HUMAN RESOURCE ACCOUNTING AND OPTIMIZING INVESTMENT DECISIONS: EMPIRICAL EVIDENCE FROM LISTED DEPOSIT MONEY BANKS

ODEWUSI Olumide Oyetola,
Department of Accounting, Babcock University, Ilishan Remo, Ogun State, Nigeria.

OYETUNJI Oluwayomi Taiwo,
Department of Accounting & Finance, McPherson University, Lagos – Ibadan Expy, Seriki Sotayo 110117, Ogun State, Nigeria.

OLALERE Mayowa David,
Department of Accounting, Babcock University, Ilishan Remo, Ogun State, Nigeria.

LAWAL Babatunde Akeem
Department of Accounting & Finance, McPherson University, Lagos – Ibadan Expy, Seriki Sotayo 110117, Ogun State, Nigeria.

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Abstract: Deposit money banks are the backbone of Nigeria since they provide financial services to all sectors of the economy. Studies show that the instability the Nigerian banking industry has experienced over time as a result of different financial circumstances has resulted in a decline in financial performance. Thus, it is imperative that this be given careful consideration. This study looked at the relationship between optimizing investment decisions of deposit money banks registered in Nigeria and accounting for human resources. The study employed an ex post facto research design. The study's population consisted of 22 Deposit Money Banks listed on the Nigerian Exchange Group (NGX), 10 of which were selected through the use of the purposive selection technique. There was study done for ten years (2013–2022). Data was extracted from the publicly accessible audited financial reports, which were subsequently confirmed by external auditors. To examine the data, both inferential and descriptive statistics were applied. The study's findings demonstrated that human resource accounting had a significant impact on the profitability per share of deposit money institutions in Nigeria, with AdjR2 = 0.577, F (6, 10) = 1.23, and P-Value = 0.000. Human resource accounting has a considerable impact on the dividend per share of Nigerian deposit money banks; AdjR2 = 0.476; F (6, 10) = 1.80; P-Value = 0.002. Human resource accounting has a substantial effect on the net profit margin of Nigerian deposit money banks (AdjR2 = 0.426; F (6, 10) = 9.20, P-Value = 0.001). The study discovered that human resource accounting has a major impact on the deposit money banks listed in Nigeria's ability to optimize their investment decisions. The study advised policy makers to closely monitor the accounting standards and metrics pertaining to human resources, including the breakdown of staff development, acquisition, and training costs and how these impact the deposit money banks' overall investment choices.

Keywords: Dividend per share, Earnings per share, Human resource accounting, Net profit margin, Optimizing investment decisions

1.0 Introduction

Making the best possible investment selections has become a global concern for everyone, but it is especially important for investors and other stakeholders to make educated economic judgments. This has gained popularity in accounting literature and produced conflicting opinions and outcomes. The banking industry is regarded as one of the pillars of the national economy, making substantial contributions to its expansion and advancement. Both startup companies and large corporations make decisions on a regular basis. It is rare to analyze a course of action

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in isolation; almost all decisions must be evaluated in the context of plans. Decision-making and problem-solving comprise the majority of the labor performed by managers, scientists, engineers, attorneys, accountants, and other professionals who oversee business organizations and structures, according to Abdulai et al. (2020). Managers and individuals make investment decisions on a daily basis in order to take advantage of opportunities and deal with problems as they arise. Investment decision-making can be broadly classified into two categories: non-programmed and programmed, according to Abdulai et al. (2020). To put it another way, Koontz and Weihrich (2010) state that making an investment involves premising, identifying choices, evaluating alternatives in light of the intended goal, and selecting the best option.

Stakeholders and investors are becoming more and more interested in learning about a company's worth. Over the past few years, this has grown concerning and produced conflicting reactions and findings from the accounting literature. Because of this, it is now crucial to understand how the quality of earnings can raise the firm value of any organization and ensure its long-term viability. While shareholders pay more for the information and for the guarantee that the information they receive is of a high caliber, managers are directly involved in the day-to-day operations of the company and receive it at no cost. Due to information asymmetry and managerial incentives to act opportunistically at the expense of shareholders, this can lead to moral hazard issues. It may also make it more difficult for investors to determine the true economic value of the company when making decisions, which can further result in adverse selection issues (Tulcanaza-Prieto & Lee 2022).

Deposit money banks are essential to the distribution of resources, the extending of credit to individuals and businesses, the supply and security of finance, and the bridging of units with surpluses and deficits in any economy. Through a variety of operations and services, the banking industry in any growing or developed economy elevates the standard of living and greatly increases productivity and growth. The financial services sector should be shunned due to its vulnerability and inherent hazards. Deposit money banks frequently have to deal with risks and uncertainties since they are essential to the regulation of financial activities. These dangers could significantly affect the institutions if they are not adequately controlled and reduced. In order to manage risks, managers must first identify them, then gather operational, consistent, and transparent risk measures, decide which risks to raise and which to lower, then establish monitoring systems to monitor the resulting risk position, according to Ozturk and Aktan (2017).

The high proportion of non-performing loans on the balance sheet causes banks to operate poorly and lose money (Uwalomwa, Uwuigbe and Oyewo, 2015; Ogbulu and Eze 2016; Kolapo, Ayeni and Oke, 2019). Iwedi and Onuegbu (2017) reported that data showed that nonperforming loans at Nigeria's deposit banks could have reached up to 35% between 1999 and 2009, even though all deposit money banks had risk management divisions entrusted with supervising the banks' risks, including credit risk. High percentages of non-performing loans, a lack of loan collateral, inefficient loan processing, and insufficient and ineffective credit risk management are some of the factors impeding banks' performance (Danjuma, Kola, Magaji & Kumshe, 2016).

Deposit money banks undoubtedly have a range of difficulties, just like any other business or corporation. How to maintain extraordinary performance, define good performance, and quantify it are just a few of the many issues banks face. Should performance management be disregarded or applied incorrectly, banks may face serious repercussions. Performance indicators come in a variety of forms; some are quantitative or numerical, while others are qualitative. While some of these traits are hardly significant, others have a significant effect on an institution's ability to maintain its financial stability. The multitude of indicators makes it challenging to identify which ones most accurately reflect the health and current state of banks. Moreover, banks cannot control other factors that have an impact on their performance. They are commonly referred to as systemic risk. Because of this, businesses typically use a variety of Key Performance Indicators (KPIs) to track past and present performance as well as identify any areas that might need improvement. Banks must regularly monitor important sustainability metrics in order to manage their entire performance in this highly competitive global environment.

Despite its long history, the idea of accounting for human resources is still not commonly recognized. How to evaluate and disclose human capital in an organization's financial statements has been the subject of numerous writing and academic studies (Edom, Inah & Adanma 2015; Omodero & Ihendinihu, 2017). The accounting and reporting of corporate entities on human resources is still relatively new in Nigeria. One company that has

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invested heavily in human resources and employed HR accounting in one way or another is Access Bank Plc. Access Bank Plc began construction of the Access Bank Campus, also called the Access University of Banking Excellence, in 2007. This large investment in retraining and training qualified staff was not included in the bank's financial status statement. In fact, throughout these periods, the investment was subtracted from revenue in order to decrease income and, as a result, the value of the business. Typically, rather than being displayed as assets in the statement of financial position, this company's investments in human capital development are expensed in the income statement. The main barriers to recognizing human resources as an important resource are rooted in their characteristics, financial estimation, and reporting requirements. The value of human capital is a basic problem in human capital management.

Because of the aforementioned concerns, it is imperative that the study examine how listed deposit money banks in Nigeria employ human resource accounting while making investment decisions. The specific objectives are to:

Analyze the connection between human resource accounting and the earnings per share of Nigerian deposit money banks that are listed.

Examine the connection between human resource accounting and the dividend per share of Nigerian listed deposit money banks.

Examine the connection between human resource accounting and the net profit margin of Nigeria's listed deposit money banks.

Research Hypotheses

H01: Human resource accounting has little effect on the earnings per share of listed deposit money banks in Nigeria.

H02: Nigeria's listed deposit money banks' dividend per share is not significantly impacted by human resource accounting.

H03: Human resource accounting has no bearing on the net profit margin of Nigerian deposit money banks that are listed.

2.0 Literature Review

2.1 Conceptual Review

2.1.1 Optimizing Investment Decision

Those who have savings and are seeking a positive rate of return engage in the activity of investing by placing their funds in capital assets, goods, and services. Whether making an investment as an individual or as management of an involved company, investors must decide how, when, where, and how much capital will be spent on investment opportunities (Bhalla, 1982). One of the most important decision-making tools is literacy, which can help make better decisions and yield an acceptable return. Both technical and fundamental analysis are used while conducting an investment analysis.

A range of possibilities are found by conducting multiple research to ascertain the costs and profits before making an investment decision. People want to know about money and how it works because, aside from the availability of a wide range of financial products for investment and the concern over flexibility in managing financial matters, investment decisions are important and dynamic in relation to other decisions that they intend to make in their lifetime for the future. Before making any decisions, investors must thoroughly and precisely evaluate the opportunities; these decisions shouldn't be made quickly. A business may face bankruptcy if it makes the incorrect investment decisions. It is essential to comprehend the guiding principles of the investment decision in order to optimize the benefits of the evaluation process.

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Investment planning includes developing investment strategies, such as a systematic investment plan and an asset allocation strategy, according to Musundi (2014). Furthermore, when doing investment analysis, investors use judgment in addition to essential and technical analysis, according to Mutswenje (2014). According to an alternative reading, information structure and market factors consistently influence investors' decisions (Avram, et al., 2009).

2.1.1.1 Earnings per Share

Earnings per share is a gauge of investor confidence in the financial performance of their investment and the management's accomplishments. A ratio called profits per share is used to demonstrate how much income or profit is made on common shares for each accounting period as well as how much profit is distributed to shareholders per share. This ratio is obtained by dividing the net income after taxes by the total number of outstanding ordinary shares. Earnings per share (EPS) is a popular and widely used financial performance statistic that is crucial for making critical strategic financial decisions in merger and acquisition negotiations (Rachmawati, 2021). It provides details on the possibility that an investor may profit from their investment (Badruzaman, 2020).

In connection with this, earnings per share is a metric that can provide enough and clear insight into a bank's performance. As one of the most popular and widely used financial performance metrics, it is widely used by analysts, investors, and upper management to assess the profitability of banks (Sumatri et al. 2021).

2.1.1.2 Dividend per Share

Dividend per share is the total amount of dividends allotted to each outstanding share of a firm. By calculating the dividend per share, an investor can determine how much income they will receive from the corporation per share. This is how dividends per share are computed: Dividends paid in full compared to outstanding shares.

A dividend is the distribution of profits to shareholders according to the number of shares they possess, according to Ghaffar et al (2017).

Dividend per share is an important metric for investors because it shows how much a firm pays out in dividends in relation to shareholder income. A consistent increase in the dividend per share over a prolonged duration could perhaps assuage investors' concerns regarding management's confidence in the company's capacity to sustain earnings growth.

2.1.1.3 Net Profit Margin

An organization's proportion of profit from total revenue is determined using a financial metric known as the net profit margin. It determines the amount of net profit a company makes for each naira of revenue received. It takes into account the organization's remaining profit after deducting all expenses associated with generating revenue.Net margin is another term for net profit margin. The terms "net profits" and "net income" can be used interchangeably on the income statement. Net profit margin is one of the most important indicators of a company's financial health. A company can track changes in its net profit margin to assess the efficacy of its current processes and anticipate earnings based on revenues. Because net profit margin is expressed by businesses as a percentage rather than a monetary value, it is possible to compare the profitability of two or more companies, independent of their size (Ibe, 2018).

Investors are able to assess whether management of a company is generating enough revenue from sales and whether operating and administrative costs are being kept in check. For example, if a company's operating expenses are growing faster than its income, even with a growth in revenue, the company's net profit margin will fall. A history of improving margins, which shows a steadily rising net profit margin over time, is preferred by investors. Murphy (2020). Most publicly traded companies reveal their net profit margins both in quarterly earnings announcements and in their yearly reports. Companies that can grow their net margins over time are typically rewarded with growing share prices, as share price growth is typically significantly connected with earnings growth (Murphy, 2020) .Net profit margin can be impacted by one-time events like the sale of an asset

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that could temporarily raise profits. Net profit margin does not accurately reflect growth in sales or revenue or the degree to which management is keeping expenses associated with manufacturing under control.

2.1.2 Human Resource Accounting

2.1.2.1 Staff Training Cost

According to Akinlade & Adegbie (2020), human resources are managed by human resource accounting similarly to other firm assets, and they require long-term investment to become productive. The price of preparing a person for a job and providing them with the necessary abilities is known as formal training. Two elements of human resource investment are trainer compensation and the fixed costs of training facilities.

Since individuals learn on the job and require instruction once hired in order to perform their duties effectively, on-the-job training is expensive. Certain training programs may come with additional expenses in order to satisfy performance requirements. These costs, which are referred to as unique training expenses, are part of the company's investment in human resources.

Human resources are managed by human resource accounting in a similar way to other business assets, according to Akinlade & Adegbie (2020), and they need long-term investment to become productive. The cost of staff training is included in this kind of expenditure. Taking attrition and natural deterioration into account, it is capitalized and amortized throughout the resource's expected productive life (Flamholtz, Bullen, & Hua, 2015). HRA has been described in many different ways, but the fundamental element of the system is always the same.

2.1.2.2 Staff Acquisition Cost

According to Davies (2018), staff acquisition expenses are capital expenditures, which indicates that they represent a percentage of the cost that is expected to give or produce benefits beyond the current accounting period. The capital cost needs to be capitalized, recorded as an intangible asset on the statement of financial position, and amortized over the course of the human asset's useful life. The amortized value should be listed as costs in the statement of firm position, but the revenue expenditure should be charged to revenue in the statement of comprehensive income. The financial accounts will only include one mention of the cost of human resources. Under the general heading of intangible assets, the capital expenditure is classified as an investment in human resource assets. Since the word "intangible assets" is often used to refer to a wide range of items, including resources and investment assets, there isn't a generally accepted definition of what it means.

2.1.2.3 Staff Development Cost

To widen their horizons, employees may be allowed to participate in a variety of development programs. Anything from regular lectures to international conferences and seminars could be a part of these programs. Attendees will have the chance to network with CEOs from all over the nation and the world. As an investment in human resources, costs like delegate fees, travel expenditures, and lost productivity during the development program must be taken into consideration. In addition, the advancement of human resource accounting is required to give a company trustworthy financial data to back up its actions.

Corporate organizations understate profits or overstate losses by failing to account for human resource expenses, attributing expenses for human resource development to the profit or loss account for the current period (Edom, Inah, & Adanma, 2015). This occurs even when their assets and net worth are significantly concealed. The concept of accounting for human resources is still not widely accepted, despite its long history. Several authors and academics have looked into the possible ways that the financial records of an organization could provide information about and value for its members. In Nigeria, corporate reporting and accounting for human resources are still in their infancy.

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2.2 Theoretical Review

2.2.1 Signaling Theory

The signaling hypothesis was developed by Michael Spence in 1973. The intuitive nature of signaling theory contributes to its widespread application. Interestingly, Spence, the man who came up with the idea in the first place, was famously asked by a journalist once if he could possibly win the Nobel Prize in Economics for simply pointing out that in certain markets, certain people don't know certain details that other market participants would want to share (Spence, 2002). Although, Spence shot back, the correct answer was probably still "no," a real attempt to capture the informational aspects of market systems did manage to succeed at the time. The profundity of the theory then lies in assigning costs to knowledge acquisition processes that resolve information asymmetries in a broad range of economic and social phenomena.

The notion was predicated on the idea that when the party possessing greater information conveys to others the difference between ownership and management, asymmetry can be mitigated. It also acknowledged that because managers know more about the company than owners and investors do, they are driven by market pressures to reveal information. In opposition to the agency theory, the concept that individuals are acting in their own best interests is also upheld. This hypothesis states that successful businesses are also those who increase public awareness of their voluntary disclosures, as this is perceived as an easy method for them to differentiate themselves from rivals in the industry (Adekunle & Asaolu, 2013). Because of this, companies disclose information to stakeholders about their sustainability programs in an attempt to reduce knowledge asymmetry and build their reputation as morally upright companies.

2.2.2 Stakeholders Theory

After stakeholders' theory was first presented in 1970, Freeman (1984) broadened its application to encompass a wider range of stakeholders. According to Freeman (1984), the stakeholder theory suggests and upholds that a business has a duty of care to a variety of stakeholders, such as clients, vendors, staff members, the government, the local community, the environment, and future generations. The stockholders are not the same as these stakeholders. King (2002) asserts that integrated human resource accounting is important because it helps improve a business's interaction with the community in which it operates. A firm's reputation can be badly impacted by disregarding the interests of its stakeholders, and this can then have a detrimental influence on the financial and operational performance of the organization.

The stakeholder hypothesis states that the interests of other parties are taken into consideration by an organization's operational environment, in addition to those of its owners. This perspective is contradicted by the agency theory, which views businesses as a system of connections between shareholders and management (Lawal, 2012). The theory posited that organizations cannot function and exist in isolation from their immediate environments, and that other stakeholders' interests—such as those of employees, clients, suppliers, government agencies, and local communities—should be heavily taken into account during the strategic decision-making process. Because of this, companies ought to consider stakeholder expectations in addition to achieving shareholder profit.

The thesis states that companies should use financial performance and human resource accounting techniques to maximize shareholder profit while also honoring their moral and social obligations to stakeholders. The existence and long-term performance of the firm are contingent upon its capacity to effectively manage its relationships with its stakeholders. Stakeholders can only obtain information about the company's sustainability initiatives through its sustainability reporting. Growth and survival of a firm depend on its capacity to create value for its stakeholders, and this cannot be achieved if the needs of the stakeholders are ignored (Clarkson, 1995; Jensen, 2002). Put another way, a business can only thrive if the expectations of its stakeholders are met, and this can only be achieved through human resource accounting.

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2.3 Empirical Review

Utami, Nuzula, and Damayanti (2019) used secondary data collection and the Partial Least Square Multigroup Technique for data analysis to investigate the effect of earnings quality on financial success in Indonesia. Discretionary accruals and earnings persistence were used as proxy values for earnings quality. The financial performance metrics that were assessed included Rate Return on Loan, Total Asset Turnover, Return on Equity, and Return on Asset. The study's conclusions show that profits quality has a significant influence on Indonesian banks' financial success. Thus, results that are published have to be of the greatest caliber. Earnings quality is a crucial metric for stock price impact, investors, and business stakeholders.

Diego, Emili, and Manuel MaPilar observed bank performance, profit quality, and risk-taking behaviors in 2019. The study employed a profit frontier technique in conjunction with several proxies, including loan loss reserves, costs, and revenues. These three cost categories are generated by the corresponding input categories, which are the number of employees, loanable cash, and fixed assets. The gathered data was analyzed using secondary data and an ordinary least squares model. The results of the study show that inefficient profit margins and riskier lending practices by banks are related. More specifically, we discover that banks that perform poorly have a tendency to lend to struggling companies.

Mari, Soscia, and Terzani (2017) investigated the level of ownership concentration and bank profitability. The results of the cross-national analysis were used, and agency theory was approved. Utilizing secondary data, we estimated the regression models using OLS and random effects estimations for models one and two, and logistic estimations for model three. Between 2001 and 2016, 6,323 bank-year observations from 35 different countries were sampled for the study. Three different proxies were also looked at: earnings persistence, cash flow predictability, and earnings management. The study's findings demonstrate that ownership concentration raises the bar for banks' profitability in each of the three estimated models. Our results provide credence to the notion that the quality of earnings increases as shareholders' power over managerial choices increases.

Olajide, Olugbenga, Lateef, and Ajayi (2018) used secondary data in their study "An Empirical Study of Human Resource Accounting Disclosure on Financial Performance of Selected Listed Firms in Nigeria," and they analyzed the information they gathered using a ballot system of straightforward random sampling techniques. The study discovered a relationship between financial leverage and financial performance in addition to the correlation between financial performance and corporate profitability. Based on the theories of stakeholders and human capital, the study's conclusions showed that a company's profitability has a big impact on its financial performance.

A study on the effects of human asset accounting on the performance and financial standing of particular organizations was carried out by Oko (2018). The study looked at the connection between corporate performance and human asset accounting using both cost theory and economic value theory (profitability). A four-step Likert scale was used in an online survey that was used to gather data. We utilized a simple regression model to assess the hypotheses. The study discovered a strong correlation between business success and human asset accounting and reporting. More human resources will improve a company's financial situation and make metrics like ROA, EPS, and ROE more attractive to investors. Human resources ought to be included as an intangible asset on the statement of financial position since capitalizing them will enhance an organization's performance and financial stability.

Benjamin, Akintoye, Siyanbola, and Adekunle (2018) investigated accounting for human resources: A Solution to the Issue of Financial Reporting. The majority of the aforementioned scandals have involved human behavior, hence this study examined if adding human resources to a company's financial status statement may address the issue of dependability in financial reporting. Descriptive and inferential statistics were used to assess secondary data from four companies (Cadbury Nigeria Plc, Dangote Cement Plc, Fan Milk Ghana Limited, and PZ Cussons Ghana Ltd) from 2012 to 2015. The revised financials raised the worth of the company, and Lev & Schwartz's Present worth of Future Profits technique was used to account for human resources. In this study, proxies for return on equity, return on assets, leverage, and earnings per share were utilized. The null hypothesis was rejected as a result of the statistical test yielding inconsistent results for all proxies. But as the test finds higher f-stat (p-val.)

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at the 5% significant level for all financial indices, the Analysis of Variance confirmed the null.

3.0 Methodology

This ex post facto research design study used data from the Nigerian Exchange Group (NGX). The study covers a ten-year period (2013 – 2022).

22 deposit money banks make up the study's population, according to CBN (2022). The study, which included ten banks that are mentioned during the relevant time period, employed purposeful sampling. The model is described as follows:

Model Specification

$EPS_{it} = \beta_0 + \beta_1 STC_{it} + \beta_2 SAC_{it} + \beta_3 SDC_{it} + \mu_{it}$......................$H_{01}$
$DPS_{it} = \beta_0 + \beta_1 STC_{it} + \beta_2 SAC_{it} + \beta_3 SDC_{it} + \mu_{it}$..........................H_{02}
$NPM_{it} = \beta_0 + \beta_1 STC_{it} + \beta_2 SAC_{it} + \beta_3 SDC_{it} + \mu_{it}$........................$H_{03}$
$Y=f(X)$

Where Y = Dependent Variable represented by Optimizing Investment Decision

y_1 = Earnings per Share (EPS)
y_2 = Dividend per Share (DPS)
y_3 = Net Profit Margin (NPM)

X = Independent Variable represented by Human Resources Accounting

x_1 = Staff Training Cost (STC)
x_2 = Staff Acquisition Cost (SAC)
x_3 = Staff Development Cost (SDC)

$\beta_1, \beta_2, \beta_3$= Model Coefficient and parameter estimates
e_{it}= Error term

4.0 Results Findings and Discussion Correlation Analysis

	SAC	STC	SDC	VIF	
EPS	1.000			1.27	0.786
DPS	0.1070	1.000		1.15	0.867
NPM	-0.378	-0.103	1.000	1.19	0.839
				1.20	

Source: Researcher's Computation (2024)

Interpretation

In an attempt to guarantee that the estimated parameters are not skewed or ineffective, the study examined the potential for multicollinearity among the explanatory factors. The results demonstrated that the variance inflation factor (VIF) is less than 10 for all variables; the VIFs for EPS, DPS, and NPM are 1.27, 1.15, and 1.19, respectively, based on the variance inflation factor for each explanatory variable.

The findings indicate that SAC and STC of the selected deposit money institutions have a negative correlation with NPM and a positive correlation with EPS and DPS, with correlation coefficients of 0.786, 0.867, and 0.839, respectively.

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4.1 Test of Hypothesis one

Table 4.1.1: Regression Results for Human Resource Accounting and Earnings Per Share

Model One				
Fixed Effect				
Variable	**Coeff**	**Std. Err**	**T-Stat**	**Prob**
Constant	33.254	18.694	1.78	0.078
SAC	61.964	60.892	1.02	0.311
STC	-0.138	0.438	-0.32	0.753
SDC	0.004	0.020	0.18	0.855
Adjusted R^2	0.577			
Wald Stat	1.23 (0.000)			
Hausman Test	11.03 (0.026)			
Testparm Test/LM Test	0.74 (0.57)			
Heteroscedasticity Test	7.68 (0.0056)			
Serial Correlation Test	28.233 (0.00)			

Source: Researcher's Computation (2024)

Interpretation

Regression Equation Results

$EPS_{it}=\alpha_0 + \beta_1 SAC_{it} + \beta_2 STC_{it} + \beta_3 SDC_{it} + \mu_{it}$.................. **Model 1**
$EPS_{it}=33.254+61.964\ SAC_{it} -0.138 STC_{it} +0.004 SDC_{it} + \mu_{it}$

The impact of the three measures of the independent variables (SAC, STC, and SDC) on earnings per share (EPS) was examined in Model One in Table 4.1.1. The results of the regression estimates showed that SAC has a positive and negligible impact on EPS (β = 61.964, p = 0.311). While Staff Training Cost (STC) has a negligible negative effect on earnings per share (β = -0.138, p = 0.753), a percentage increase in STC will result in a 0.138 percent decrease in earnings per share, according to the positive value of its coefficient of 61.964, which indicates that a percent increase in SAC (Staff Acquisition Cost) will lead to a 61.964 percent increase in earnings per share; Staff Development Cost (SDC) had a positive influence on Earnings Per Share (β = 0.004, p = 0.855) although not being statistically significant. This means that a one percent rise in SDC would translate into a 0.004 percent gain in EPS.

The Wald stat result of 1.23 with a probability value of 0.000 suggests that EPS was jointly and strongly impacted by all three proxies of the independent variables (SAC, STC, and SDC). With a coefficient of multiple determination (Adj. R2) of 0.577, all the independent variable proxies collectively account for roughly 58% of changes in EPS, with other factors beyond the purview of this model accounting for 42% of the changes in EPS.

Decision

The Wald Stat is 1.23 at a significance level of 0.05, and its p-value is 0.000, which is less than the chosen level of significance of 0.05. Therefore, the null hypothesis—that human resource accounting has no discernible impact on those earnings per share—was rejected and the alternative hypothesis—that human resource accounting has a significant impact on the earnings per share of deposit money banks in Nigeria—was accepted in the study.

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4.1.2 Test of Hypothesis Two

Table 4.1.2: Regression Results for Human Resource Accounting and Dividend Per Share

Model Two				
Random Effect				
Variable	**Coeff**	**Std. Err**	**T-Stat**	**Prob**
Constant	39.30	17.533	2.24	0.027
SAC	11.849	57.11	0.21	0.836
STC	-0.081	0.411	-0.20	0.845
SDC	-46.78	18.282	-2.56	0.012
Adjusted R^2	0.476			
F- Stat	1.80 (0.002)			
Hausman Test	10.16 (0.0378)			
Testparm Test/LM Test	0.19 (0.943)			
Heteroscedasticity Test	58.78 (0.000)			
Serial Correlation Test	33.068 (0.0002)			

Source: Researcher's Computation (2024)

Interpretation

Regression Equation Results

$DPS_{it}=\alpha_0 + \beta_1 SAC_{it} + \beta_2 STC_{it} + \beta_3 SDC_{it} + \mu_{it}$....................**Model 2**
$DPS_{it}=39.80 + 11.849\, SAC_{it} - 0.081 STC_{it} + -46.78 SDC_{it} + \mu_{it}$

The impact of the three measures of the independent variables (SAC, STC, and SDC) on Dividend Per Share (DPS) was examined in Model 2 in Table 4.1.2. According to the results of the regression estimations, SAC has a positive but not statistically significant influence on DPS (β = 11.849, p = 0.836). A percentage increase in SAC will result in an 11.849 percent increase in DPS, according to its positive coefficient of 11.849; STC has an insignificant negative effect on DPS (β = -0.081, p = 0.845), meaning that a percentage increase in STC will cause a 0.081 percent decrease in DPS; and SDC has a significant negative effect on DPS (β = -46.78, p = 0.012), meaning that a percentage increase in SDC would lead to a 46.78 percent decrease in DPS.

According to the F-Statistics result, which has a probability value of 0.002, all of the independent variable proxies had a substantial impact on DPS. With a coefficient of multiple determination (Adj R2) of 0.477, all the independent variable proxies together account for roughly 48% of the variations in DPS, with other factors outside the purview of this model accounting for the remaining 52% of the variations in DPS.

Decision

The F-statistics are 1.80 at a significance level of 0.05, and the p-value is 0.002, which is less than the chosen level of significance of 0.05. After accepting the alternative hypothesis, "Human Resource Accounting has a significant effect on dividend per share of deposit money banks in Nigeria," the study rejected the null hypothesis, which held that HRA has no discernible effect on the dividend per share of Nigerian deposit money banks.

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4.1.3 Test of Hypothesis Three

Table 4.1.3: Regression Results for Human Resource Accounting and Net Profit Margin

Model Three				
Random Effects				
Variable	**Coeff**	**Std. Err**	**T-Stat**	**Prob**
Constant	57.485	13.139	4.38	0.001
SAC	49.887	62.983	0.79	0.447
STC	-0.256	0.331	-0.78	0.456
SDC	65.311	22.462	-2.91	0.016
Adj R^2	0.426			
Wald Stat	9.20 (0.001)			
Hausman Test	1.24 (0.870)			
BPL Multiplier Test	5.86 (0.0078)			
Heteroskedasticity Test	286.32 (0.000)			
Serial Correlation Test	5.426 (0.042)			
Cross-sectional Indep.	5.866 (0.000)			

Source: Researcher's Computation (2024)

Interpretation

Regression Equation Results

$NPM_{it}=\alpha_0 + \beta_1 SAC_{it} + \beta_2 STC_{it} + \beta_3 SDC_{it} + \mu_{it}$....................**Model 3**
$NPM_{it}=57.485 + 49.887\ SAC_{it} - 0.256 STC_{it} + 65.311 SDC_{it} + \mu_{it}$

The effects of the three measures of the independent variables (SAC, STC, and SDC) on Net Profit Margin (NPM) were examined in Table 4.1.3's Model 3. Regression estimations showed that SAC had a marginally positive effect on NPM (β = 49.887, p = 0.447). STC has an insignificant negative effect on Net Profit Margin (β = -0.256, p = 0.456); an increase in STC will result in a 0.256 percent decrease in Net Profit margin; SDC has a significant positive effect on NPM (β = 65.311, p = 0.016), indicating that an increase in SDC would lead to a 65.311 percent increase in NPM. A percentage increase in SAC will result in a 49.887 percent increase in Net Profit Margin, according to its positive coefficient of 49.887.

The probability value of 0.001 and the Wald stat of 9.20 indicate that all of the independent variable proxies had a significant and combined influence on NPM. All of the independent variable proxies together account for 43% of NPM changes, with a coefficient of multiple determination (Adj.R2) of 0.426; the remaining 57% of NPM changes are due to factors outside the scope of this model.

Decision

At a significance level of 0.05, the Wald test has a p-value of 0.001, which is less than the selected level of significance of 0.05. Its score is 9.20. The study rejects the null hypothesis, which contends that human resource accounting has no discernible impact on this margin, and accepts the alternative hypothesis, which claims that human resource accounting significantly influences deposit money banks' net profit margin in Nigeria.

4.2 Discussion of Findings

Additional research backs up the study's findings, which indicate that human resource accounting positively affects net profit margin. Edom, Inah, and Adanma (2015) examined the impact of human resource accounting on

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the profitability of Access Bank of Nigeria Plc between 2003 and 2012. According to Access Bank Plc, their research revealed a positive relationship between the organization's profit and metrics related to human resource costs, including staffing levels, development expenses, and training expenditures. It was also discovered that there was a strong association between the bank's profits and the expenses related to training and development. They did, however, point out that the number of staff has little effect on the bank's profit.

Linshan (2018) and Kargi (2011) This can be explained by the fact that industrialized economies and emerging economies have quite different business environments. Mahmoud (2017) Given the substantial amount of hard-earned, rare, and expensive resources that are at stake, making prudent investing decisions is imperative. Investors seek to avoid dealing with the long-term, irrevocable, and risky consequences of these resources in the case of a catastrophic occurrence.

4.3 Implication of Findings

Management: According to the study's conclusions, deposit money banks in Nigeria will perform better overall if they strengthen internal control and human resource practices. The results of the study show that the combined independent variables of staff training costs, staff acquisition, and staff development have a bigger impact on the Overall performance of deposit money institutions.

Makers of Policy: The study's conclusions suggest that regulators of deposit money banks, such as the Central Bank of Nigeria (CBN) and Nigeria Deposit Insurance Corporation (NDIC), should remind deposit money bank management of the importance of their internal control framework and human resources accounting procedures. To make sure these processes are sufficient, examiners ought to test them more frequently.

Investors: Investors are very particular about the banks' financial performance because they want to know if their investments are safe and will make money for them in the long run. However, resource policies also need to be considered; the statistics show that only development expenses saw a favorable impact relative to other costs, which should serve as a cautionary tale for both current and potential investors.

Financial and Business Analysts: This study will support the forecasting and informed decision-making of financial and business analysts on investments and business. The stated mixed findings in each of the tested models should be thoroughly and deliberately evaluated by financial and business analysts in order to enhance and augment future company and investment forecast prospects and skills.

Accounting Profession: Although the components of each model produced varying outcomes, they all made a substantial contribution to the development of financial implications and the responsibilities that predictive advice and accounting experts in the domains of finance, economics, and accounting can play. The study's conclusions, which look at the level of reaction displayed by the human resources proxies used, may help financial counselors, financial analysts, and professional accountants make well-informed decisions.

5.0 Conclusion and Recommendation

Based on the results of the analysis, the management, regulator, legislators, government, and other stakeholders were advised to do the following:

I. Bank management should ensure that suitable and frequent modifications are made to their human resources policy to reflect current performance (on earnings per share, dividend per share, and net profit margin) in the bank and the economy. More long-term investors who are worried about generating income over a lengthy period of time will be drawn in as a result.

ii. Regulators should make sure that human resources policies are reinforced in order to reduce the quantity and value of non-performing loans in the banks. A decline in non-performing loans will have an effect on the bank's top and bottom lines because it will increase interest income and the bank's overall asset value. The amount of total assets listed on a bank's balance sheet will increase in direct proportion to the bank's size.

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iii. Policymakers should give serious thought to the accounting rules pertaining to human resources, as doing so will improve the organization's profitability, efficacy, and solvency (liquidity). This will assist investors in making an investing decision.

6.0 Contribution to Knowledge

The following areas of understanding have improved as a result of this research:

Empirics: The study has added to the body of knowledge about the underwhelming performance of particular banks, especially in the wake of multiple reforms implemented by Nigeria's central bank. It will allow scholars to compare the accounting and human resource performance of various banks, thereby adding to the body of existing information.

Policy: The Central Bank of Nigeria's capital adequacy monitoring regulations and policies, as well as a comprehensive human resources accounting framework that promotes an appropriate cost culture among Nigerian financial institutions, were developed with the assistance of the research.

Accounting Practice: The study helps determine how much of an impact the two study factors have on the accounting industry.
Investors: Our research has helped investors and shareholders make better judgments by offering advice on crucial considerations to make while carrying out investment proposals in financial institutions.

Academia: This study has contributed to our understanding of the connection between human resources management and financial performance in Nigerian deposit money institutions. The results will serve as a source of literature for the library and add to the corpus of knowledge in this area.

Future Research: The data from this study will be helpful in talks about human resource management in the future and how it impacts companies, especially financial institutions.

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