

# **INNOVATIVE STRATEGIES IN HISTORICAL COST, REPLACEMENT COST AND ORGANISATION PERFORMANCE USING HR**

## **Abstract:**

Technology is being used in industry and services. Rapid technological advancements alter many industries. Information helps build and sustain the economy. Modern businesses' social responsibility and public image are evolving quickly. According to a recent national survey, many Americans believe corporations should be accountable to shareholders, workers, and local communities. These changes are not reflected in modern financial reporting. A strategy-language approach for comparing two methods is needed. This method integrates strategies from seemingly unrelated innovation types and allows systematic strategic analysis. Large commercial banks could consider including human resource expenditures in their asset structure and improving information quality via revenue expenses, which might positively impact their share price. The "human resources valuation approach" as a company performance measurement tool has gained popularity, boosting the use of metrics in human resource accounting. More studies are exploring the relationship between performance and HR.

Keywords: commercial banks, human resource accounting, social responsibility, economy

## **1.0 Introduction**

Historical cost accounting records commitments and assets at their original costs without adjustments for value changes. Since revenue statement's expenditures are based on past expenses, not replacement costs of things sold or utilized. The current cost is the cost of replacing an asset now. This calculation includes product production costs using current

work methods, materials, and requirements. Fair value and historical cost agree. One notion has pros and cons; therefore, they complement each other. (Tkachuk, 2019). Among accounting valuation values, historical costs are the most common. This element is verifiable by including it in the documents proving ownership of a promissory note or obligation. Accounting professionals think that historical cost accounting is the most trustworthy since it utilizes only concluded transactions and is impartial.

Managers innovate to boost company performance (Klingebiel & Joseph, 2017). Developing a plan is challenging since events and individuals affect choices. We lack the means to analyze causally complicated occurrences, and there isn't enough study on important strategy-related difficulties, making it difficult to determine what caused what in the past. Thus, theory creation from examples is difficult (Misangyi, 2016).

Strategic decisions and rationales are captured in a thorough analytical framework. However, a strategy-language approach for comparing two methods is needed. This method integrates strategies from seemingly unrelated innovation types and allows systematic strategic analysis. Lack of a consistent analytical framework for analyzing strategic choices may cause confusion, complexity, and a lack of direction.

The resource-based viewpoint and complexity approach are important strategic decision-making literatures (Gerhart & Feng, 2021). The notion includes conflicting values, value-focused companies, and industrial value chains. The framework is developed using integration analysis, whereas the theory is created using three cases and inductive reasoning.

Shamimul and Jaynob (2016) say a company's most valuable asset is its employees. Most companies say "our greatest assets are our people" in their annual reports and meetings. Employees are a company's greatest asset. Osman and Hüner (2017) say their presence is necessary for business choices and output. Competent, motivated, and driven employees may help even a dysfunctional company succeed, according to Zhenjing et al. (2022). If the current personnel are unmotivated and fail to utilize the resources, the firm may fail.

Training, retraining, and seminars and workshops help these employees gain abilities that benefit the company; thus, they should be shown as assets in the financial statement. Remember that all human resources interactions are part of accounting standards. Hasan (2022) claims that accounting experts disagree on how to measure, categorize, and report

human resources. Business understands "human resource value." Knowledge is crucial to financial and business success, but many businesses prioritize "return on investment (ROI)" over "return on knowledge." This approach involves assessing each employee's skills and expertise (Afolabi, 2014).

HR valuation has two main perspectives: the inherent value of human resources and their related costs. Human resource development, improvement, and maintenance costs are the study's key focus. Company output and profit margins rise with the investment. Return on investment may determine the value of human resources (Raghavendra, 2022).

The American Accounting Association defines human resource accounting as the systematic collection and dissemination of human resources data. Rightfully, human resource accounting states that every employee's data has numerical values. Osei-Assibey et al. (2019) suggest giving managers, stakeholders, the government, and others this data to help them make informed decisions. Human capital is becoming more important to firms as the digital economy grows. According to Josef (2017), human resource value involves analyzing financial data to determine human resource profits.

Technology is being used in industry and services. Rapid technological advancements alter many industries. Information helps build and sustain the economy. Modern businesses' social responsibility and public image are evolving quickly. According to a recent national survey, many Americans believe corporations should be accountable to shareholders, workers, and local communities. These changes are not reflected in modern financial reporting.

Many labour expenses are considered expenditures under accounting rules. This covers pay, benefits, education, and labor. Since human resources are typically treated like supplies or minerals, their status as assets should be examined. In a knowledge-based economy, people are firms' greatest asset. The importance of human capital is rising.

Working experience increases the value of human resources. As amortization increases, capital expenditure drops dramatically with this technique. The following question concerns conflict settlement methods.

H0: Cost-based valuation, economic valuation, and market-based human resources do not affect Nigerian organisation performance.

## **2.0 Literature Review**

## **2.1 Conceptual Review**

### **2.1.1 Human Resource Concept**

Human resource is an intangible resource that can assist many enterprises, according to Eleyae (2021). Due to its low marketability and unclear profits, evaluating it is tough. Due to subjectivity, human resource costing, which prioritizes investor needs over assets, may be difficult to apply. None of the methods for evaluating workers are thorough. Consider several aspects of staff productivity. Education, compensation, benefits, work performance, and professional background must be invested in human capital to value individuals (Davidescu et al., 2020).

Workers' value to the company depends on experience. Experience helps employees handle problems faster and better and increases their field and community awareness. Experienced people may give good suggestions, remarked Zhenjing et al. (2022). Formal education, degrees, certifications, external training, and on-the-job training are needed to value employees. According to Adegoke Oyewo (2019), education increases a firm's value but shouldn't decide employee value. Consider compensation, incentives, and job responsibilities when valuing an employee. Management evaluations and statistical analysis may value people based on job performance (Zhenjing et al., 2022). Also, professional skill determines employee value. Experienced employees are more likely to address a problem quickly (Zhenjing et al., 2022). As they learn about their sector and its people, coworkers may share that knowledge.

Companies require connections. Zhenjing et al. (2022) show that good internal and external supplier relationships might enhance productivity and project completion. Positive workplace relationships boost productivity. Given these factors, investing in education, rewards, and professional development may boost employee understanding and respect. In many modern organisations, people are their edge. This includes traditional public and private corporations, intangible product companies, and knowledge-intensive service providers. Since the 1960s, HR evaluation has been popular (Holdford, 2018).

### **2.1.2 Historical Cost (HC)**

Historical cost accounting affects economic choices. Data on historical transactions helps managers make future commitment choices. Historical costs must be used to evaluate prior

efforts. HC records real transactions (Abernethy et al., 2022). Thus, financial statement statistics are supported. Transaction records are needed for accountability. Historical costs must be used if accountability is vital (Alegbeleye& Uzoma, 2019).

Since HC does not change dramatically from the current cost, extra data on current pricing (changing price) is a realistic and adequate means to handle such information without switching from historical cost to current cost. Ragland and Moulton (1993) use a firm's stock value as a benchmark, allowing statement discretion to choose which assets and liabilities increase stock value. Most accountants believe that historical cost carrying quantities provide relevant and meaningful information for general-purpose financial statements. However, most accountants believe that financial statement readers and preparers require additional information to make judgements. They want an enterprise's present values and activities. Decision makers constantly estimate current values since the historical cost model does not give measurement, according to Ragland and Moulton (1993).

Criticism of traditional HC financial reporting claims the historical cost model does not show economic value and was not meant to do so. It overlooks inflation's influence on value and technological, commercial, and industry developments. This does not represent realistic expectations about future choices, events, and transactions. Ragland and Moulton suggest that choosing between historical and present value information is untenable since both are helpful.

Mixing historical cost and present value information in financial statements is also improper; both are lost. Ragland and Moulton provide a conceptual framework that preserves the historical cost model's benefits while providing current values. Account balances and net income from all activities throughout each accounting period would keep their current values due to historical cost accounting.

Ball and Brown (1968) believe that comparing accounting methods to normative frameworks is insufficient to assess income amounts. They conducted an empirical investigation to determine how much security prices reflect the annual accounting earnings announcement's substance and timing. Ball and Brown evaluated three empirical data sets utilising an efficient market hypothesis and a market model. Accounting income data from 261 enterprises is the first empirical data. The second is the annual report announcement date, when the Wall Street Journal publishes the preliminary income report. The final data is monthly NYSE closing prices. Since Ball and Brown (1968) were the first to demonstrate the decision-usefulness of historical cost-based accounting profits, their findings are crucial for accounting theory. Ball and Brown found three main findings. First, the market responded similarly to real income shifts, whether positive or negative. Second, the market has predicted most of the yearly income amount before the

reports are revealed. The final conclusion of this study is that share prices change after the announcement date.

In another study, Hand (2000) found that economic fundamentals (an accounting-based metric) controlled Internet stock prices, not online traffic or supply and demand. This analysis shows that economic fundamentals like accounting book values and profitability are still the most important elements in valuing Internet companies.

### **2.1.3 Replacement Cost**

The replacement cost refers to the monetary value that an organisation would incur to substitute an existing asset, given the prevailing market pricing, with a comparable asset. If the asset in issue has incurred damage, the replacement cost is determined based on the item's state before the harm occurred. The cost of replacing an asset may differ from its market value due to the potential variation in the cost of the replacement asset (RICS, 2018). The replacement asset only needs to perform the same functions as the original asset without needing to be a replica of it. The notion is used in the specified domains (Babu, et al., 2019).

The word "replacement cost" is often used in insurance plans to refer to the expenses incurred for the damage to a company's assets. The concept has significant importance as it entails the insurer's obligation to compensate the insured party for the expenses incurred in replacing assets that have been damaged or destroyed. The use of replacement costs may also serve as a means to approximate the financial resources that may be necessary for the replication of another enterprise. The use of this idea enables the determination of many potential price levels that may be employed in the development of a suggested price for compensating the shareholders of a target firm during an acquisition (Babu, et al., 2019).

The notion is also used in the field of capital budgeting, whereby it is used to develop estimations about the financial resources required for the replacement of deteriorating assets. A corporation may allocate funds for many years before replacing a significant asset, taking into account the projected replacement cost (Babu, et al., 2019).

### **2.1.4 Organisation Performance**

An organisation may be defined as a purposefully coordinated social entity, including a collective of individuals who collaborate towards shared objectives over an extended period. According to Demeke & Tao, (2020), several entities may be classified as organisations, including but not limited to schools, hospitals, churches, manufacturing and service enterprises, retail outlets, police departments, military units, volunteer organisations, start-ups, and municipal, provincial, and federal government agencies. A comprehensive understanding of organisational theories and

ideas about organisational performance is necessary to have a comprehensive understanding of the fundamental characteristics of an organisation.

The field of organisational theory has generated a wide range of models that investigate the performance of organisations. Several academics argue that the number of models is equivalent to the number of studies conducted on organisational performance. Presently, the idea of organisational performance is susceptible to several meanings owing to its subjective character. The lack of consensus in the literature about the criteria for assessing organisational success may be attributed to the subjective character of its definition (Davis, 2015). However, the concept of organisational performance may be described via six primary techniques.

Shareholders establish a distinct objective for the establishment of organisations. The performance of an organisation is indicative of its capacity to meet the expectations of its shareholders and maintain its presence in the market (Demeke & Tao, 2020). According to Demeke & Tao, (2020), organisational performance refers to the results of the actions or activities undertaken by members of an organisation to assess the extent to which the organisation has achieved its goals. Organisational performance refers to the capacity of an organisation to accomplish its objectives.

Goal attainment is a crucial criterion for assessing an organisation's success. Regarding the attainment or lack thereof of an organisation's goals and objectives, regular evaluations are conducted according to Etzioni's (1960) principles. Nevertheless, Etzioni's (1960) proposal failed to account for the necessary resources that an organisation needs to accomplish its goals and ambitions. Similarly, according to Demeke & Tao, (2020), performance may be defined as the attainment of predetermined objectives within a convergence of organisational orientations. From the author's viewpoint, performance is not solely based on the outcomes but also on a subjective assessment of the result of the goal. Additional scholars, like Chandler (1962) and Thompson (1967), developed a conceptualization of organisational performance that bears resemblance to the notion put forward by Etzioni (1960). According to Cherrington (1989), organisational performance may be described as the measure of an organisation's success or effectiveness, serving as an indicator of the organisation's ability to successfully fulfil its goals. Scholars of this kind contend that the paramount measure of organisational effectiveness lies in its capacity for expansion and enduring viability. The commonality across these definitions was the efficacy or achievement of the objective aspect of organisational performance.

## **2.2 Theoretical Review**

HR accounting affects corporate performance according to human capital and resource-based frameworks.

### **2.2.1 Human Capital Theory**

Schultz introduced human capital in 1961; Becker built on it in 1964. Labor economics, which studies the quantitative features of the workforce, provides the theoretical underpinning. Human capital theory states that education or training increases workers' output by giving them important knowledge and skills, which increases their lifetime wages. Education, training, and development are expensive but should be considered investments since they increase revenues, according to the argument.

The human capital theory explains occupational salary gaps. Flamholtz and Lacey (1981) and Baney and Wright (1997) defined human capital theory as the difference between broad skills and an organization's distinctive capabilities. Individual skills that benefit a company and may be used across sectors are called general abilities. Competing businesses may generate equivalent value by recruiting people with broad general administration, financial statistics, or cognitive skills. However, certain abilities are exclusive to a corporation and useless to competitors. One example of this is the ability to use a company's proprietary technology or understand its regulations and procedures, which often don't benefit other companies. Becker compares human capital to "physical means of production," such as factories and equipment. Human capital may be improved via education, training, and healthcare. Human capital returns affect production. Human capital boosts productivity when properly deployed. Human capital is replaceable but cannot be transferred like land, labor, or physical capital. This study relies on the theoretical framework, which views education, training, development, and workers' healthcare expenses as investments in employee efficiency. Additionally, it creates a competitive advantage that may boost organizational efficiency. If these investments are considered real assets and included in the financial statement, it becomes necessary to work hard to incorporate human capital. This theory is relevant to the present research because it provides a foundation for human resource accounting, a crucial aspect of the subject. It clarifies the role of human capital in corporate performance. According to Baney (1991), the Resource-Based Theory (RBT) states that worker performance greatly impacts corporate results. This shows that staff at different organizational levels work

together to achieve corporate objectives. To attain organizational objectives, personnel cognitive abilities, skills, and organizational human resource management must be improved (Baney, 1991). According to the resource-based paradigm, human resources are vital to long-term competitive advantage. The advantage depends on value, constraints, and specialization. The human resources professional must always have these traits, as detailed below. Cost reduction and differentiation are two ways firms create value. Cost reduction lowers their product or service costs, while distinctiveness lets them charge more. HR executives aim to generate value through their work. The HR executive must first decide whether HR operations will increase or decrease expenses and revenues. Imitation occurs when a company's staff possesses unique and attractive traits that might boost short-term revenues. However, if other companies can gradually copy comparable traits, they will only provide some competitive parity. Bassey and Tapang (2012) say human resources are harder to replicate than equipment or structures. Investing in unique human capital may reduce duplication by qualitatively distinguishing a company's employees from its competitors. Expertise: A corporation must be structured to effectively use its people resources to maintain a competitive advantage. Organizational human resource management depends on method and process design. Depreciated Replacement Cost (DRC) is used to evaluate a property or asset by considering the cost of replacing it or buying a comparable replacement. The widespread adoption of this strategy by industry leaders attests to its effectiveness. The Dictionary of Real Estate (DRC) Evaluation (4th ed.) defines replacement cost as the estimated cost of building a structure with equal usefulness to the property under evaluation. The market price on the effective evaluation date, contemporary materials, and current design and layout criteria determines this rating. The DRC approach is worldwide, under the prior definition. Depreciated cost is the value of an asset after subtracting the amount lost due to deterioration from the assessment date. After extensive research, we concluded that the DRC technique focuses on replacement prices without depreciation, such as physical degradation. The revised replacement cost of the property is needed to value it using the DRC method. Including a depreciation allowance for age and degradation.

### **2.2.3 Resource-Based Theory**

The resource-based business approach comes from organizational economics and strategic management. This strategy assumes organizations may succeed by gaining and maintaining a competitive advantage. A corporation may gain a competitive advantage by implementing a value-creating strategy that is hard to imitate and sustain and has no credible alternatives. First, opposing organizations must have different resources, and second, these resources must be immovable to gain a competitive advantage. Physical resources include plant, technology, and equipment; human resources include employee experience and expertise; and organizational resources. Human resource management affects a company's organizational and human resources and may be used to gain a competitive advantage. Logically, organizational circumstances affect the breadth and effectiveness of human resource management in producing a competitive advantage. To understand the differences between knowledge-intensive and labor-intensive firms, it's crucial to consider how technology might replace human resources in certain areas while acknowledging their importance in others. The latter case may benefit from human resource management for competitive advantage.

### **2.3 Empirical Review**

This section critically reviews empirical research on human resource accounting and company performance. For instance, Okon, Otuza, and Dada (2021) examined how accounting information systems' human resources affect management decision-making at Seventh-day Adventist institutions in the Eastern Nigeria Union Conference. This study employed cross-sectional survey research. The study comprised 250 management and general administration accounting professionals from 24 organizations. The survey sampled all 250 workers. The questionnaire was standardized and validated. The response rate was 84.4%. Basic linear regression was used for inferential statistics. Human resources in AIS positively and significantly affect management decision-making at Seventh-day Adventist institutions in Eastern Nigeria. According to the report, institutions should prioritize human resource development. This may improve organizational management, especially informed decision-making.

Business performance and corporate information affect human resource accounting reporting, according to Kusumastuti's (2021) research. The data analysis method uses secondary data and multiple regressions. The analysis found a positive and statistically

significant association between business size, leverage, CAR, and LDR and human resource accounting disclosure. Company age and profitability do not significantly affect human resource accounting reporting.

Ndum and Oranefo (2021) examined how human resource expenses affect Nigeria's publicly listed beer businesses' financial performance. Ex-post facto research was utilized in this study. The survey includes five 2019 NSE-listed brewing enterprises. The NSE received annual reports from these firms from 2007 to 2019. Regression research shows a positive and statistically significant association between staff expenses and the net profit margin of Nigerian brewing enterprises. Staff expenses increase these enterprises' return on assets, but not much. According to the study, Nigerian brewers should recognize and record human resource investments to improve quality and productivity. This will improve their financial performance and share value.

Olaoye and Afolalu (2020) examined how human capital accounting affects Nigerian deposit money bank EPS. Annual reports from the sixteen Nigerian Stock Exchange-listed deposit money institutions from 2006 to 2017 were used. This study examined the relationship between human capital accounting and Nigerian deposit money bank EPS using static panel data with fixed and random factors. To choose the best and most trustworthy estimator, the Hausman test was done after estimating. Random effects were chosen to achieve the goal. The random effects study shows a statistically significant positive relationship between pension, training, and EPS. The other salaries and wages have a negligible positive association with EPS, except director's remuneration (RENMR), which has a negative relationship. Human capital accounting includes pensions and training, which boost bank performance and profits per share. These results suggest that bank management prioritize pension payments and engage in staff training and development to increase EPS.

Khan (2020) examined how HRA affects organizational effectiveness. By analyzing HRA, the research determines an organization's financial characteristics, including human capital efficiency, profitability, return on assets, and return on equity. This research collected 268 replies from small and medium-sized firms' human resources and financial departments to see how various metrics affect them. After that, linear regression and ANOVA were performed on the data. HRA positively affected human capital

efficiency, organizational profitability, and return on equity, according to the coefficient values. It is clear that Saudi SMEs understand the benefits of human resource analytics (HRA). Management must execute programs quickly, which may be done via national awareness. HRA hardly affects the return on assets. Human resource accounting (HRA) and its potential to improve financial statements are explained in this research for SMEs, human resource departments, and management decision-makers.

Olayinka and Adegbe (2020) explored how human resource accounting affects financial reporting in listed Nigerian oil and gas businesses. Researchers used earnings quality, accounting conservatism, earnings smoothness, and persistence as proxies to examine this association. Ex-post facto research was used in this study. The survey included 12 Nigerian oil and gas businesses. The research selected 12 oil and gas businesses with secondary data from 2004 to 2018 using selective sampling. The empirical research on financial reporting quality in oil and gas corporations demonstrated that human resources drove the improvement. The study shows that human resource accounting affects financial reporting in Nigerian publicly listed oil and gas businesses. The research indicated that regulatory authorities encourage enterprises that follow regulations and provide information transparency for profit quality evaluation. They should also punish corporations that knowingly conceal important information from stakeholders.

Nwauzor and Tamunoemi (2020) examined how human capital accounting affects Nigerian oil and gas enterprises. They focused on how human capital affects company profitability. Expo factor research was used to investigate Nigeria's nine downstream oil and gas enterprises listed on the Nigeria Stock Exchange (NSE) in 2018. Compensation expenses positively and statistically significantly affect market share. The research also found that business size does not moderate the association between human capital accounting and financial success. Thus, Nigerian oil and gas businesses should use the 3 Rs for HR.

Edom (2019) examined how human resource accounting affects Access Bank of Nigeria plc's profitability. This research examined how human resource accounting affected Access Bank Nigeria Plc's financial performance from 2003 to 2012. Access Bank Nigeria Plc secondary data were analyzed using ordinary least squares. Evidence links Access Bank Plc's profitability to human resource spending measures, including training,

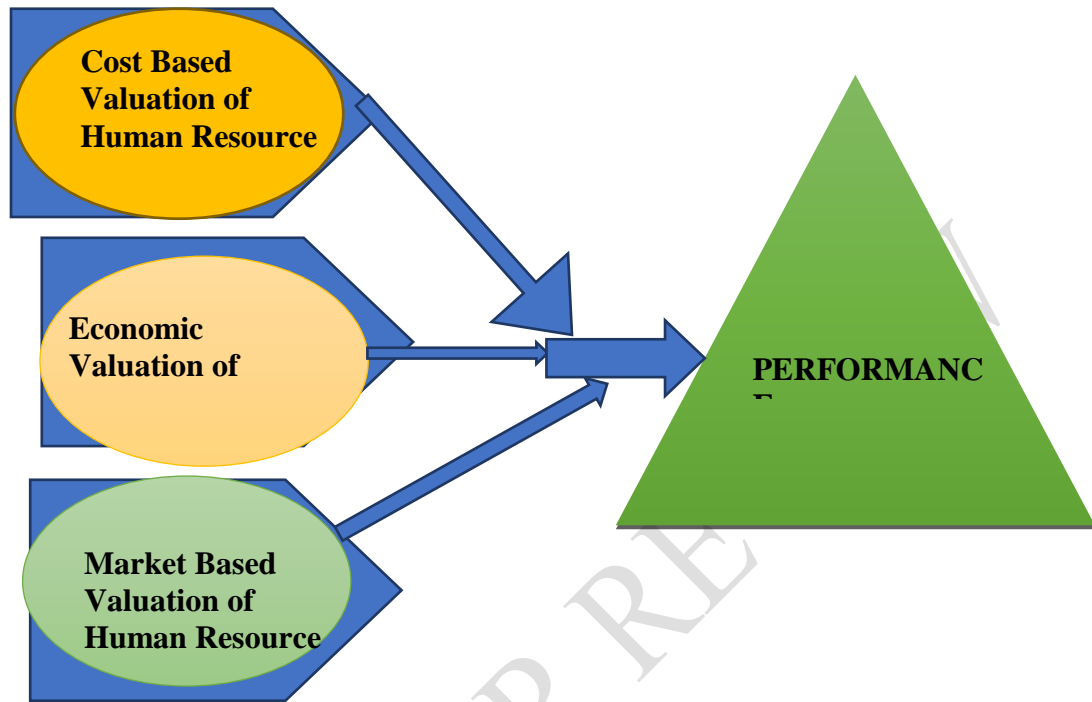
development, and personnel numbers. A significant link was found between training and development costs and bank profits. Staffing does not affect the bank's profits too much. Thus, firms should increase staff education and training retention to boost performance. The accounting standard board should explore adding human resource accounting value and disclosure rules. This research, like others, did not include staff health and safety as a replacement for HR accounting.

Akinjare, Idowu, and Sule (2019) examined how HRA affects Nigerian company performance from 2012 to 2016. The researchers used secondary data from ten carefully selected 2012–2016 oil and gas company annual reports and financial summaries. The study analyzes data using ordinary least squares. Statistically, gross personnel expenses, training and development costs, and Nigerian oil and gas company performance are positively correlated. However, the research found no association between health and safety costs and company success. This research found that although health and safety expenses do not affect business performance statistically, human resource accounting does. This research proposes that firms should invest more in staff training and development and standardize human capital asset identification and assessment.

Young et al. (2019) gathered secondary data from 207 manufacturing organizations over five years to examine how human resources development affects operational and financial performance. According to the report, HRD investment and management assistance directly affect corporate success. Large commercial banks could consider including human resource expenditures in their asset structure and improving information quality via revenue expenses, which might positively impact their share price.

## 2.5 Researcher Conceptual Model

**Figure 1: Conceptual Model.**



Source: Researcher's Conceptual Framework (2023)

## 3.0 Methodology

Using a Likert five-point scale and prior research, the researcher evaluated participants' opinions on the questionnaire items and assigned weights to each response based on its level of agreement: "strongly agree" received a weight of 5, "agree" received 4, "neutral" received 3, "disagree" received 2, and "strongly disagree" received 1. The arithmetic mean of sample members' opinions was calculated using these weights.

### 3.1 Methods of Sampling

These works used positive and negative terms. Each research instrument was allocated a number for each respondent in every bank to speed up data processing. A key was used to code HRVPAS research instrument data.

### 3.2 Analysis Method

Questions in the questionnaire measured the desired variables. The codes and scores from each instrument were stored in a database or file using an item matrix table. In a matrix table, the data was organized according to respondent and hypothesis. Data was deleted

and arranged into means, standard deviations, and percentages as needed. This process helped find a statistical analysis method for each study idea.

### 3.3 Operationalization of Variables and Model Specification

The specified model for the study is stated thus:

$$Y = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \tau$$

Definition of variables

- Y = Performance
- X<sub>1</sub> = Cost Based Valuation of Human Resource
- X<sub>2</sub> = Economic Valuation of Human Resource
- X<sub>3</sub> = Market Based Valuation of Human Resource
- α<sub>0</sub> = Unknown constant to be estimated
- α<sub>1</sub>, α<sub>2</sub>, α<sub>3</sub> = Unknown coefficients to be estimated
- τ = Stochastic Error term

## RESULTS, ANALYSIS AND DISCUSSION OF FINDINGS

### 4.1 Data Analysis

**Table 1: Regression results of human resource valuation and the performance of Nigerian banks**

**DEPENDENT VARIABLE: Productivity (Y)**

VARIABLE	ESTIMATED COEFFICIENTS	STANDARD ERROR	T-Statistic	P-Value
Constant	15.4515	0.2880	8.3505	0.0000
X <sub>1</sub>	0.0075	0.0030	2.8800	0.0045
X <sub>2</sub>	0.381	0.0060	3.3435	0.0015
X <sub>3</sub>	0.003	0.0105	3.5415	0.0000
R	=	0.8964		
R-Square	=	0.8928		
Adjusted R-Square	=	0.8901		
SEE	=	13.9491		
F – Statistic	=	16.4430		
Durbin Watson Statistic	=	2.3508		

**Source: Researcher’s Computation, 2022**

## **4.2 Discussion of Findings**

Table 1 shows regression analysis results on Nigerian bank performance and human resources value. According to economic theory, the regression coefficient was positive. The dependent variable (Y) is directly related to the human resource value indices (X1, X2, and X3). Reducing independent variables improves performance believability.

The R-square value of 0.8964 shows that the explanatory variable explains 89.64% of "performance," while 10.72% is unaccounted for. The model may have missed 10.72% of the components or variables. A high R-square suggests a strong relationship between the dependent and independent variables. Corrected R<sup>2</sup>=0.8901. The regression line shows that stochastic error accounts for less than 10.99% of productivity variation. The equation variables can explain over 89.01% of the observed variability. The researcher evaluated the model's statistical significance using the F-statistic. The F-statistics table requires the model to have an F-statistic larger than 3 and 396 degrees of freedom. The model has 5% statistical significance. Autocorrelation is shown by the Durbin Watson (D/W) test, which places the 2.3508 score in the inconclusive area of the partition curve. The absence of autocorrelation shows this.

The alternative hypothesis argues that these components significantly impact Nigerian bank performance, contradicting the null hypothesis that cost-based valuation, economic valuation, and market-based human resources do not affect Nigerian organisation performance

## **5.0 CONCLUSION AND RECOMMENDATIONS**

### **5.1 Conclusion**

HR has been widely recognized in economics, organizational management, and organizational culture, prompting research analogous to the global rise of human resource value studies. Innovative Strategies in Historical Cost, Replacement Cost and Organisation Performance Using HR being the focus of this study. The "human resources valuation approach" as a company performance measurement tool has gained popularity, boosting the use of metrics in human resource accounting. More studies are exploring the relationship between performance and HR.

## 5.2 Recommendations

The researcher recommends the following based on study goals and results:

1. Bank workers need career management tools to plan their careers. The organization provides this solution to determine job assignment sequences that help workers learn bank-required skills and knowledge.
2. Depending on the company's career planning structure, employees must be encouraged to take greater responsibility for their own progress, including the learning of bank-valued skills.
3. A career planning system may help employees learn vital skills and contribute to the company's success. Career planning may increase bankers' skills and expertise.

UNDER PEER REVIEW

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