is significance at five percent level. The a priori expectations about the signs of the parameter estimates are confirmation to economic theory. Here, all the variables entered the model with positive signs. To test for the autocorrelation in the residual, the calculated Durbin-Watson statistic is used to compare with the table DW value. The decision rule for no autocorrelation in the residuals of the model is that the calculated DW value must be greater than DL. Given that, the calculated DW statistic = 1.991942, dl = 0.376 and du = 1.414 Since K = 4 variables and n = 7 years and at five percent level of significance, it can be concluded therefore that the model is free from autocorrelation of the residual.

In testing the hypotheses earlier formulated, it is imperative to restate the hypotheses in both null and alternative form:

Ho1: There is no significant relationship between staff training cost and the ROA of the selected banks

Ha1: There is a significant relationship between staff training cost and the ROA of the selected banks

To test for significant relationship of each independent variable, the T-statistic was used. The decision rule was that if T- calculated is less than the T-table value then the null hypothesis should be accept otherwise rejected and accept the alternative. At five percent level of significant, the table value is 2.365. Thus, since the T-calculated (3.09) is greater than the table value (2.36), the null hypothesis is rejected and the alternative accepted. We therefore conclude that there is a significant relationship between staff training cost and the ROA of the selected banks for the period of study.

Ho2: There is no significant relationship between staff development cost and the ROA of the selected banks.

Ha2: There is a significant relationship between staff development cost and the ROA of the selected banks.

For hypothesis two, the T-calculated is 2.59 hence it is greater than the T- table value (2.36). Based on this, the null hypothesis is rejected and the alternative accepted. We also conclude that there is a significant relationship between staff development cost and the ROA of the selected banks for the period of study.

Ho3: There is no significant relationship between increment in staff and the ROA of the selected banks

Ha3: There is a significant relationship between increment in staff and the ROA of the selected banks.

For hypothesis three, the T-calculated is 2.12 hence it is less than the T- table value (2.36). Based on this, the null hypothesis is accepted and the alternative rejected. We can conclude that there is no significant relationship between staff development cost and the ROA of the selected banks for the period of study.

In addition to T-statistic, an overall test was carried out to observe the significant effects of all independent variable on the dependent variable. F-table was ascertained using the degree of freedom; K: n- (K+1). Where k represent the number of independent parameters (i.e. three) and n represent number of period use for the study (i.e. Ten)

Degree of freedom = 3:10 - (3+1)= 3:6

From the F- distribution table, with five percent level of significance, 3:6 equal 8.04. This result was compared to the calculated F ratio so as to either accept the null hypothesis or reject it. Since the F - ratio calculated (17.91) is greater than the table value (8.04), we therefore reject the null hypothesis and accept the alternative and conclude that there is a significant effects of human resource costs towards performance of the banking sector.

SUMMARY , CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF FINDING

Based on the empirical analysis, the regression results showed that the estimated coefficients of the regression parameter all have positive signs. The implication of these signs was that the selected Banks training cost, development cost and staff elmolument are all positively related to the profit of the bank for the period of study. This means an increase in training cost, development cost and staff elmolument could lead to increase in profit of the selected Bank. This confirm to economic criterion, and could be supported by the works of Enofe, Sunday, & Ovie (2013), they opined that their greatest assets are the employees. However, the third parameters (staff elmolument), do not show a significant effect on the profit. This indicates that profit level does not depend on the rate of its employees rather other assets. An overall test was carried out to observe the significant effect of all independent variable (training cost, development cost and staff elmolument) on the dependent variable (profit). Result concluded that there is a significant effect of human resource costs towards attainment of some selected bank’s corporate profit. In line with this, it is justified that three independent variables have a proportionate impact in predicting the profitability of the firm. The result of the R2 in this study also has a justification for this. It is therefore concluded that, organizational performance is dependent upon the performance of the individuals that make up the organization. That is, organization does not exist in a vacuum; there are people (employees) who make work together towards achieving its goal. Organization exists for a particular goal. The goal cannot be realized except people are trained and developed.

CONCLUSION

This study was primarily carried out to empirically examine the human resource Accounting and performance commercial bank with special focus on Guaranty Trust Bank, Skye Bank, Union Bank, United Bank of Africa and Zenith Bank.From the results, it was clear that the T statistics of all the identified independent variables signed positive and were statistically significant. The implication therefore is that as the staff training costs, staff development costs and staff emolument costs increase, the bank performance proxied as returned as assets will equally increase. The F-statistic for the overall equation was equally positive and statistically significant. We therefore concluded that Human resource accounting has positive and significant influence on the performance of selected new generation banks in Nigeria.

RECOMMENDATIONS

Based on the summary of findings, the following are recommended;

i. Organizations should further boost investment in training to enhance financial performance of firms and make conscious efforts to avert wastage of knowledgeable investment and brain drain.
ii. Enabling company laws should be enacted to require companies to attach information about the value of human resource and the result of their performances in their financial reports in during the accounting year.

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