Impact of Human Capital Accounting on the Financial Performance of Deposit Money Banks in Nigeria

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Abstract

This study examined the impact of human capital accounting and financial performance of listed money deposit banks in Nigeria. Data was collected from annual report of selected money deposit banks in Nigeria; the data that were collected were tabulated and analyzed using multiple regression analysis. Findings from the study discovered that Salary and wages Cost has impact on the financial performance of listed money deposit banks in Nigeria, Training and Development Cost has no effect on the financial performance of listed money deposit banks in Nigeria also it was discovered that Long Term Employee benefits has impact on the financial performance of listed money deposit banks in Nigeria. It was recommended that Human Capital Efficiency enhances performance, management of firms should not also capitalize on the phenomenon that only increase in profitability but the holistic transformation of the valuable assets in a bid to pave way for corporate performance of firms, accounting standard setting bodies should accordingly review present accounting practices relating to human resource costs and provide standards for valuation and reporting such expenditures in financial statements to enhance information contents of such statement and firm value and Standard should be created for human resource identification and measurement. This will enhance valuation of human capital, ensure a higher degree of utility to stakeholders, uniformity in disclosures and will allow a reliable comparison of human capital values.

Keywords: Human capital Accounting, Financial performance, Banking Sector

INTRODUCTION

One of the key contributory factors to a firm performance is the human resources of an organization. Human capital plays a significant role of coordinating all organizations' activities, towards the achievement of the corporate goals and objectives. With machines, materials and money little or nothing could be achieved without human contributions (Olaniyan& Lucas, 2008). This confirms the extent of importance of human capital in organizations. The importance of human resources to the success of firms is also confirmed in Akintoye and Adidu (2008). They stated that human resource is a key factor in the determination of measurable growth of any nation. Oke (2010), highlighting the importance of human asset, stated that successful and effective organizations understood that their success is directly related to the quality of their human capital. However, the quality of human capital or human asset that Oke (2010) referred to, depends on the knowledge or the intellectual capability that the employees or managers of firms or organizations possessed. Thus, there is an indication that the importance of human intellectual capability is indispensable in the assessment of corporate performance. There is no doubt that company's need strong and competitive human resource to succeed; the success of firms whether large, medium or small, depends on the quality and value of human resource they have. According to Robbins (2001), a major feature that differentiates successful organizations from their contemporaries in almost all economic sectors is the quality of the people they are able to get and retain. Knowledge has, indeed, become power and organizations in our ever changing world consider knowledge and intellect of their employees as a competitive edge to compete effectively in the market place (Kharal, Zai-ur-Rehman, Abrar& Khan, 2014) and therefore, money spent on employees' training and development is generally viewed as one of the critical investments that companies could make, and that such investments should be treated as a capital expenditure. A number of scholars have however, investigated the utility of Human Resource Accounting (HRA) as a relevant tool for measuring human resource costs as assets, and evaluated the effect which such accounting treatment could have on firm performance and value (Ekwe, 2014; Izedonme, Odeyile&Kuegbe, 2013; Ekwe 2013; Yusuf, 2013; Ihendinihu&Nwokocha, 2010; Khadija&Abike, 2009; Okafor, 2009; Ottar, 2007; Theeke, 2005; Lev & Schwartz, 1971). Under the present accounting practice, non-human expenditures on items like equipment and plants are treated as Assets while the huge investments made in acquiring and developing human resources are treated as an expense and charged against the current period's resources.

The present accounting treatment for human resource costs is not without its shortcomings. Unlike every tangible asset, human beings cannot be kept at a place without the tendency to move from one organization to another. Also, since the life span cannot be determined with reasonable margin of precision, the depreciation rate for human assets is difficult to ascertain. These obvious limitations of capitalizing human resource costs and reporting the value as an asset in a statement of financial position need to be properly investigated. The present accounting treatment for Human Resource Costs tends to reduce the profit available for distribution to shareholders and thus having implications on both the profitability and liquidity of an entity. Human Resources (HR) are 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. HRA is the process of identifying and measuring data about human resources and communicating this information to interested parties. Human resource accounting 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. Therefore, this research intends to fill the gap in the literature by critically evaluating the impact of human capital accounting on the financial performance of listed banks firms in Nigeria

Poor human capital development in most of the firms has made so many of them not to live up with the primary objectives of their existence (Olaniyi, 2010). There is this belief that education is the major source of human capital development, according to Babalola (2003) human capital should be maintained in equilibrium position, where there will be no evidence of shortage or surplus supply of educated people (Onuka & Ajayi, 2012). Lack of educated and skilled labour in manufacturing sector has led to poor performance of firms in Nigeria, most of these staffs find it difficult to adapt to the changes in their work environment, also most firms find it difficult to allow their staffs go for seminars, conference, or permit them to take study leave, these would have help equipped them with the right skills and knowledge that could have resulted in a better performance in the industry (Oyinlola&Adeyemi, 2014). Most firms employees find it difficult to get release for further studies, also employees are not given the freedom to learn effectively doing on- the -job training, staffs who are in charge of training the new employee on the job, might begin to feel threaten by the presence of this employee, that they now begin to hide their knowledge on the job (Prosvirkina, 2014). Even where firms commit enormous financial resources to staff training and development, staff health care and other welfare programmes, one could not tell whether its impact on firm's performance is significantly worthwhile (owunmi, Eleyowo, Salako, &Oketokun, 2015). The most vital assets of any firm is its employees because all activities of organization that determine performance depends on the effort of the employees (Kharal, Zai-ur-Rehman, Abrar& Khan, 2014). Hence, it is difficult for firms to measure data relating to human resources. One of the problems is determine the impact of human resource accounting on employee level outcome such as absenteeism and task performance (Ting, & Lean, 2009). Overtime, the following issues relating to the concept have remained unresolved: Uneven distribution of skilled manpower, Misemployment of human capital in Nigeria, Poor reward system retarding the acquisition and development of human capital (Happiness & Michael, 2014). Consequently, the book values of firms with significant amounts of human capital investments are unrelated to the market values (Lev, 2001; Holland, 2003). Although there is a broad assumption that human capital has positive effects on firms' performance, the notion of performance for human capital remains largely untested (Olalere&Adenugba, 2013). Therefore, this research intends to fill the gap in the literature by critically evaluating the impact of human resources accounting on the financial performance of listed banks in Nigeria. The primary objective of this study is to examine the impact of human capital accounting on the financial performance of banks listed in Nigeria and the following hypotheses were formulated for the purpose of this study:

H_{O1}: Salary and Wages Cost has no impact on financial performance of banks listed in Nigeria.
H_{o2}: Training and Development Cost has no effect on the financial performance of banks listed in Nigeria.
H_{o3}: Long Term Employee Benefits have no effect on the financial performance of banks listed in Nigeria.

LITERATURE REVIEW

Concept of Human Capital Accounting

Human Resources have been defined by Micah, Ofurum and Ihendinihu (2012) as the energies, skills, talents and knowledge of people which are, or which potentially can be applied to the production of goods or rendering of useful services. Human Resource Accounting (HRA) is the measurement and reporting of the cost and value of people in organizational resources (Flamholtz, 2011). It is the process of identifying and measuring data about human resources and communicating this information to interested parties. The America Accounting Association (1973) defined HRA as the process of identifying and measuring data concerning human resource and communicating this information to users of accounting information. JawaharLal, (2009) argues that human resource accounting is not useful to the management solitarily in achieving it economic goals; it could also be the source of important information for investment decision purpose. The inclusion of appropriate human resource information in published financial statements would in all likelihood, make such statements for more meaningful in predicting future performance which is, of course, the principal concern of investors. Okpala and Chidi (2010) observed that human resource accounting relates to the quantification in monetary terms of human resources employed by an organization. Bullen and Eyler (2010) noted that Human Resource Accounting involves accounting for expenditure related to human resources as assets as opposed to traditional accounting which treats these costs as expenditures that consequently reduce profit. Woodruff (1970, cited in Enyi&Akindehinde, 2014) defined Human Resources Accounting as the identification, accumulation and dissemination of information about Human Resources in dollar or naira term. Thus, human resource accounting is simply the accounting for the value of people in organization to enhance information for decision making by the users of financial information (Enyi&Akindehinde, 2014). Seth (2009), stated that Human Resource Accounting (HRA) means accounting for people as original resources. According to him, it is the measurement of cost and value of people for an organisation. It is also a way of thinking about the management of people in formal organisation. He confirmed that knowledge of workers are important resources for a typical modern business firm and that, with the growing complexities of business organisations the need for competent people continue to increase while financial reporting ignores such resources.

Parameswaran and Jothi (2011), referred to American Accounting Association's definition of human resource accounting as the process of measuring data of human resources and communicating the information to the interested parties. Going by the various definitions above, human resource accounting in simple term is accounting for the value of people in organization to enhance information for decision making by the users of financial information. According to Roslender, Stevenson and Kahn (2006), it is a vital function of an employer to provide an atmosphere to the employees to perform their work in healthy, congenial climate conducive to good health and high morale. Some organizations make provisions for the safety and health of its employees. Based on the firm's safety and health rules, preventive measures have to be taken and provided for. Mainly, employees are to be given safety education, protection and regular enforcement. Human resources are truly the most valuable resources of an organization. Effective utilization of physical and financial resources depends upon the quality of human resources that an organization can possess. Machines and capital merely enhance the profit making capacity where as effective human resource management helps to manage the people who produce such profit. Human resource accounting is the process of identifying and measuringthe data about human resources and communicating this information to interested parties.Thus HRA is an information system that tells management regarding what changes are occurring to the human resources of an organization (Reeta, 2015).Human resource accounting involves measuring the cost incurred by the organizations to recruit, select, hire, train and develop the human assets. It also involves measuring the economic value of the people to the organization (Flamholtz, 2011). Kamal, Mat, Rahim Husain and Ismail (2012) defined Human Capital "as employee's competence in creating both tangible and intangible assets by contributing in the continuous generation of knowledge and ideas".

According to Micah, Ofurum, and Ihendinihu (2012) Human Capital was defined as "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." Ting and Lean (2009) identified Human Capital to include "innovation, capacity, creativity, know-how and previous experience, teamwork capacity, employee flexibility, tolerance for ambiguity, motivation, satisfaction, learning capacity, loyalty, formal training and education." Muhammad (2009) stated that more emphasis is being placed on the skills and knowledge of employees rather than on the physical assets of a company. This is because the skills, knowledge, competence and intellect an employee possess will determine how the physical assets will be utilized to achieve organizational objectives. The concept of human capital refers to the abilities and skills of human resources of a country (Yetude& Ola, 2011). The concept of human capital also refers to the acquired and useful abilities of all the inhabitants or members of the society (Folloni&Vittadini, 2010 as cited in Oluwatobi&Ogunrinola, 2011). In another perspective, human capital, as the name suggests, represents the productive capacity of the people. Just like land or machinery, workers are an essential requirement for production, as such, human capital denotes the skill of the labour force, how well and efficiently workers can transform raw materials and capital into goods and services. Human capitals are all embracing, that is, it is inclusive of persons who works now, or are likely to be productively employed sooner or later.

Concept of Financial Performance

Firm performance is used as a measure to dictate an organization's growth and development. It shows the level of improvement made by an organization or firm within a period of time. There is no specific measure to employ in order to arrive at performance; however, the measure of corporate performance could be arrived at by the use of a number of indices or variables which include productivity, profitability, growth or even customer satisfaction are most likely used (Aliu, 2010). Consequently, several studies have measured firm performance using different performance proxies. Sumit (1997) measured performance of Indian firms using productivity and profitability. Whereas, Juliet, William &Robat (2001) studied performance using: profitability, real sales, operating efficiency and capital expenditure as performance measures. However, the use of return on assets (ROA), return on equity (ROE), return on sales (ROS), earnings per share (EPS), market capitalization growth, gross and net profit margin, economic profit, and Tobin's Q as measure of performance are commonly employed, by most the studies reviewed on performance. Company performance describes how individuals in the company try to achieve a goal. Company performance illustrates the magnitude of the results in a process that has been achieved compared with the company's goal. Financial performance is a determinant of an organization's income, profits, increase in value as evidenced by the appreciation in the entity's worthiness (Asimakopoulos, Samitas&Papadogonas, 2009). Measures of financial performance fall into investor returns and accounting returns. The basic idea of investor returns is that, the return should be measured from the perspective of shareholders e.g. share price and dividend yield. Accounting returns focus on how firm earnings respond to different managerial policies, which can be measured using different accounting ratios (Alan, 2008). Financial performance provides a subjective measure of how well a company can use assets from its primary mode of business and generate revenues. Financial performance is measured by revenues from operations, operating income or cash flow from operations or total unit sales. The analyst or investor may wish to look deeper into financial statements and seek out margin growth rates or any declining debt (Leah, 2008).

E**mpirical Framework**

Worlu and Onyinyechi (2016) examined the effect of human capital development on financial performance of banks in Nigeria. The specific objective was to determine the extent to which the banks PDW affect the PAT, TR and the NA. The research design employed was a cross sectional survey design. Time series data which comprise PDW, PAT, TR, and NA of quoted commercial banks in the NSE were the secondary data used. Statistical tools of Multiple Linear Regression and student t-test were used for the analysis. The regression model was estimated through the use of statistical package for social sciences (SPSS). The three null hypotheses used in this study were tested at 5% level of significance. The result obtained showed a no effect on PAT and no effect on TR, but a negative effect on NA. The p-value for all the independent variables are not significant.The F-test showed a good fit for the model. The study therefore concludes that banks have not invested adequately on human capital development that is why the effect on financial performance is not significant. Eletu, Ukohaand Nwuche (2017), Studied the relationship between human capital development and corporate performance was investigated using Spearman‟s Rank Order

Correlation Coefficient and using organizational culture as the moderating variable in food and beverages firms in Port Harcourt. The study utilized cross-sectional research design and used questionnaire to collect the primary data.Preliminary analysis was performed to ensure no violation of the assumptions of normality, linearity and equality of variance. The results of the analysis revealed that there were strong correlation between the dimensions of human capital development and the measures of corporate performance.

Al-Sharafat (2017), examined the effect of human capital development on the financial performance of agricultural enterprises. Intentional sample of 119 broiler farms with almost equal capacity (20,000 birds for each) were selected to resemble the investigated broiler farms. A cross sectional survey using a 5-point Likertscale questionnaire was conducted on broiler farms included in the sample. The data covered human capital development related characteristics of farms operators (e.g. Level of training, education, level of exposure to agricultural extension activities, experience, education area and level of entrepreneurial skills). The financial performance indicators of the investigated broiler farms (e.g. return on assets, current ratio, debt to asset ratio and profit margin) were also covered. Multiple Regression (MR) and Pearson Product Moment Coefficient Analysis were conducted in this study to analyze the data. The results of the study revealed that among many human capital components, training, education, exposure to agricultural extension activities, experience, education area and entrepreneurial skills of farm operators have significant positive impact on the financialperformance of the investigated broiler farms. Olowolaju and Oluwasesin (2016), examined the effect of human capital on the profitability of quoted manufacturing companies in Nigeria. The study aimed at determining if expenditure on human has influence on the profitability of listed manufacturing companies on the Nigeria Stock Exchange. A sample of 10 listed manufacturing companies on the Nigeria Stock Exchange was used forthe study. This study used data mainly from secondary sources and the analysis of data collected was done using descriptive and inferential statistics. The descriptive statistics include mean, standard deviation, kurtosis, skewness while inferential statistics that was used in testing the hypotheses include panel regression and correlation. The study revealed that all the explanatory variables have positive relationship with profitability; however, expenditure on health contributed more to the profitability of the firms with a beta value of 27.8609 than expenditures on salaries and wages, training and contributory pension with beta values of 0.3107, 2.6752 and 3.4519 respectively. The study also found that that only expenditure on health can significantly predict net profit at 5% level of significance.

Olusegun and Adenugba (2013), examined the effectiveness of Human Capital Development Programmes of First Bank of Nigeria Plc. The study utilized both secondary and primary for gathering information. For the primary source it utilized both questionnaire and in-depth interview as instruments and for secondary data; the organization's human capital development chart, handbook and training records. The findings revealed that the Human Capital Development Programmes of First Bank of Nigeria Plc have improved the skills, attitude and performance of staff of the bank which invariably has led to the achievement of organizational goals and objectives. The findings also discovered the need for the bank to put in place motivational policies that will be attractive to the staff in order to retain them after the training and development exercise. This is will reduce employeeturnover or attrition, which is visible in the bank. Ofurum and Adeola (2018), examined the relationship between Human Resource Accounting and the Profitability of quoted firms in Nigeria. The study used staff remuneration, as proxy for Human Resource Accounting; while net operating profit and return on capital employed were used as proxies for profitability. The study used secondary data from audited financial reports of nine (9) service firms quoted on the Nigerian Stock Exchange (NSE) from 2011 -2015. The data collected was analyzed using ordinary least square (OLS) and Pearson Product moment correlation coefficient. "r", with the aid of SPSS version 20. The findings revealed that there is no significant relationship between Human Resource Accounting and the profitability of quoted firm. Channar, Talreja and Bai (2015), this studied is conducted to assess the impact of Human Capital Variables i.e. acquisition of knowledge, skills & expertise of the employees on the satisfaction of the employees and then on the effectiveness of the organizations. Simple random probability method was used for sampling selection & primary data was collected by administering questionnaires. Independent Samples T- Test showed that both genders are provided equal chances of human capital development. Effectiveness of the organization was measured by assessing the satisfaction & commitment level of the employees & customers with the organization. Satisfaction & commitment was measured by already established tools. Correlation technique showed that human capital development hasstrong significant positive relation with satisfaction level of the employees' and customers, which will eventually lead to the organizational performance.

Odhon'g and Omolo (2015), established the effect of Human Capital Investment on Organizational Performance of Pharmaceutical Companies in Kenya. The independent variables include: training, education, knowledgemanagement and skills development. The main underpinning theories in this study include: Human Capital, Skill Acquisition and Sustainable Resource Theory. 200 observations were used in the study. Study used questionnaires in data collection, descriptive and inferential statistics used in the analysis. The found a positive significant relationship between human capital investment and organizational performance. Onyekwelu, Ugwuanyi and Osisioma (2015), examined the Impact of Human Capital Accounting(HCA) on financial performance and market valuation using four publicly quoted companies(banks) in Nigeria. It presents a comparative analysis between the current accounting practice of corporate valuation (net worth) and what it should be if investments on human capital are treated asassets, capitalised and amortized over the useful life span of the assets. Data for this study were sourced through questionnaire which was administered to randomly selected respondents of accountants of management cadre. Secondary data were sourced from the annual financial statements of five selected firms, relevant textbooks and the internet. Data were analyzed using percentages and Chi-Square statistical test. The study reveals among others that there is asignificant increase in firms' net worth when investments on human capital are treated as assets and capitalized as against the current practice where such expenditures are treated as mere revenue expenses thereby leading to gross undervaluation of firms' Statement of Financial Position(Balance Sheet) and the Income Statement (Profit and Loss Account). Akindehinde, Enyi and Olutokunbo (2015), studied th effect of human asset accounting on the performance of business organizations in Nigeria. The empirical study adopted an Ex-post facto research design, conducted on all 18 publicly quoted banks in Nigeria capital market. The instrument of data collection was questionnaire designed on a six steps Likert Scale and validated through peer review with Cronbach Alpha Coefficient of 0.807 and 0.870 for Human Asset and Organisation Performance respectively. The hypothesis was tested using simple regression model. The result of the analyses confirmed that human asset accounting significantly affects the banks' performance at F-ratio = 56.280, $P \leq 0.05$, R2 =0.193. It concluded that capitalizing human assets would positively impact on performance of organizations.

Meshack, Jeff and Ifurueze (2014), examined the relationship between (1) The aggregated cost of human resource and organizational profitability. (2) The effect of the disaggregated cost of human resources on organization profitability. Data was extracted from internal source using a structured information card and annualfinancial report. Regression analysis was used. The findings show that there is a positive relationship between profitability and human resource cost. It also shows that changes in profitability can be explained when the expenditure on human resource are segregated into revenue expenditure and capital expenditure.Micah, Ofurum and Ihendinihu (2012), examine the relationship between firm's financial performance and human resource accounting disclosure of companies in Nigeria. Five years financial data from 2005-2009 of fifty two companies across all sectors as listed on the Nigeria stock exchange fact book of 2005-2009 were extracted using simple random sampling techniques. Descriptive, correlation and regression statistical techniques were used in analyzing the data. Our findings show that the combined effect of Firm Financial Performance accounted for75.9% of the variation in Human Resource Accounting Disclosure (HRAD) with an F– ratio 3.581 being significant at 5% confidence level. The positive correlation between Return on Equity (ROE) and Human Resource Accounting Disclosure (HRAD) supposes that an increase in return on equity encourage firm in reporting human capital information so as to establish trustworthiness with stakeholders; enhance external reputation, appear legitimate in the public eye and avoid cost for non legitimacy. Rahim, Atan and Kamaluddin (2017), examined the relationship between human capital efficiency and firm's performance in Malaysian technology industry. Using accounting data, this study reviewed annual reports of all technology companies listed under Main Market and Ace Market of Bursa Malaysia in year 2009. The study applied Value Added Intellectual Coefficient (VAICTM) methodologydeveloped by Ante Pulic to measure human capital efficiency. The results showed that there was not much difference in terms of human capital efficiency between the Main Market and Ace Market. Results from correlation analysis indicate that human capital efficiency has significant and positive relation with firm's performance. Kurfi, Udin and Bahamman (2017), examines the impact of intellectual capital (IC) on financial performance of listed Nigerian food products companies for five year period 2010 to 2014 by adopting Pulic model of IC known as value added intellectual coefficient (VAIC). Regression models are used to test the hypotheses of the study where the results show that there was positive significant influence of IC on financial performance. Specifically, the results showed that structural capital (SC) and capital employed (CE) influence the financial performance of Nigerian food products companies. Based on the resource-based theory, the results prove that companies can enhance financial performance by emphasising on IC especially in food products companies.

Theoretical Framework

The theoretical framework for this study is the human capital theory the reasons because Human Capital Theory, Human-capital theory is a modern extension of Adam Smith's explanation of wage differentials by the so-called net (dis)advantages between different employments (Salman, 2011). The costs of learning the job are very important components of net advantage and have led to claim that, other things being equal, personal incomes vary according to the amount of investment in human capital; that is, the education and training undertaken by individuals or groups of workers. A further expectation is that widespread investment in human capital creates in the labourforce the skill-base indispensable for economic growth (Izushi&Haggins, 2004). According to this theory, a workforce that is more educated and possessing the relevant skills makes it easier for a firm to adopt and implement new technologies which in other words means return on investment in employees education and training, (Izushi&Haggins, 2004). Human capital theorists believe that education is an investment since it enhances productivity(Olsson, 2001). The theory holds that the competence, knowledge, abilities and skills of an organization's workforce contribute to its competitive advantage.

METHODOLOGY

This study used ex-post facto research design which is undertaken after the events have taken place and the data are already in existence. The population of this study comprises 12 (twelve) money deposit banks that were listed on the Nigerian Stock Exchange as at 31st December, 2020. This study will adopted judgmental or purposive as the sampling technique. The criteria for the sampled firms are: it must be quoted under NSE for more than ten years, recognized and have a large customer base and customer base are determine base on growth of customers per year and availability of data. The sample banks are Zenith Bank, GTB, Access Bank, First Bank and FCMB. In this study, the secondary sources of data collection were used. The secondary source of data for this study includes the annual report of selected money deposit for all the relevant years (2014-2020). The study employed Ordinary least square multiple regression analysis is the main technique used for data analysis.

Models Specification

The researcher adopts the model used by Onyekwelu (2015) with little modifications to suit the researcher's need. The model is as follows:
Using regression analysis, the model can be built as follows:

$ROA= b_0 + b_1\ SWC + b_2\ TDC + b_3\ LTEB+ e$

Where,

$$\text{Return on Assets}= \frac{\text{Profit after Tax}}{\text{Total Assets}}$$

SWC = Salaries and Wages Cost Proxy by Natural Log of Salaries and Wages Cost
TDC= Training and Development Cost = Natural Log of Training and Development Cost.
LTEB= Long Term Employee Benefit proxy by Natural Log of Long Term Employee Benefit.
b0 = the constant, and
b_1, b_2, b_3 are regression coefficients.

RESULTS AND DISCUSSION

This section discusses the regression results in relation to the impact of human capital accounting on performance of listed banks in Nigeria for the period under review. The results are presented below:

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.320[a]	.103	.016	.03962	.969

a. Predictors: (Constant), LTED, TDC, SWC

b. Dependent Variable: ROA

Source: SPSS Output 25

Table 1 shows that the co-efficient of the regression which is R^2 is relatively low at 10.3%. This means that 10.3% of ROA is explained by the explanatory variables while 89.7% is unexplained. The Durbin Watson (DW) statistics of 0.969 suggests the presence of serial correlation. This indicates that there is a positive autocorrelation among the error term of each of the variables used in this study; however, the closer this is to 2, the fairer the model which means that the model is well fitted.

Table 2: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.006	3	1.002	3.182	.032[a]
	Residual	.049	31	4.002		
	Total	.054	34			

a. Predictors: (Constant), LTED, TDC, SWC

b. Dependent Variable: ROA

Table 2: Reveals the overall fitness of the model formulated. The F-statistics as presented in the table is 3.182 which is significant at 5% because the p-value is less than 5% level of significance i.e $0.03<0.1$. This shows that the model is well fitted as seen from the ANOVA table. This indicates that human capital accounting has significant impact on the financial performance of listed banks in Nigeria proxy by ROA.

Table 3: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.077	.085		-.902	.374
	SWC	.025	.015	.345	1.697	.040
	TDC	-.007	.009	-.163	-.802	.428
	LTED	.016	.015	.207	1.100	.020

a. Dependent Variable: ROA

Table 3 shows the regression results on the relationship between ROA, SWC, TDC and LTED. The estimated regression relationship for the model is:

ROA = -0.077+ 0.025 (SWC) - 0.007 (TDC) + 0.016 (LTED).

H_{01}: Salary and wages Cost has no impact on the Financial Performance of Listed Banks in Nigeria.

Table 3 above shows that SWC is having a co-efficient of 0.025 and a p-value of 0.04. This indicates that the variable has a positive effect and it is statistically significant at 5% because the p-value is less than 0.05. This therefore lead to the acceptance of the alternate hypothesis which states that Salary and wages Cost has impact on the Financial Performance of Listed Banks in Nigeriaand reject the null hypothesis.

H_{02}: Training and Development Cost has no effect on the Financial Performance of Listed Banks in Nigeria.

Table 4. above table shows that TDC is having a co-efficient of -0.007 and a p-value of 0.428. This indicates that the variable has a negative effect and it is statistically insignificant at 5% because the p-value is greater than 0.05. This therefore lead to the acceptance of the null hypothesis which states that Training and Development Cost has no effect on the Financial Performance of Listed Banks in Nigeria and reject the null hypothesis.

H_{03}: Long Term Employee benefits has no effect the on Financial Performance of Listed Banks in Nigeria

Table 4 above shows that LTEB is having a co-efficient of 0.016 and a p-value of 0.02. This indicates that the variable has a positive effect and it is statistically significant at 5% because the p-value is less than 0.05. This therefore led to the acceptance of the alternate Hypothesis which states that Long Term Employee benefits has impact on the Financial Performance of Listed Banks in Nigeriaand reject the null hypothesis

Discussion of Findings

In the study is was discovered that Salary and wages Cost has impact on the Financial Performance of Listed Banks in Nigeria, Training and Development Cost has no effect on the Financial Performance of Listed Banks in Nigeria also it was discovered that Long Term Employee benefits has impact on the Financial Performance of Listed Banks in Nigeria. this was in line with the work of Prosvirkina (2014), Sowunmi (2015) and Perera and Thrikawala (2012) that found a statistically significant impact between human capital return on equity and asset as selected performance indicators, our finding was not consistent with the study of Yusuf (2013) who concluded that efficient utilization of Human Capital does not have any significant impact on the Return of Equity of banks and that the impact of Human Capital Efficiency on the Earnings per Share of the banks exist although not significant. This is not surprising because, return on assets (ROA)indicates a company's overall profitability. When investments on human capital development are expensed, the result will be that both assets and earnings will be understated. This will motivate companies with a low level of earnings to provide relevant information to investors and stakeholders regarding investment in human capital not reflected on the balance sheet. Increase in return on Equity encourage firms in reporting human capital information so as to (1) establish trustworthiness with stakeholders and employ a valuable marketing tool(van der' Meer – Kovistra and Zijlstra, 2001; (2) enhance external reputation (Toms, 2002; Guthrie et al 2006). (3) appear legitimate in the public eyeand avoid costs from non-legitimacy (Deegan and Unerman, 2006; Beastie and Thomson, 2007). Human Resource Accounting Information of an organization is very important factor to decision makers in an era of knowledge based economy. As a result, each organization takes serious attempt to disclose its HRA information to insiders and outsider decision makers. This is becoming an integral part of management report.

Conclusion and Recommendation

Human capital is getting wider attention with increasing globalization and also the saturation of the job market due to the recent downturn in the various economies of the world. Developed and developing countries put emphases on a more human capital development towards accelerating the economic growth by devoting necessary time and efforts. Based on the findings from the previous section of this study, the following conclusions are drawn:Salary and wages Cost has impact on the Financial Performance of Listed Banks in Nigeria, Training and Development Cost has no effect on the Financial Performance of Listed Banks in Nigeria also it was discovered that Long Term Employee benefits has impact on the Financial Performance of Listed Banks in Nigeria. In line with the findings from this study, the following recommendations are proffered: Human Capital Efficiency enhances performance, management of firms shouldnot also capitalize on the phenomenon that only increase in profitability but the holistic transformation of the valuable assets in a bid to pave way for corporate performance of firms, Accounting standard setting bodies should accordingly review present accounting practices relating to human resource costs and provide standards for valuation and reporting such expenditures in financial statements to enhance information contents of such statement and firm value, Standard should be created for human resource identification and measurement. This will enhance valuation of human capital, ensure a higher degree of utility to stakeholders, uniformity in disclosures and will allow a reliable comparison of human capital values and Human Resource cost should be reported in asset accounts rather than as expenses.

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