HUMAN RESOURCE ACCOUNTING AND ORGANIZATIONAL PERFORMANCE OF DEPOSIT MONEY BANKS LISTED IN NIGERIA

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Abstract: Through its many operations and services, the banking industry significantly raises the level of life in every country, whether it is emerging or developed. The report's creation and presentation are the responsibility of the human resource. Every capital market has to develop public trust in its participants as well as an environment of transparency and trust. Deposit money banks undoubtedly face a number of difficulties, just like any other business or institution in existence. How to maintain excellent performance, what constitutes good performance, and how to quantify it are just a few of the many issues that banks must deal with. Performance management might seriously harm banks if it is neglected or implemented incorrectly. As a consequence of the foregoing, the study examined the impact of human resource accounting on deposit money banks' organizational performance in Nigeria. An ex-post facto research design was used in the study. The financial statements of deposit money banks in Nigeria were used as a source for secondary data. In order to conduct this research, convenience sampling was used, and ten (10) Deposit Money Banks in Nigeria were selected at random from a total of twenty-four (24) banks for a ten-year study period (2012–2021). This corresponds to 100 bank-year observations. Descriptive and inferential statistics were used in the data analysis. According to the study's findings, human resource accounting significantly affected both return on equity and return on capital employed (F- Stat (2,97) = 1.72, $p > 0.05$, Adj R2 = 0.55 and F- Stat (2,97) = 138.8 and 0.45, respectively). The study found a substantial correlation between organizational performance of deposit money banks registered in Nigeria and human resource accounting. However, it is advised that bank management make use of these various human resource techniques, which will aid them regardless of whether the ongoing business is in danger or is distressed, and which will ultimately have an impact on the profits per share, return on equity, and return on capital employed, which are of the utmost importance.

Keywords: Human Assets, Human Resource Accounting, Organizational Performance, Return on Equity, Return on Capital Employed

1.0 Introduction

Deposit money banks are important for supplying and securing financing, distributing resources, extending credit to people and enterprises, and acting as a bridge between deficit and surplus units in any economy. Any growing or mature economy's banking sector makes significant contributions to productivity and growth through raising the standard of life through a variety of activities and services. Due to its fragility and inherent hazards, the financial services business is one that should be avoided. Deposit Money Banks frequently deal with risks and uncertainties since they are at the core of regulating financial operations. These risks have the potential to have significant effects on the banks if they are not adequately managed and controlled. Risk management, according to Ozturk (2017), is a process where managers first identify the risk, then they collect clear, consistent, and operational risk measures, they decide which risks to decrease and raise, and they also set up systems to monitor the resultant risk positions.

Shareholders' decisions are guided by the performance of the banks. Profit maximization is regarded to be the most important of a company's goals (Damilola 2017; KPMG, 2010). Under conditions of a competitive market, profit is one of the most relevant indicators of organizational performance (Pandey, 2016). Profit is conceptually understood as the difference between a company's revenue and its related costs for a certain accounting period. Profit is not a precise operational term since it has many different meanings. The term "profit" can be used to

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describe a variety of things, including profit before taxes, profit after taxes, gross profit, net profit, profit per share, and return on assets (Pandey 2016).

The high percentage of non-performing loans on the balance sheet results in poor performance and decreased profitability for banks (Uwalomwa, Uwuigbe & Oyewo, 2015; Ogbulu & Eze 2016; Kolapo, Ayeni & Oke, 2019). Iwedi and Onuegbu (2017) noted that data showed that nonperforming loans in Nigeria's deposit banks reached up to 35% between 1999 and 2009, despite the existence of risk management departments in all deposit money banks, whose job it is to manage the banks' risks, including credit risk. High levels of non-performing loans, inadequate or nonexistent loan collateral, bad loan processing, and poor and ineffective credit risk management are all factors that impair banks' performance (Danjuma, Kola, Magaji & Kumshe, 2016).

The elements that affect a bank's performance may be divided into macroeconomic (external) and bank-specific (internal) components. Internal variables are specific attributes of a bank that have an impact on its financial success. Basically, the management and board's internal actions have an impact on these variables. The bank-specific variables are frequently proxied using the CAMEL framework. The capital adequacy symbol in the CAMEL framework stands for the letters A, M, E, and L stand for Asset Quality, Management Efficiency, Earnings Capability, and Liquidity Management, respectively.

Companies are starting to assess the importance of intangible assets, particularly human resources, in a company's operational operations due to the fast-paced nature of today's business climate. Any business must have human resources (HR). When it comes to running a business successfully on a daily basis and achieving its goals, human resources play a crucial role. The success of the business depends on human resources' capacity to manage other resources (Bassey and Tapang, 2019). This is because the thoughts and abilities of human resources are the foundation of all business strategy and technical execution, including planning, appraisal, implementation, administration, and control (Rao, 2018). Additionally, a company's ability to effectively and efficiently manage its physical assets is significantly influenced by the caliber of its human resources (Okpako et al., 2019). Along with boosting competitiveness, human resources also provide value by reducing costs and promoting creativity and innovation (Bahrami et al., 2018).

A company has to be able to maximize its present human resources by using the right strategies if it wants to obtain a competitive edge. The company should work to better its employees through human resource development activities, for which it needs HR information, in order to offer value to the organization. Accounting for human resources will provide these data (Avazzadehfath & Raiashekar, 2020). When making decisions and evaluating the business's long-term investment in human resources, it is crucial (Jacob and Farouq, 2021; Avazzadehfath & Raiashekar, 2020). The accounting of human resources can yield useful information. The performance and productivity of the organization would be affected by human resource decisions over the long term (Avazzadehfath & Raiashekar, 2020). Information that illustrates the value of a company's human resources is not included in traditional accounting and financial reports. Even if it is mentioned in the financial records, it only shows the amount paid out or expenses incurred for staff development. Instead of being classified as capital costs, all human resource expenses are categorized as operational costs (revenue expenditure, expense approach) (Ullah & Karim, 2017).

Statement of the Problem

Deposit money banks undoubtedly face a number of difficulties, just like any other business or institution in existence. How to maintain excellent performance, what constitutes good performance, and how to quantify it are just a few of the many issues that banks must deal with. Performance management might seriously harm banks if it is neglected or implemented incorrectly. Different performance indicators exist, some of which are quantitative or numerical and others qualitative. While some of these factors have a significant influence on banks' financial health, others scarcely make a difference. It is challenging to decide which indicators are most suited to depict the status and current position of banks due to the large diversity. Additionally, there are factors that impact banks' performance yet are outside of their control. 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 to identify areas that might want improvement. Banks must manage their total performance in this fiercely competitive global environment by carefully observing factors that are important gauges of their sustainability.
The following objectives of this study are to scientifically investigate the relationship between Human Resource

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Accounting and Organizational Performance in light of the aforementioned deposit money bank issues:

i. Determine the relationship between human resource accounting and return on equity of deposit money banks listed in Nigeria
ii. Ascertain the relationship between human resource accounting and return on capital employed of deposit money banks listed in Nigeria

The following hypothesis was tested:

H_{01}: Human Resource accounting does not significantly affect return on equity of deposit money banks listed in Nigeria.

H_{02}: Human Resource accounting does not significantly affect return on capital employed of deposit money banks listed in Nigeria.

2.0 Conceptual Review

Organizational Performance

The word "bank performance" refers to a bank's ability to provide long-term profitability. Managers must balance intricate trade-offs between growth, return, and risk in order for a bank to run smoothly, favoring the use of risk-adjusted measures. The three types of performance measures used by banks are conventional, economic, and market-based. To determine whether a company generates an economic rate of return greater than the cost of invested capital in order to increase the market value of the company, Stern and Stewart developed a model called Economic Value Added (EVA), which considers the opportunity cost for stockholders to hold equity in a bank (Raza, Farhan & Akram, 2019). In the world, especially in commercial banks, there have been many empirical researches on bank performance, but relatively few have been conducted in Nigeria. Banks' financial performance is measured by their profitability, which is characterized in a variety of ways (Onyekwelu, Chukwuani & Onyeka, 2018). A company's capacity to generate a decent return on its investments is referred to as profitability. To gauge the stability and dependability of the financial and banking sectors, the banking sector's profitability is crucial (Albertazzi & Gambacorta, 2016). Another way to think about profitability is the difference between costs and revenues over a set period of time, which is often one financial year. This is crucial for banks to do in order to continue to make enough money to support future development and expansion. Agbada and Osuji (2018) say that the management of the bank is a challenge since many aspects are taken into account while making decisions. The exceedingly demanding economic climate makes profit planning and management more difficult. There are many ways to gauge a bank's success, but for the sake of this research, we'll just look at net profit margin, return on assets, return on equity, and return on capital used, among other metrics.

Return on Equity

The return on equity (ROE), also known as net assets or assets less liabilities, is a metric used to assess a company's performance in proportion to shareholder equity. The return on equity ratio, often known as the ROE, is a profitability statistic that assesses a company's capacity to make a profit from the investments made by its shareholders. A metric of financial performance known as return on equity (ROE) is obtained by dividing net income by shareholders' equity. ROE is referred to as the return on net assets because shareholders' equity is determined by subtracting a company's debt from its assets. A high ROE is not necessarily a good thing. An oversized ROE may be a sign of a variety of problems, including erratic profitability or high levels of debt. Additionally, a company's ROE cannot be analyzed or compared to other firms with a positive ROE if it is negative due to a net loss or negative shareholders' equity. 2020 (Fernando).

Return on Capital Employed

When evaluating the performance of businesses in capital-intensive industries like utilities and telecommunications, ROCE can be extremely helpful. This is so that ROCE may take into account both debt and equity, unlike other fundamentals like return on equity (ROE), which solely assesses profitability connected to a company's shareholders' equity. Financial performance analysis for businesses with high debt levels may be

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mitigated by doing this (James, 2020).

Companies must be in the same industry in order to compare ROCE among them. The ROCE comparison across industries does not add anything. The same accounting period's data must be used when comparing the ROCE of businesses in the same sector. It is incorrect to compare the ROCE of corporations over various time periods since companies occasionally have different year ends. It is necessary to establish the industry standard ROCE. A firm with a 20% ROCE, for instance, would appear strong in comparison to one with a 10% ROCE. However, both businesses are seen as having a low ROCE if the sector standard is 35%. (Corporate finance institute, 2020).

Human Resource Accounting

According to the American Accounting Association's Committee on Human Resource Accounting, the process of locating and quantifying data associated with human resources and disseminating this information to interested parties is known as "human resource accounting." According to this description, HRA is engaged in evaluating a company's financial status in addition to data regarding personnel placement, training, and development (American Accounting Association's committee, 1973).

The goal of human asset accounting, sometimes referred to as human capital accounting, is to estimate each employee's dollar-value to the company where they work (Stanko, Zeller, & Melena, 2014). The research also demonstrates:

"The accounting for human capital is a very complicated procedure. In fact, it is so challenging that no really efficient methods have yet been created. The intricacy stems from the fact that the worth of one employee is determined by hundreds of different variables. Employees have free will and are human beings. Since employees have free will, they can be persuaded but never fully controlled, unlike other assets. They cannot be owned in the same way that a house, a patent, or a security may.

Staff Acquisition Cost

According to Davies (2018), the cost of hiring new employees is a capital expenditure since it represents a portion of the cost that is anticipated to provide benefits beyond the current accounting period. The expense must be classified as a capital outlay, included as an intangible asset on the statement of financial position, and amortized throughout the useful life of the human resource. While the revenue expenditure should be charged to revenue in the statement of comprehensive income, the amortized value should be recorded as expenses in the statement of firm position. The cost of human resources will never again be included in the financial accounts. The capital expenditure may be categorized as an investment in human resource assets under the category of intangible assets. There is no widely agreed definition of intangible assets because the phrase is frequently used to cover a wide range of notions, including resources and investment assets.

Staff Training Cost

It is the price of putting someone through training to perform at a certain level or to broaden their skill set. Training improves both individual and organizational productivity. The training fee includes the goods listed below.

Formal training is the expense associated with orienting a person to the work and providing him with the necessary skills. Two elements of human resource investment are the salaries of trainers and the fixed costs of training facilities.

Because an employee learns while working, on-the-job training is expensive because it is necessary to teach him once he has a job in order for him to do it properly and efficiently.

Specific training programs may incur additional expenditures in order to satisfy performance criteria. These charges are referred to as unique training costs and are accounted for in the organization's investment in human resources.

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Human resources are handled similarly to other assets in the company by human resource accounting, and they need long-term investment to become productive, according to Akinlade & Adegbie (2020). The cost of employee training falls under this category of investment, which is capitalized and amortized over the course of the resource's anticipated productive life while accounting for attrition and inevitable degradation (Flamholtz, Bullen, & Hua, 2015). Although HRA has been described in a number of different ways, the fundamental element of the system is constant throughout all of them.

Human capital theory states that through imparting practical knowledge and skills, education and training "increases worker productivity, hence raising worker's future wages through an increase in their lifetime earnings." The idea holds that while if spending on education, training, and development is expensive, it should be seen as an investment because it is done to increase individual earnings.

Theoretical Review

Human Capital Theory

Schultz established the human capital idea in 1961, and Becker expanded on it in 1964. The approach acknowledged the value of investing in individual employees by establishing a link between people acquisition, training, and development, and output. Employee acquisition education, training, and development will be advantageous to both employees and the business since the performance of the firm reflects the performance of the employees. Macroeconomic development theory contains the theoretical underpinnings of the theory. The idea is that by putting money into each employee's growth, education, and training, they would become more knowledgeable and skilled.

As their performance improves, employees' knowledge and skills acquired via education, training, and development programs will help them do their tasks more effectively. In other words, higher employee performance will result in higher output. The efficiency of the company It went on to say that the personnel will make full use of their newly acquired skills and expertise. Employees' future earnings will grow as a result of the increase in lifetime pay. According to the theory, employees who do not advance their knowledge and skills via education, training, and development will have fewer skills and knowledge than educated workers, making them less effective and productive (McCracken, Mclvor, Treacy, & Wall, 2017).

The Human Capital Theory contends that although investing on education, training, and development is expensive, it should be viewed as an investment because it is done to increase individual earnings. Applying the human capital approach can help to explain or maintain occupational pay disparities (Murthy & Abeysekera, 2014). But, based on the study's findings, education, training, and development will not only increase workers' take-home pay but also help businesses establish a competitive edge, which will eventually translate into improved organizational performance.

According to Flamholtz and Lacey, 1981, quoted in Bassey and Tapang (2012) and Oladele, Aribaba, Lateef, and Ajayi (2018), investments in human capital cover all expenses related to motivating, supervising, and retraining staff members to do productive activities. Organizations invest resources in developing the specialized skills of their workforce while also considering the benefits and prospective returns from such investments in the firm's human capital. Any training-related skills should be kept within the investment firm rather than being transferred to other businesses. Due to the fact that it relates to accounting for human resources, the theory is relevant to the research.

Agency Theory

Jensen and Meckling put out the agency hypothesis (1976). Based on conflicts of interest between the owners of the company (shareholders), the management, and important debt financing issuers, they created a corporate governance theory. These groups each have their own own set of goals and hobbies. The interaction between business owners and their agents often presents challenges that need to be understood and resolved. Agency theory provides this framework. Principals are referred to as stakeholder, while company employees are called agents. A relationship in which one party, the agent, speaks for the other, the principle, in social situations is referred to as an agency. The principal or principals have retained the agent to carry out a task on their behalf.

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Making choices on behalf of their principals is entrusted to agents. There may be disagreements as well as disparities in priorities and interests since the agent makes multiple financial decisions that have an effect on the principle. According to agency theory, a principle's and an agent's interests aren't always congruent. This problem is known as the principal-agent problem.

The special relationship that occurs between a principal and their agent is examined by the agency theory, as is mentioned throughout the book. Throughout the partnership, the agent performs a variety of tasks and takes choices on behalf of the principal. The identical acts and choices made by both sides result in disagreements and conflict. The following are the main causes of agency issues: a conflict of interest between the principal and the agent; when the agent acts on the principal's behalf and makes decisions that are not in the best interests of all parties involved; in order to receive an incentive or bonus that was previously agreed upon; when the agent operates independently from the principal; insider trading using the principal's information; a breach of confidentiality involving the principal.

By mandating the administrations of such firms to release both obligatory and optional reports for the benefit of investors and other interested parties, corporate disclosures through financial reporting and regulation serve to allay agency worries. In accordance with the agency principle, managers are often required to share first-hand corporate information about an organization's activities with the owners of the business. Agents must disclose financial reports in a totally open and honest manner. Financial reports that do not account for human resources may not be of sufficient quality, and agents may not be open and truthful with the principals. Since this might lead to the principals making poor financial judgments as a consequence of false or subpar financial reporting.

Sunday, Wisdom, and Ademola cite Eisenhardt (1989) in their article (2020) It is logical to anticipate that aggressive profits manipulation will increase managerial pay packages because managers are frequently rewarded depending on the performance of the company. Making constrained rational judgments based on incentives, knowledge, and self-interest is the main goal of this approach. According to one point of view, managers' accounting discretion may need to be restricted because of the asymmetrically dispersed market information, which prevents investors from quickly separating the valuation impact of reported earnings under the current reporting standards.

Empirical Review

Utami, Nuzula, and Damayanti (2019) employed secondary data collection and the Partial Least Square Multigroup Technique to analyze the data in order to investigate The Effect of Earnings Quality on Financial Performance in Indonesia. Discretionary accruals and earnings persistence were utilized as proxies for earnings quality. The following financial performance factors were assessed: Rate Return on Loan, Total Asset Turnover, Return on Asset, and Return on Equity. The results of the study show that Earnings Quality significantly affects Indonesian bank financial performance. Accordingly, reported results must be of a high caliber. Earnings quality is an essential indicator for investors, business stakeholders, and the impact of stock prices.

Diego, Emili, and Manuel MaPilar (2019) viewed Risk-taking habits, the caliber of earnings, and bank performance The study employed a profit frontier methodology and several proxies, including revenues, expenses, and loan loss reserves. These three cost categories are produced by the corresponding input categories, namely the number of personnel, the loanable cash, and the fixed assets. The acquired data was examined using secondary data and an ordinary least squares model. According to the study's results, there is a connection between inefficient bank profit margins and the risk banks take when making loans to businesses. In particular, we discover that less efficient banks lend to the worst-performing companies.

In their 2017 study, Mari, Soscia, and Terzani looked at the ownership concentration and earnings quality of banks. Results of a cross-national analysis were used, and agency theory was embraced. Secondary data were employed, and we used OLS and random effects estimations for models one and two and logistic estimations for model three to estimate the regression models. Over the years 2001 to 2016, the study used a sample of 6,323 bank-year observations from 35 different countries. It also looked at three different proxies: earnings persistence, cash flow predictability, and earnings management. The study's findings demonstrate that ownership concentration raises the standard of banks' profitability in all three of the estimated models. Our results are consistent with the proposition that the quality of earnings increases with shareholder control over managerial

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activities.

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 also used a ballot system of simple random sampling techniques to analyze the data they collected. The study identified the relationship between financial leverage and financial performance as well as the relationship between financial performance and firm profitability. The study's results showed that a company's profitability has a significant influence on its financial performance using the theories of human capital and stakeholders.

Human Asset Accounting and Its Impact on Firm Performance and Financial Position: A Research of Selected Companies was the topic of a study by Oko (2018). The study looked at the relationship between Human Asset Accounting and Corporate Performance using cost theory and economic value theory (profitability). An online questionnaire with a four-step Likert Scale served as the data gathering tool. The hypotheses were assessed using a simple regression model. According to the study, there is a strong correlation between business profitability and human asset accounting and reporting. Investors will be more attracted to a company's financial situation if it includes more human resources, which will improve measures like ROA, EPS, and ROE. Human resources should be recognized as an intangible asset on the statement of financial position since capitalizing them would enhance an organization's performance and financial health.

In their 2018 study, Human Resource Accounting: A Panacea to Financial Reporting Problem, Akintoye, Siyanbola, Adekunle, and Benjamin. This study examined if incorporating human assets in a company's statement of financial condition may help to address the dependability concern in financial reporting because the bulk of the aforementioned scandals have included human behavior. Using descriptive and inferential statistics, the 2012–2015 period's secondary data from four organizations—Cadbury Nigeria Plc, Dangote Cement Plc, Fan Milk Ghana Limited, and PZ Cussons Ghana Ltd—was assessed. The revised financials showed a rise in the worth of the firms, and the Lev & Schwartz's Present value of future profits model was applied to account for human resources in those reports. In this analysis, proxies for return on equity, return on assets, leverage, and earnings per share were utilized. Although the null hypothesis was rejected as a consequence of the statistical test's mixed findings for all proxies, the Analysis of Variance favored the null since the test shows higher f-stat (p-val.) at the 5% significant level for all financial indices.

3.0 Methodology

Using information from the Exchange Group Limited, this study used an ex-post facto research design. The time frame was 10 years (2012 – 2021).

24 deposit money banks make up the study's population, according to CBN (2020). Ten banks that are mentioned for the time period under consideration were used in the study using the purposive sampling method. The model is described as follows:

$Y=f(X)$

Where Y = Dependent Variable represented by Organizational Performance

y_1 = Return on Equity (ROE)
y_2 = Return on Capital Employed (ROCE)
X = Independent Variable represented by Human Resources Accounting
x_1 = Staff Training (STR)
x_2 = Staff Acquisition Cost (SAQ)
β_1, β_2= Model Coefficient and parameter estimates
e_{it}= Error term
$ROE_{it} = \beta_0 + \beta_1 STR_{it} + \beta_2 SAQ + e_{it}$……………………$H_{01}$
$ROCE_{it} = \beta_0 + \beta_1 STR_{it} + \beta_2 SAQ + e_{it}$……………………$H_{02}$

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4.0 Results, Analysis and Interpretation

Descriptive Statistics of the Variables

Variable	Mean	Std. Dev.	Min.	Max.
ROE	0.83	0.26	-0.1	1.35
ROCE	-1.20	1.37	-6.56	0.23
STR	-0.05	0.17	-1.06	0.3
SAQ	32.12	24.35	1.84	100.58

Source: Researcher's Computation (2022)

Interpretation

The statistics for all the factors from the mentioned banks that are being studied are summarized in the table. The mean and standard deviation of ROE are 0.83 and 0.26, respectively. The level of volatility is indicated by the standard deviation, which represents the degree of variation from the mean. This is further demonstrated by the variance in the minimum value (-0.1 and maximum value of 1.35).
The mean and standard deviation for ROCE are -1.20 and 1.37, respectively. The level of volatility is indicated by the standard deviation, which represents the degree of variation from the mean. This is further demonstrated by the variance in the minimum value (-6.56 and maximum value of 0.23).
The mean and standard deviation for STR are -0.05 and 0.17, respectively. The level of volatility is indicated by the standard deviation, which represents the degree of variation from the mean. This is further demonstrated by the variance in the minimum value (-1.06 and maximum value of 0.3).
The mean and standard deviation for SAQ are 32.12 and 24.35, respectively. The level of volatility is indicated by the standard deviation, which represents the degree of variation from the mean. This is further demonstrated by the variance in the minimum value (1.84 and maximum value of 100.58).

Pre-estimation Tests

The series were examined for multicollinearity using the Variance Inflation Factor (VIF) and correlation matrix tests to see whether the data utilized were suitable. The VIF findings show whether multicollinearity exists or not by the mean value, but they do not show the strength of correlation between the variables necessary to pinpoint the variables impacted. The strength of the relationships between the study's variables is nonetheless shown in the correlation matrix.

Variance Inflation Factor (VIF) Test Result

Variables	VIF	1/VIF
STR	1.09	0.917431
SAQ	1.06	0.943396
Mean VIF	1.10	0.910131

Source: Researcher's Computation (2022)

The results show the mean VIF to be 1.10 which is below the threshold of 5 and signifies the absence of multicollinearity problems among the variables data series.

Pearson Correlation Matrix Test

	STR	SAQ
STR	1	0.0971
SAQ	0.0971	1

Source: Researcher's Computation (2022)

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Staff Training (STR) is positively but weakly associated with Staff Acquisition (SAQ)

Hypothesis One: Human Resource Accounting and Return on Equity

Dependent Variable: Return on Equity (ROE)

Variables	Coefficient	Drisc/Kraay Standard error	t-test	Prob.
Constant	3.751	0.669	5.607	0.000
STR	0.001	0.001	1.151	0.268
SAQ	0.026	0.271	7.220	0.000
Difference in Difference	0.848	0.277	3.061	0.000
Adjusted R^2	0.4509			
Wald-Test	138.80 (0.000)			
Hausman Test	1.73 (0.859)			
Bresuch-Pagan RE Test	82.09 (0.000)			
Heteroscedasticity Test	7176.42 (0.000)			
Serial Correlation Test	4.909 (0.047)			
Pesaran CSI	8.103 (0.000)			
Observations	100			

Source: Researcher`s computation (2022)

$ROE_{it} = \alpha_1 + \beta_1 STR_{it} + \beta_2 SAQ_{it} + \mu_{it}$
$ROE_{it} = 3.751 + 0.001STR_{it} + 0.026SAQ_{it}$
T-test = 5.607 1.151 7.220

The findings show that staff training and acquisition have a favorable impact on return on equity. This suggests that these variables have a major impact on changes in the Return on Equity of the Nigerian deposit money institutions.

At the 5% level, the coefficient of DID, which was 0.848, is statistically significant. As a result, the study comes to the conclusion that deposit money banks in Nigeria's return on equity and human resources accounting differ significantly.

The Adjusted R2, which measures the percentage of changes in return on equity caused by adjustments to staffing levels and hiring practices, explains around 45% of variations in ROE, with the remaining 55% being explained by other factors that the model does not account for.

Decision Rule

At a 5% level of significance, the Wald-test statistic of 138.80 with a probability value of 0.000 is significant. Accordingly, it may be concluded that the alternative hypothesis—that there is a substantial link between Human Resources Accounting and ROE—was accepted and the null hypothesis—that there is no significant association between Human Resources Accounting and ROE—was rejected.

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Hypothesis Two: Human Resource Accounting and Return on Capital Employed

Dependent Variable: Return on Capital Employed (ROCE)

Variables	Coefficient	Drisc/Kraay Standard error	t-test	Prob.
Constant	0.747	0.263	2.837	0.012
STR	0.001	0.001	2.102	0.053
SAQ	0.354	0.376	0.941	0.362
Difference in Difference	0.139	0.145	0.958	0.337
Adjusted R^2	0.55			
F-Test	1.72 (0.003)			
Hausman Test	12.29 (0.007)			
Testparm for Fixed Effect	2.57 (0.002)			
Heteroscedasticity Test	1623.41 (0.000)			
Serial Correlation Test	6.16 (0.029)			
Pesaran CSI	2.779 (0.005)			
Observations	100			

Source: Researcher`s computation (2022)

$ROCE_{it} = \alpha_1 + \beta_1 STR_{it} + \beta_2 SAQ_{it} + +\mu_{it}$

$ROCE_{it} = 0.747 + 0.001STR_{it} + 0.354CT_{it}$

T-test = 2.837 2.102 0.941

The findings indicate that staff training and acquisition have a favorable association with ROCE. This suggests that these variables have a substantial role in determining changes in the deposit money institutions' Return on Capital Employed in Nigeria.

At the 5% level, the coefficient of DID, which was 0.139, is statistically significant. The study comes to the conclusion that deposit money banks in Nigeria's return on capital employed and human resources accounting differ significantly.

About 55 percent of changes in ROCE may be attributed to changes in staffing, training, and hiring practices, according to the Adjusted R2, while the remaining 45 percent can be attributed to other variables that affected ROCE but were not taken into account by the model.

Decision Rule

At the 5% level of significance, the F-test statistic of 1.72 with a probability value of 0.003 is significant. Accordingly, it can be concluded that the alternative hypothesis—that there is a significant link between Human Resources Accounting and ROCE—was accepted and the null hypothesis—that there is no significant association between Human Resources Accounting and ROCE—was rejected.

Discussion of Findings

The findings of this study was in agreement with those of Utami, Nuzula, and Damayanti (2019), Olajide, Olugbenga, Lateef, and Ajayi (2018), and Akintoye et al. (2018), who determined that staff development and hiring practices had an impact on banks' return on equity (ROE). In contrast, the study negates the findings of

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Soetan, Asein, and Ajibade (2018), who found that the statement of comprehensive income and the statement of financial condition are negatively impacted by the inappropriate financial statement handling of human assets. The alternate hypothesis, which states that "human resource accounting significantly affects the return on capital employed of banks listed on the Nigerian Exchange Group was accepted," contradicts the null hypothesis two, which states that "human resource accounting does not significantly affect return on capital employed of banks listed on the Nigerian Exchange Group." Also, in the study of Nguyen, Duong, Nguyen, and Bui (2019), they found that ROE and ROCE were significantly impacted by human resource accounting. Furthermore, the results demonstrate that lower staff training and acquisition costs have a greater impact on the bank's actual returns in terms of equity and capital employed.

5.0 Conclusion

However, it was found from the study's results that staff training and staff acquisition costs, which are used to measure human resource accounting, had a significant influence on organizational performance, as measured by ROE and ROCE. The findings also contributed to the conclusion that accounting metrics for human resources, like those used in the study, will have a big influence on how well a company performs in terms of return on equity and return on capital utilized. This is in agreement with certain literary results, nevertheless, as stated in the part on the discussion of the findings.

6.0 Recommendations

In light of research linking human resource accounting and organizational performance using multiple variables, the following recommendations were made:

The management of the bank should make use of these various human resource techniques because they will aid them regardless of whether the ongoing business is in peril or is distressed, which will then have an impact on the profits per share, return on equity, and return on capital employed, three factors that are of the utmost importance.

7.0 Contribution to Knowledge

The study has added to the body of knowledge about human resource accounting and organizational performance in the areas of idea, methodology, theory, as well as accounting practice.

From a conceptual perspective, this study has contributed to the body of literature by using some of the measurements of organizational performance and human resource accounting to provide an empirical and theoretical connection between the components under examination.

The econometric model employed in empirics is what generated the empirical data and debates.

Creditors are stakeholders in businesses and anticipate a high rate of return on their investments, which depends on financial statement inferences that generate economic reality and investors' higher expectations being satisfied by real and actual actuality. This has strengthened the case for agency and the human capital hypothesis.

And last, to the accounting community and academics who would be able to comprehend the connection between organizational performance of deposit money banks listed in Nigeria and human resource accounting.

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