

Human Resource Accounting as a Panacea to Financial Performance: Evidence from Listed Financial Services Companies in Nigeria

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Abstract

Investing in training of employees, paying reasonable remunerations, as well as making adequate provision for health and safety of workers are vital investments that financial services companies can make. However, due to lack of proper personnel to oversee and manage these investments, financial services firms with enormous resources and newest technology found themselves in the middle of financial catastrophe. Thus, this study looks at how listed financial services companies in Nigeria perform financially in relation to human resource accounting. The study used an ex post facto research approach and collected secondary data from ten (10) listed financial services companies in Nigeria, including six listed deposit money banks and four listed insurance companies. The information came from the annual reports and accounts of the chosen companies for the ten (10) years between 2016 and 2025. Descriptive statistics, correlation and regression analysis were used to analyze the data collected. The findings revealed that training cost, staff remuneration, and health & safety cost do not significantly affect return on assets of listed financial services firms in Nigeria. As a result, the study concludes that future and present investors of the chosen financial services firms cannot depend on all the predictors (training cost, staff remuneration, and health & safety cost) when assessing the firms' return on assets over the study period. The study recommended among others that management of listed financial services companies should provide their employees with training and appropriate working conditions in order to improve the companies' financial performance.

Keywords: Financial performance, Health cost, Human resource accounting, Return on assets, Staff remuneration.

1. Introduction

Studies on Nigeria's banking system, as well as other western developed countries, have shown that better quality management of resources (such as human resources) is the primary factor contributing to banks' performance. The financial performance of the financial services sector (banking and insurance companies) is a major topic that has not received much attention in recent years (Gan & Saleh, 2018).

Human resource accounting, according to Onyeukwu et al. (2021), is the accounting for a company's investment in its employees with the aim of optimizing shareholder value and achieving organizational objectives. Additionally, they promoted the idea that the financial reporting system is optimized through the present traditional accounting of human resources as a cost. They pointed out that human resources accounting, a branch of accounting, is encouraging the identification of human capital as a cost to be capitalized, in contrast to the traditional view of human capital investments as an instant charge on periods' revenue. It's common knowledge in human resource accounting that the caliber, character, and quality of employees play a major role in the success of any business, organization, or other venture. Without the proper personnel to oversee and manage its operations, a company with enormous physical resources and the newest technology might find itself in the middle of a serious financial catastrophe (Onyeukwu et al., 2021). An organization's overall financial health may be inferred from its financial performance during a certain time period. However, according to Ghasempour and Yusof (2021), a firm's performance can be affected by the revelation of such information, and assets, intellectual capital, and human resources have produced a considerable competitive advantage.

In the financial services sector, banks' profitability came under immense pressure as the Central Bank of Nigeria (CBN) wound down regulatory forbearance. Unwinding these protections forced banks to accelerate provisions on underperforming loans, causing a sharp hit to profitability. For instance, First Hold Co's profit after tax dropped heavily from ₦663 billion down to ₦52 billion, while United Bank for Africa (UBA) saw its profit decline from ₦766 billion to ₦404 billion. The termination of regulatory forbearance meant that underperforming loans (previously classified as stage 2 exposures) were downgraded. Consequently, the industry's impaired loan ratio expanded to 6.9%, significantly exceeding the CBN's regulatory guidance threshold of 5%. This sharp increase in impairment charges directly reduced the return on assets across multiple Tier-1 and Tier-2 lenders (Agusto, 2025).

Return on assets, according to Khrawish (2017), evaluates how successfully business management can generate a profit by utilizing the resources at their disposal. It shows how efficiently the firm's assets are used to generate income. However, Wiagustini et al. (2019) opined that poor return on assets in the financial services sector arises when expensive infrastructural installations, such as fintech platforms or data management frameworks, fail to streamline credit risks or prevent non-performing loans, turning intended value-drivers into heavy, non-yielding operating costs.

According to Alao et al. (2023), if a financial services company wants to gain a competitive edge and improve its financial performance, it must be able to make the most of its current human resources by employing the appropriate tactics. Additionally, the company should endeavor to improve its workforce through development of human resource initiatives, such as effectively managing staff remuneration, employees' health as well as training of the employees (Avazzadehfath & Raiashekar, 2020).

There are number of empirical studies conducted on human resource accounting in Nigeria, some of which are studies carried out by Olayinka and Adegbe (2020); Adejuwon et al. (2020), Nwauzor and Tamunoemi (2020); Oginni et al. (2020); Onyekwelu and Ironkwe (2021), Onyeukwu et al. (2021); Gimba and Anyanwu (2022); Ibrahim et al. (2022); Buyide and George (2022), Alao et al. (2023); Worimegbe et al. (2023); Nmesirionye et al. (2023); and Beida (2024). However, most of these studies concentrated on Nigerian deposit money banks ignoring other sub-sectors (like insurance firms) in the financial services sector. Therefore, combining both banking and insurance sectors provides additional insight on the subject matter. Additionally, from the literature reviewed, it was observed that studies conducted in Nigeria failed to account for the cost of workers' health and safety, which is another important human resource accounting metric because a healthy worker is the only one who can maximize output

for peak performance. All these constitute the research gap of the study. This therefore gives rise to the need to examine human resource accounting and financial performance of listed financial services companies in Nigeria, thereby focusing on the following specific objectives:

- i. To evaluate how training cost affects return on assets of listed financial services companies in Nigeria.
- ii. To investigate the effect of staff remuneration on return on assets of listed financial services companies in Nigeria.
- iii. To determine the effect of health and safety cost on return on assets of listed financial services companies in Nigeria

2. Literature Review

2.1 Conceptual Review

2.1.1 Financial Performance

According to Muchran (2020), one aspect of any organization's performance throughout an accounting period is its financial performance. This is due to the fact that a business has other quantitative and qualitative performance metrics in addition to financial performance indicators. Quantitative measurements of an entity's performance are called financial performance indicators. This suggests that managers of businesses must provide quantitative information in order for any financial performance to be evaluated.

According to Etim et al. (2024), a number of accounting factors, including earnings, liquidity, leverage based or capital layout, investment, and operating capital, may be used to describe financial performance. This simply implies that the varied accounting ratios calculated by managers from the many types of ratios might depict the financial performance of businesses at a specific time. Return on assets was used to measure financial performance in this study.

2.1.2 Return on Assets (ROA)

Return on assets, according to Bella and Tarsisus (2018), is a metric that assesses a business's ability to make money from both current and non-current assets. Using this ratio, net income to total assets is compared. The higher value of this ratio indicates the company's capacity to utilize the asset in its net profit. ROA shows the ratio of an organization's earnings to all of its assets. Net income, or profit after taxes, is shown in the company's comprehensive income statement.

A performance metric called return on assets is used to evaluate how well a company operates. It outlines the connection between total assets and net profit before interest and tax. Operating leverage, gross profit margin, and asset turnover are all indicated by ROA. According to Uniamikogbo et al. (2022), it represents the company's operational efficiency and, consequently, the total efficiency in the use of the company's assets. ROA provides a different perspective on management's effectiveness by revealing how much profit a firm earns for every Naira of its assets and as such it is a popular metric for measuring the effects of human resource on financial performance. The higher the ROA value, the better the financial performance. This indicates an increased rate of return and financial performance for the firm (Ayogu et al., 2025).

2.1.3 Human Resource Accounting

Samartha et al. (2019) viewed human resource accounting as a systematic process for recognizing and measuring intangible human resource assets in a company, as well as communicating the human resource value to stakeholders. Onyeukwu et al. (2021) also defined human resource accounting as the accounting for a corporation's investment in its staff with the purpose of increasing shareholder value and achieving corporate objectives. They also claimed that the existing customary accounting of human resources as an expenditure is a suboptimization of the financial reporting system.

Human resource accounting, according to Mohammed (2021), is the act of valuing, documenting, and displaying the worth of human resources in an entity's financial accounts. Assessing the worth of human resources, recording the valuation in appropriate accounting systems, and reporting financial data in the

business's financial report are the three components of human resource accounting that this concept explains. Training cost, staff remuneration and health cost served as the proxies employed by the study to measure human resource accounting.

2.1.4 Training Cost

According to Alao et al. (2023), training costs include the price of taking an individual by means of training to improve their skill set or perform at a particular level. Organizational and individual productivity is increased by training. The price of preparing someone for a career and giving them the necessary skills is known as formal training. To achieve performance goals, certain training regimens could cost more. These expenditures are included in the organization's investment in human resources and are referred to as unique training costs (Alao et al., 2023).

According to Akinlade and Adegbe (2020), human resources need long-term investment to become effective and are managed by means of human resource accounting similarly to other organizational assets. This type of investment, which takes attrition and degradation into consideration, uses capitalization and amortization over the resource's anticipated productive life (Flamholtz et al., 2015). However, education and training increase workers' productivity by imparting useful knowledge and skills, which raises lifetime earnings and improves future salaries in accordance with the human capital idea. The idea is that since investing in training, development, and higher education raises individual earnings, it should be seen as an investment even when it is costly (Bello & Micah, 2021).

2.1.5 Staff Remuneration

Staff remuneration is the money employees receive for their job and services to the organization (Khudhair et al., 2020). It is a methodical way to rewarding employees for their efforts. A company's pay package contains all of the perks it offers to its employees (Nzyoka et al., 2019). It encompasses both monetary incentives, such as bonuses/commissions and profit sharing, and non-monetary rewards, such as official cars/housing and stock options. Employee remuneration to sales in banks is calculated as the ratio of yearly staff salary to annual deposit (Gimba & Anyanwu, 2022). Additionally, Manukaji et al. (2019) defined staff pay as the sum of an employee's wages and salaries plus additional employee-related costs including retirement benefits, social welfare, health care, insurance, professional development and training, allowances and incentives, and other subsidies or perks.

2.1.6 Health and Safety Cost

Health and safety expenditures, according to Akinlade and Adegbe (2020), are the proper legal representation fees and other professional charges that a business incurs when representing itself in a health and safety inquiry with prior written consent from the insurer. It might be expensive to disregard employee health and safety. Occupational accidents result in financial damage for the individuals affected, financial impairments for the businesses where they happen, and financial costs to society for medical treatment and lost productivity (Pall, 2016).

Broken bones, burns, falls, and mental health issues are all very real instances of workplace mishaps and accidents that occur on a daily basis. They effect not just the employee, but also their family and friends. However, the effort persists since mishaps and accidents can have serious consequences for corporate morale, reputation, and revenue. Even a little event at work can halt production, demotivate employees, and raise employee absenteeism (Gimba & Anyanwu, 2022). Maintaining safe operations should not be viewed as a burden, but rather as an economic benefit. Investing in a health and safety system protects your firm from events, accidents, and risks (Mohammed, 2021). Therefore, failure to follow health and safety standards and protocols can have substantial and very real consequences for your firm and its employees.

2.2 Theoretical Framework

Resource-Based Theory

In 1984, Wernerfelt introduced the resource-based theory for the first time. According to the thesis, it is impossible to duplicate or replace human resources. According to Onyinyechi and Ihendinihu (2017), human resources offer a company the opportunity to gradually gain a competitive advantage over other businesses in the same industry. Additionally, according to the resource-based theory, human resources offer a source of long-term competitive advantage by satisfying the four fundamental requirements of value—rare, imitable, and organizational—all of which are necessary for operational effectiveness and

the optimization of a company's worth. Therefore, in order to create a sustainable competitive edge, human resources need to be valuable and limited. Additionally, it needs to be difficult to duplicate, and the company needs to provide a supportive environment for greater awareness of their abilities (Alao et al., 2023).

According to Amber (2016), the resource-based approach argues that companies have resources, some of which provide them a competitive advantage and others of which help them perform better over the long run. A competitive advantage can be obtained through valuable and limited resources. If the company can protect itself from resource replacement, transfer, or imitation, that advantage can be maintained for a prolonged amount of time. The theory demonstrates that businesses' competitive advantage is sustained by valued organizational resources and competencies that are uncommon and difficult to replicate (Omodero et al., 2016).

The theory underpinning this study is the resource-based theory since all of the human resource qualities covered in the theory, such as value, immutableness, rarity, and organization, have an impact on human resource performance, directly or indirectly. For instance, adequate training creates valuable resources, remuneration motivates efficient productivity while investment in health of employees enhance sustainable competitive advantage. All these are expected to have significant effect on the operational efficiency and overall performance of listed financial services companies in Nigeria.

2.3 Empirical Review

Amahalu et al. (2018) looked at how deposit money banks listed on the Nigerian Exchange performed financially in relation to human resource accounting. The specific objectives are to ascertain how staff expenses affect market-to-book value, return on equity, and return on assets for banks listed on the Nigerian Exchange between 2010 and 2015. An ex-post fact research design was used in this investigation. Nigerian stock market journals were the source of secondary data. The hypotheses' inferential statistics were calculated using the coefficient of correlation and Ordinary Least Squares (OLS) regression analysis. The study's findings revealed that human resource accounting has a favorable and statistically significant influence on financial performance at the 5% significance level.

Adejuwon et al. (2020) assessed the corporate determinants and human resource accounting disclosure of Nigerian listed banks. Data were acquired from the selected banks' annual reports and corporate websites from 2014 to 2018. In order to assess the research hypotheses, the study analyzed the data using panel least square regression. The data demonstrated a substantial positive correlation between profitability, business size, and human resource accounting transparency. However, listing age had no effect on human resource accounting disclosure.

Deposit money banks registered on the Nigerian Stock Exchange have their financial performance and human resource accounting evaluated by Oginni et al. (2020). Between 2012 and 2016, the study examined audited financial data from ten (10) banks that were listed on the Nigerian Exchange. Descriptive, correlation, and OLS regression were used to evaluate the gathered data. In line with the findings, human resource accounting accounts for 69.7% of all positive increases in PAT, which is statistically significant. Other factors, however, have a positive relative influence but are statistically insignificant.

From 2012 to 2017, Onyekwelu and Ironkwe (2021) examined how human resource accounting affected the financial performance of insurance companies registered on the Nigeria Stock Exchange. We collected secondary data from twelve listed insurance providers. The study employed a non-experimental causal research strategy. The least square regression technique was used to analyse the data. The findings revealed that human resource accounting transparency and training costs had a substantial beneficial influence on return on asset and return on equity, however the number of employees and salary increases have a statistically significant inverse effect on return on assets.

The financial performance of Nigeria's listed deposit money banks was examined by Gimba and Anyanwu (2022) in relation to human capital investment. Research was conducted using the ex post facto method. The 10-year research period was from 2010 to 2019. The annual financial reports of 12 deposit money banks for the relevant time provided secondary data for

this investigation. The number of employees, employee pay to sales, and staff cost were found to have no impact on return on investment using the panel regression technique.

The performance of listed deposit money banks was examined by Abraham et al. (2022) in relation to human resource accounting. The study primarily examined how Nigerian deposit money banks' performance was affected by employee salaries, staff training, and health care expenses. An ex-post facto research design was employed in the study. From 2015 to 2019, information was gathered from the annual reports of Deposit Money Banks listed on the Nigerian Stock Exchange. Correlation and descriptive statistics were used to examine the data. The hypotheses were also assessed using multiple regression analysis at the 5% significance level. According to the investigation's findings, the market value of a listed deposit money bank is significantly impacted by the cost of staff training, but not by staff salaries, health care costs, or safety expenses using Tobin's Q.

The relationship between human resource accounting and financial performance of Nigerian deposit money banks is examined by Ibrahim et al. in 2022. The study used yearly reports and accounts from listed Deposit Money Banks in the Nigerian Exchange Group as part of an ex post facto research design. Over a seven-year period (2015–2021), secondary data was collected from the financial reports of the banks. The nature, relationship, and impact of the variables are examined using regression, correlation, and descriptive statistics. The results show that the financial performance of listed deposit money banks in Nigeria is significantly impacted by human resource administration.

Alao et al. (2023) looked at how human resource accounting affected the organizational performance of deposit money banks in Nigeria. An ex post facto research design was used in this study. Secondary data came from Nigerian deposit money banks' financial statements. Convenience sampling was used in this study, and throughout the course of ten years (2012–2021), ten listed banks in Nigeria were randomly selected among a total of twenty-four institutions. This is equivalent to 100 bank-year observations. Inferential as well as descriptive statistics were used in the data analysis. The results of the study showed that human resource accounting significantly affected return on equity and return on capital utilized. Human resource accounting and the organizational performance of deposit money banks to be significantly correlated.

Worimegbe et al. (2023) investigated Nigerian deposit money banks' profitability and human resource accounting. Descriptive, correlation, and regression analysis techniques were employed in the study. The study makes use of secondary data. The study employed purposive (non-judgmental) probability sampling to pick twelve (12) deposit money institutions that were still functioning after implementing IFRS. staff salary and staff costs were shown to have no meaningful influence on the financial performance of Nigeria's listed banks.

Beida (2024) looked into how listed assurance companies in Nigeria make investment decisions based on human resources accounting cost data. 15 of the 23 businesses in the population were chosen by purposive sample techniques, and the ex-post facto research strategy was applied. Annual reports from Nigerian listed assurance companies spanning the fiscal years 2013 through 2022 were among the secondary data sources that were consulted. In E-views 10, panel regression analysis was used to examine the results. The results of the study showed that human costs and training and development expenditures had a positive and substantial effect on the return on investment of Nigerian listed assurance firms.

Akaegbobi et al. (2025) looked at how Nigerian money deposit banks' financial performance was affected by human resource accounting. The ex-post facto research design was used in this study. The yearly published accounts of banks listed on the Nigerian Exchange for the years 2018–2022 were the source of the data. In the data analysis, descriptive statistics and correlation were employed. To further evaluate the hypotheses at the 5% significance level, panel analysis was employed. The investigation's conclusions showed that while the cost of staff training significantly affects the EPS of the tested listed money deposit banks, staff compensation and health care and safety expenses had no discernible influence on EPS.

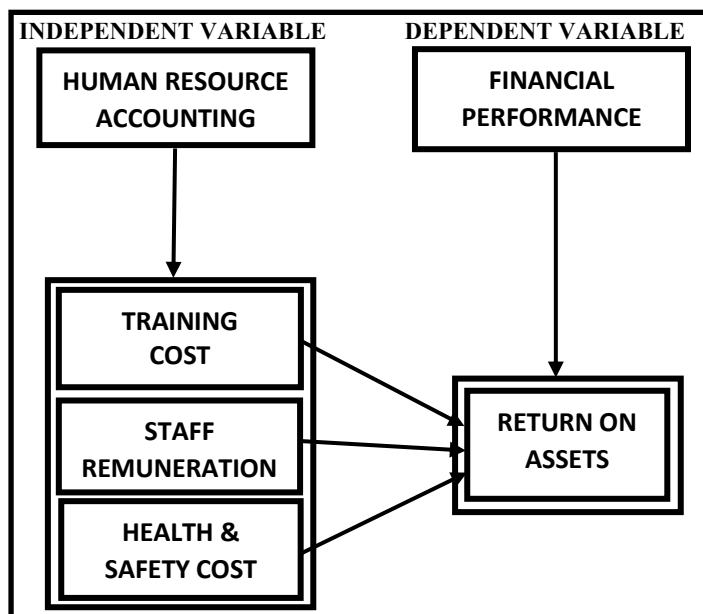
Omolaye (2025) investigated the relationship between listed insurance firms' financial performance and human resource accounting. Using historical financial data from the annual reports of ten chosen insurance companies listed on the Nigerian Exchange for the years 2020–2024, the study used an ex post facto and descriptive design. The data was analyzed using both descriptive and inferential statistics, and a judgmental sampling strategy was applied. Panel regression analysis was used in the study, along with pre- and post-estimation tests such unit root, normality, and stability checks. E-Views 10 software was used to do the computations. The results show that the net profit margin is significantly positively impacted by employee training and development expenses. On the other hand, profitability is significantly impacted negatively by gratuity payments. Although they had a negative relationship with profitability, salaries and wages had no statistically meaningful impact.

This study contributes to the body of knowledge on the topic by examining the following null hypotheses in light of the contradictory findings on human resource accounting and financial performance of listed financial services firms in Nigeria as examined from the results of the aforementioned empirical studies:

- H₀₁:** Training cost has no significant on return on assets of listed financial services firms in Nigeria
- H₀₂:** Staff remuneration does not significantly affect return on assets of listed financial services firms in Nigeria
- H₀₃:** There is no significant effect of health and safety cost on return on assets of listed financial services firms in Nigeria

Conceptual Framework

The framework below is the diagrammatical representation of the study's conceptual model of which involves the link between the study's independent variable proxies (Human resource accounting); Training cost; Staff remuneration; health and safety cost and the dependent variable proxy (Financial performance); Return on assets.



Source: Researchers (2026).

3. Methodology

This study uses an ex post facto methodology. This research strategy was selected since the study's goal was to collect crucial information on the status of a specific issue after a course of conventional therapy without changing the conditions. (Fleetwood, 2023). The population for this study entails all the forty-five (45) financial service companies listed on the Nigerian Exchange as at the end of December, 2025. On the other hand, sample size of ten (10) listed financial service firms in Nigeria were considered with information gathered from the financial statements (through the Annual Report and Accounts) of the selected firms, over a period of 10years (2016-2025). The selected firms which comprise of 6 listed deposit money banks and 4 listed insurance firms are: Access Bank Plc., First Bank Nig. Plc., GTBank. Plc., Union Bank Nig. Plc., UBA Plc., Zenith Bank Plc., AIICO Insurance Plc., NEM Insurance Plc., Regency Alliance Insurance Plc., and Consolidated Hallmark Ins. Plc. These companies were chosen because, as of the end of 2025, they were among the top listed financial services companies in terms of income as determined by the National Insurance Commission (NAICOM) and Central Bank of Nigeria (CBN). Additionally, the study used purposive sampling to determine the sample size. Additionally, regression analysis, correlation analysis, and descriptive analysis were used to evaluate the data gathered using E-views 12 in order to compare and contrast the effects of independent factors on the dependent variable.

Additionally, the collective influence of human resource accounting proxies on the financial performance proxy of the sampled firms was estimated using a model. Human resource accounting, which the study defines as training costs, employee compensation, and health and safety costs, is used to estimate financial performance. However, return on assets is a measure of financial performance. To estimate the relationship, the following ordinary least square regression was employed:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e \dots\dots\dots i$$

$$ROA = f(TRC, STR, HSC) \dots\dots\dots ii$$

The model has been formulated to suit the study as follows:

$$ROA = \beta_0 + \beta_1TRC + \beta_2STR + \beta_3HSC + e \dots\dots\dots iii$$

Where:

Y = dependent variable's value

ROA = Return on Assets (Dependent Variable)

TRC = Training Cost (Independent Variable)

STR = Staff Remuneration (Independent Variable)

HSC = Health and Safety Cost (Independent Variable)

β_0 = Intercept

$\beta_1 - \beta_3$ = Regression's coefficient

e = error term

4. Results and Discussion

This section addresses the accuracy of the hypothesis as well as the presentation, analysis, and interpretation of data collection findings. Panel least regression analysis was used to verify and validate the study's hypotheses empirically.

4.1 Presentation of Result

Table 1 Descriptive Results

	ROA	TRC	STR	HSC
Mean	0.160707	8.530075	9.655949	8.488244
Median	0.131414	8.492017	9.436273	8.844141
Maximum	1.220495	10.25916	10.86541	9.815703
Minimum	-0.087403	7.015485	8.143015	7.010432
Std. Dev.	0.149736	0.705157	0.928489	0.802618
Skewness	3.713520	0.004192	-0.093733	-0.394764
Kurtosis	24.31638	2.245628	1.297652	1.675629
Jarque-Bera	2547.744	2.845737	14.66567	11.88655
Probability	0.000000	0.241022	0.000654	0.002623
Sum	19.28484	1023.609	1158.714	1018.589
Sum Sq. Dev.	2.668072	59.17227	102.5889	76.65930
Observations	100	100	100	100

Source: E-Views Output, 2026.

The descriptive findings are shown in table 1 above. According to the findings, the average values for ROA, TRC, STR, and HSC were, respectively, 0.161, 8.530, 9.656, and 8.488. 1.220, 10.259, 10.865, and 9.816 were found to be the variables' maximum values. Conversely, the variables' lowest values are shown as -0.087, 7.015, 8.143, and 7.010, in that order. Additionally, the study found that the ROA, STR, and HSC data were not normally distributed since the Jarque-Bera probability values (0.000, 0.001, and 0.003) were less than the 0.05 threshold. However, because the Jarque-Bera probability value (0.241) is higher than the 0.05 significant level, the analysis also found that the data gathered for TRC are normally distributed. Additionally displayed were the standard deviation figures of 0.150, 0.705, 0.928, and 0.803, in that order.

Table 2 Correlation Analysis

Correlation Probability	ROA	TRC	STR	HSC
ROA	1.000000 -----			
TRC	0.116173 0.2064	1.000000 -----		
STR	0.157936 0.0849	0.728856 0.0000	1.000000 -----	
HSC	0.213770 0.0191	0.738532 0.0000	0.764901 0.0000	1.000000 -----

Source: E-Views Output, 2026.

The correlation results between the selected variables ROA, TRC, STR, and HSC are shown in Table 2 above. The findings demonstrated that all three predictors—TRC, STR, and HSC—had a weakly positive connection with ROA, with correlation values of 0.116, 0.158, and 0.214, respectively. However, it was also shown that TRC and STR have insignificant relationship, with ROA with p-values ($p > 0.05$) of 0.206 and 0.085 respectively, while HSC has significant relationship with ROA with p-value ($p < 0.05$) of 0.019 respectively.

Table 3 Hausman Test

	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	13.148585	3	0.0106

Source: E-Views Output, 2026.

According to the preceding table, the p-value of 0.0106 is less than the 0.05 significant threshold, indicating that it is statistically significant. For this reason, the null hypothesis is rejected. Consequently, the regression analysis is appropriate for the fixed effect regression model.

Table 4 Fixed Effect Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.140224	0.394330	0.355601	0.7228
TRC	0.021908	0.035408	0.618738	0.5374
STR	0.040891	0.033224	1.230772	0.2211
HSC	-0.053461	0.042779	-1.249684	0.2142
R-squared	0.604503	Mean dependent var	0.160707	
Adjusted R-squared	0.519206	S.D. dependent var	0.149736	
S.E. of regression	0.132310	Akaike info criterion	-1.098053	
Sum squared resid	1.855637	Schwarz criterion	-0.772846	
Log likelihood	79.88320	Hannan-Quinn criter.	-0.965985	
F-statistic	35.69917	Durbin-Watson stat	1.835579	
Prob(F-statistic)	0.000119			

Source: E-Views Output, 2026

The table above includes the previously defined regression model's coefficient, as seen below:

$$ROA = 0.140 + 0.022TRC + 0.041STR - 0.053HSC$$

According to the preceding equation, TRC and STR have a positive impact on ROA, with coefficient values of 0.022 and 0.041, respectively, whereas HSC has a negative impact, with coefficient values of -0.053. This implies that the ROA of the chosen financial service businesses would improve by 0.022 and 0.041, respectively, if TRC and STR increased by one unit, however the firms' ROA would decrease by 0.053 if HSC increased by one unit.

The predictors (TRC, STR, and HSC) likewise had t-calculated values of 0.619, 1.231, and 1.250, respectively. These numbers fall below the t-tab of 2. They also displayed their equivalent matched probability values, which were 0.537, 0.221, and 0.214. Because all of these p-values are over the 0.05 threshold, it is possible to categorize them as statistically not significant.

Additionally, the regression's R-squared statistic was 0.6045, indicating that TRC, STR, and HSC can account for 60.45% of the overall changes in ROA, while other characteristics not included in this study may account for the remaining 39.55%. With an estimated probability of 0.000 and an F-statistic of 35.70, the study's overall model is statistically significant because the p-value is below the 0.05 cutoff. However, the Durbin-Watson outcome was 1.836, indicating that auto-correlation is not present because the number is higher than 1.5. This further shows that the study's variables are in good shape.

4.2 Test of Hypotheses

H₀₁: Training cost has no significant on return on assets of listed financial services firms in Nigeria

The TRC's p-value, which was found to be 0.534 based on the regression result, was considered statistically not significant because it above the 0.05 significant threshold. Thus, the study fails to reject the above-stated null hypothesis and affirms that training cost has no significant on return on assets of listed financial services firms in Nigeria.

H₀₂: Staff remuneration does not significantly affect return on assets of listed financial services firms in Nigeria

Furthermore, the STR's matching probability value of 0.221 was displayed; although the p-value above the 0.05 significant threshold, this was deemed statistically not significant. Hence, the study fails to refute the second hypothesis mentioned above and concurs that staff remuneration does not significantly affect return on assets of listed financial services firms in Nigeria.

H₀₃: There is no significant effect of health and safety cost on return on assets of listed financial services firms in Nigeria

The regression table's HSC p-value of 0.214 was found to be statistically not significant as it above the threshold of 0.05. Thus, the study accepts the above-stated null hypothesis and affirms that health and safety cost has no significant effect on return on equity of listed financial service companies in Nigeria.

4.3 Discussion of Results

The study found that TRC has no significant effect on return on assets of Nigeria's listed financial services firms. This result is consistent with the findings of Omodero, Alpheus, and Ihendinihu (2016), Omodero and Ihendinihu (2017), Ude and Ekeagwu (2017), Oladele, Aribaba, Ahmodu, and Ajayi (2018), but not with the results of Inua and Oziegbe (2018), Akintoye, Siyanbola, Adekunle, and Benjamin (2018), Amahalu, Abiahu, Obi, and Okika (2018), and Mbah, Aga, and Onyia (2018).

Furthermore, it was shown that staff remuneration had no considerable effect on the return on assets in Nigeria's financial services business. This outcome is consistent with the findings of Olayinka and Adegbe (2020), Adejuwon, Olurankinse, and Junad (2020), Nwauzor and Tamunoemi (2020), and Adhikari (2020), but not with those of Oginni, Olowookere, and Ikotun (2020), Ndum and Oranefo (2021), Kusumastuti (2021), and Onyekwelu and Ironkwe (2021).

Lastly, health and safety cost was found to have no significant effect on return on assets of listed financial services firms in Nigeria. This goes in line with the findings conducted by Orwa, Ouma and Okwemba (2022), Alao, Oyegoke, Olalere and Ogundajo (2023), Worimegbe, Akinyede and Ojedele (2023). But does not go in line with the findings conducted by Nmesirionye, et al. (2023) and Beida (2024).

5. Conclusion and Recommendations

5.1 Conclusion

Based on the research findings, the paper draws the following conclusion:

The study's conclusions show that training expenses have no appreciable impact on the selected Nigerian financial services companies' return on assets. Consequently, the study comes to the conclusion that when evaluating the return on assets, both current and potential investors in the selected financial services firms cannot rely on training expenses.

Similarly, the result from the findings also disclosed that staff remuneration (STR) does not significantly affects return on assets of the chosen financial services firms in Nigeria. Thus, the study concludes that the chosen financial organizations' staff remunerations are not well handled since they have no major impact on their financial performance (represented by return on assets).

Finally, the regression table shows that there is no significant effect of health and safety cost (HSC) on return on assets of the chosen financial services firms in Nigeria. Therefore, the study concludes that stakeholders of the Nigerian financial service organizations may not rely on health and safety costs to anticipate the return on assets of the chosen financial firms since they have no substantial impact.

5.2 Recommendations

The study's findings and conclusion led to the following recommendations being made:

According to the findings, training and development costs have no influence on the financial performance of Nigeria's listed financial sector businesses. As a result, it is advised that listed financial services organizations should effectively monitor the quality and cost of trainings provided to their staff as well as the appropriate working conditions in order to improve financial performance.

Accounting standard-setting bodies should evaluate current accounting procedures pertaining to staff remuneration and develop guidelines for evaluating and reporting such expenditures in financial statements to improve the information content of such statements and company's value.

Furthermore, the Nigerian government must implement further legislation pertaining to employee health and safety in order to compel executives and owners of listed financial services businesses in Nigeria to document and disclose health and safety-related expenses.

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