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HUMAN CAPITAL COST ACCOUNTING AND MARKET VALUE OF NIGERIAN LISTED INSURANCE COMPANIES

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ABSTRACT
The study empirically examined the relationship between human capital cost accounting and market value of Nigeria listed insurance companies. Four research questions were answered in the study with four null hypothesis that were formulated and tested at 0.05 level of significance. The study adopted the expo-facto quasi-experimental design. Secondary data were extracted from Nigeria stock exchange official records. Online statistical data base for twenty (20) insurance companies which were analyzed using Stata version 15 software with a panel data regression model ranging from 2005-2020 were documented. The population was all the listed insurance companies in Nigeria. Purposive sampling technique was used to select twenty (20) insurance company based on available data. The result of the findings shows that there is positive a significant relationship between welfare costs on earnings per share. Training cost has positive significant relationship on dividend yield, welfare cost has positive significant relationship on dividend yield. Based on the findings of the study it was recommended among others that Nigerian listed Insurance companies should minimize their human capital investment in order to create optimality by increasing their Earnings per Share. Human capital should include all the expenses incurred on enhancing knowledge, education, expertise and skills of employees, Therefore, there is need for Nigerian listed Insurance companies to engage highly trained staff with highly paid Salaries and Wages in order to boasts the overall market value. By so doing will enhance Nigerian listed Insurance companies to sustained competitiveness.

KEY NOTE: HUMAN CAPITAL COST ACCOUNTING, MARKET VALUE, TRAINING COSTS, WELFARE COST, EARNINGS PER SHARE.

Introduction
Human capital remains the most valuation factor in any organization. The process of securing, training and rewarding human capital however remain difficult and cumbersome. Since human capital is seen as an asset of the organization this means that the value should be calculated in the company's statement of financial position, machines, real estate, land, buildings are considered as assets in the statement of financial position. Cash, debtors, etc. are considered as current asset of the company and is therefore treated on the assets side of the balance sheet.

Regardless of the colossal amount of capital invested on human capital, the traditional accounting practice does not report these costs appropriately in the statement of the financial position of the firm compared to other physical assets. The conventional accounting neglects the efforts of human capital towards the contribution of business performance. As a result of this, there is no true and fair view of the company’s financial position and market valuation as it leaves out the human and capital accounting components (Canibano et al, 2000; Ashton, 2005).

Although, human capital is not captured by most insurance companies in Nigeria in their statements of financial position, it is an important resource for making organizations to have competitive advantage. The Companies that intensively account for human capital in the statement of financial position are more competitive than other companies that do not account for the human capital and are therefore more successful (Youndt, 2004).
Consequently, there is need to draw attention to the fact that, it may not be enough to acquire and maintain human capital, but it is good enough that the human capitals are developed to meet dynamic market environment. This aspect of employee management attracts reasonable cost. Due to the implication of this cost to firms' finances, organizations should keep account of cost implication of human capital.
It is common to see some employees working with a particular certificate or skill for a very long time without additional skills. Such employees soon go obsolesce and their performance drop. What most organizations do not understand especially in the insurance sector is that, the long run effect of human capital accounting far supersedes the immediate cost particularly in this period of competitive market economy where scientific means of data processing has made the world a global village.

This is because human capital accounting keeps the firms' consciousness at alert and this alertness helps to update employees with up to date current realities, modern skills, new innovation and technical knowhow. In an emerging financial market like Nigeria, where customer reorientation and satisfaction take top priority, insurance companies need to constantly train and retrain workers to meet the market demand, despite the financial implication. According to NAICOM (National Insurance Commission), insurance business in Nigeria is not performing well. This business is suffering from cash flow problem, they struggle to settle their claims and lack investible funds.

Also, lack of trained personnel resulted in the failure of insurance business in Nigeria and can be tied to low rate in patronage of insurance services by the public. Because of its poor performance investment in the human capital which is the bed rock of any organization which has chased investors away, no investor is ready to venture into an investment that will not be viable. Again, due to inability of insurance personnel to identify target patrons and adopt different marketing strategies (Ehigie, 2004 cited by Omar, 2007).

Consequently, the sales agents and brokers that drive insurance market in Nigeria are not well paid in terms of wages and salaries. They do not get nice treatment such as welfare and training from their insurance companies.

It is pertinent to observed that most of the studies were done in foreign countries, Again, Studies that have been conducted in Nigeria showed mixed results on human capital accounting relationship with corporate performance but most of these studies have not looked at the relationship between human capital accounting and market value of insurance firms in Nigeria. Hence, there is a clear gap in existing literature and need to empirically investigate the relationship between human capital cost accounting and market value of Nigerian Insurance quoted companies.

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Aims/objectives of the Study

The general objective of this study is to determine the relationship between human capital cost accounting and market value of Nigerian listed Insurance companies; while the specific objectives of the study include to;

i. Determine the effect of training cost (TC) on earnings per share (EPS) of Nigerian listed Insurance companies.
ii. Determine the effect of training cost on dividend yield of Nigerian listed Insurance companies.
iii. Determine the effect of welfare cost on earnings per share of Nigerian listed Insurance companies.
iv. Ascertain the effect of welfare cost on dividend yield of Nigerian listed Insurance companies.

Research Questions

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i. What is the effect of training cost (TC) on earnings per share (EPS) of Nigerian listed Insurance companies?
ii. What is the effect of training cost dividend yield of Nigerian listed Insurance companies?
iii. How does welfare cost affect earnings per share of Nigerian listed Insurance companies?
iv. What is the influence of welfare cost on dividend yield of Nigerian listed Insurance companies?

Research Hypotheses

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H_{O1}: Training cost has no significant effect on earnings per share of Nigerian listed Insurance companies.

H_{O2}: Training cost has no significant effect on dividend yield of Nigerian listed Insurance companies.

H_{O3}: Welfare cost has no significant effect on earnings per share of Nigerian listed Insurance companies.

H_{O4}: Welfare cost has no significant effect on dividend yield of Nigerian listed Insurance companies.

REVIEW OF RELATED LITERATURE

Concept of Human Capital

Human capital cost is one of the three basic components of intellectual capital (which apart from material assets includes the entire value of the enterprise) as stated in corporate finance. Human capital is the value that employees of the company provide thanks to their skills, knowledge and experience. It is the combined human ability of the organization to solve business problems. Human capital is inseparable from man and cannot be the property of an organization.

That is why human capital leaves the organization when people leave. Human capital also includes the effectiveness of the use of human resources by the organization measured by creativity and innovation. The reputation of an enterprise as an employer affects the human capital it derives. (Gibbons, Robert, Waldman, Michael, 2004). The topic is closely related to the study of human resource management that is found in practice in business administration and macroeconomics. The cradle of human capital can be traced, at least in Adam Smith in the eighteenth century.

The concept of Human capital cost Accounting has been defined in various ways but the basic feature of the system remains the same in all the definitions. Human capital is the ability of human to solve problem. Bontis (2001) defines human capital as the skills, knowledge and experience of individual employees within an organization. Brooking also believes that human assets of an organization include skills, expertise, problem- solving ability, and leadership practices. According to Chen (2004), human capital as the basis of intellectual capital includes the factors (such as knowledge, skills, capabilities and attitudes of employees) leading to improvement of client's expected performance and company‵s profitability. In fact, they believe that each employee has a type of skills and knowledge which are an integral part of that employee‵s mind; if the knowledge and skills are not activated, the employee cannot be used to create value for organization. Although the most important asset of a learning organization is its employees, they cannot be owned by the organization for ever (Stewart, 1997). In the knowledge-based economy the responsible party for the achieved market results is definitely the employees.

Rahaman et al. (2013), defined Human Capital Accounting as the process of identifying, measuring and communicating information about human resources in order to aid effective management within an organization. This definition considers Human capital accounting as the process involving recognition and the quantification of human resources for the purpose of supporting the effectiveness of management of an organization. The definition is somehow crude as it is not specific as to what constitute the human resources expenditure and how it is to be recognized. A more specific definition of Human capital accounting is the one given by Flamholtz et al (2002), which refers Human capital accounting as the process, which involves measuring the cost incurred by business firms and other organizations to recruit, select, hire, train and develop human asset. This gives a assessment as to what expenditure on the human resources should be recognized for valuation and reporting purposes.
This definition, in other words, regards Human capital accounting as involving the measurement of economic value of people to organizations. Whereas the above definition of human capital accounting centered on the cost incurred in improving and developing human resources, another definition considers the contribution aspect of human resources. According to Bassey et al. (2012), just as the field of human resource accounting has grown globally, significant interest in HRA has expanded and crossed over into fields other than accounting, including economics, organizational management and organizational culture and consequently inspired related studies.

Dimensions of Human Capital Accounting (HCA)

Knowledge, Skills and experience of an employee in an organization could be refers to as human capital. This could be classified into employee size, salaries and wages cost, and welfare and training cost.

Training

Training is essential to the growth and development of an organization as blood is essential to the human existence so is the training of employee is essential to the success of an organization. Training both physically, socially, intellectually and mentally are very essential in facilitating not only the level of productivity but also the development of personnel in any organization. According to Abiodun (2000), Training is a systematic development of the knowledge, skills and attitudes required by employees to perform adequately on a given task. Employees training and development is seen as the most important formation of any competent management. The reason is not farfetched, the ever increasing technological sophistication especially in this age of computer technology has really made it compulsory for organizations to meet changing situations. Training for capacity building is central to sustaining economic growth and development because human capital is the greatest assets of any organization. Capacity building could also be defined as the internalization of the knowledge, skills and processes that enable the formation, implementation, monitoring and evaluation of set goals in an efficient manner.

Welfare Cost

Welfare can be refer to both the individual and to the collective and involve material as well as immaterial needs of the insurance company. Moreover, it will often be connected to various interpretations of social justice (George & Page 2004). Welfare can also include acts of altruism, channels for the pursuit of self-interest, the exercise of authority, transition to work, and moral regeneration (Deacon 2005).

i. In another vein, welfare is thus mainly connected to individual’s perception and utility of the use of income. This also makes it very difficult to measure welfare at the macro level as individuals’ evaluation of the utility gained from income will differ, but often the consumers’ choice as reflected by the market has been used as a proxy and this explains why GDP per capita is seen as a good indicator
ii. The concept of welfare implies a clear role for human capital in the creation of value in the insurance sector of the economy, for example, the financing and delivery of services and income transfers. This concept is all about insurance companies in Nigeria to accept the responsibility for ensuring employee’s good welfare.

Concept of Earnings Per Share

In accordance with the International Accounting Standard (IAS 33): Earnings per share an entity that trades equity instruments on public markets is required to disclose EPS as part of its financial statements (BDO, 2014; IFRS, 2014a:A1189).

EPS is a calculation that allocates a company’s profits to each of its ordinary shares (Vaidya, 2014). It serves as an indication of profitability by measuring the entity’s performance in relation to share capital that is employed to generate such returns (Koppeschaar et al., 2013). EPS has become a useful investment decision tool for investors, because it indicates future prospects and growth (Mlonzi et al., 2011).

According to Zhang (2008), earnings per share (EPS) are one of the most widely used accounting numbers. He further explained that this presents a company’s current and future potential debt and provides stockholders with information on the segment of earnings belong to each share. One important concern in the study of earnings per share (EPS) is the potential future conversion from option-like securities to common stocks. Historically, the main challenge is the extent of such conversion to be counted in the computation of the number of common stock. Many previous studies focus on the calculation of earnings per share. However, few of them explicitly analyze the usefulness of the earnings per share (EPS) information to investors.

In another development, Earnings per share (EPS) are form of ratio analysis in which it is used as an instrument for measuring financial success of companies. It revealed an important reality that deals with the operation and financial situation of companies. Financial analysts use market ratios (earnings per share) to analyze financial situation. As a form of ratio, it's simply revealed important realities about the results of operation and financial situation of companies and presents their information. Rashidul *et al.,* (2014), Shareholders and investors care about market price per share of companies and the ratios showing it and these are estimated based on current market situations.

Rashidul *et al*, (2014), further explained that generally, these form of market ratios are used basically for investment decisions and long-term planning. Saiedi, (2007) opined that other form of ratios includes price/earnings ratio (P/E), dividend per share (DPS), dividend payout (D/P) and dividend yield (DY). However, Earnings per Share (EPS) is generally considered most important factor to determine share price and firm value**.** Saiedi, (2007) further explained that the term earnings per share (EPS) represents the portion of a company's earnings, net of taxes and preferred stock dividends, that is allocated to each share of common stock.

Concept of Dividend Yield

Dividend is categorize as an aspect of the earnings the company pays to its investor's, and the dividend-yield is how much the company pays out relative to its share price. Investors have different preferences concerning dividends. Some prefer dividends over capital earnings and others the opposite (Odgen et al., 2009). The total stock return is a performance measure, which investors use to make apparent how stocks with different level of dividend have performed against each other (Krantz, 2009).

Dividend-Yield is one of the most important financial ratios. The dividend-yield tells us how much the company pays out in dividends each year relative to its share price.
Dividend-Yield = Annual Dividend per Share / Price per Share
This could be categorized into two scenario:
Scenario 1: High Dividend-Yield - This could imply that the company is of high risk and the prospect of the future is negative and therefore results in a price decrease of the share. The shareholders might be afraid that large amount of money disappears from the company in the form of dividends (Aktiekunskap.nu). The investors might believe the earnings would be better spent as retained earnings in order to invest in profitable investment opportunities. As a result, the investors would sell their equities and the stock price would decrease.

An opposite way of interpreting high dividend-yield is that the price of the share will increase overtime (Aktiekunskap.nu). It is argued that investors prefer high dividends since one bird in the hand is worth more than 10 in the bush. Therefore, the investors bid up the price of the stock, which in turn results in that high yielding stock are more expensive relative to low yielding stock (Black and Scholes, 1973).

Scenario 2 Low Dividend-Yield - If a company has a low dividend-yield, the market participants might expect the company to be more profitable in the future (Aktiekunskap.nu). The market participants might assume the stock price will rise since the last years have been troublesome for the company. There are many explanations why the participants might have this expectation. One is that the stock market has recently been in an economic downturn and it is about to rise again.

A low dividend-yield could also imply that the company is struggling and is neither profitable nor has a positive prospect of future (Aktiekunskap.nu). The market participants assume the management of the company has inside information about the future, and the low dividend-yield might be interpreted as distressed times are coming. The effect of this interpretation is that the shareholders sell the equities and as a result, the stock price decreases. However, this effect might be only temporary if the distressed times are does not materialized (Black and Scholes, 1973)

Relationship between Human Capital Cost Accounting and Market Value

Human Capital Accounting refers to financial accounting that gives monetary value to people's worth which in turn affects the value they add to the business growth. Many proponents have adjudged HCA as very veritable in the valuation of firms' worth. First, Trustees (2008) avers that valuing company's share involves more than just forecasting the company's cash flow. It involves analyzing the more subjective and qualitative aspects known as qualitative analysis. He further submits that while the quantitative analysis is mainly concerned with numerical attributes found in the balance sheet, the income statement, the qualitative analysis involves the non-numerical attributes of the company such as management, employee's moral and quality of staff which he noted are highly intangible. Many of the best performing companies like have very little tangible assets yet their intangible assets have market capitalization greatly exceeding their book value Amit (2002) in Okafor, (2010).

He further aver that the value the intellectual capital can add to a firm's value is very conspicuous in the service sector, information technology and manufacturing where experts estimates that about 75 percent of the market value comes from knowledge, Amit (2002) in Okafor, (2010). They submit that Intellectual Assets of a company are often worth three to four times the tangible book value, that the information on intellectual capital both current and future they asserts should occupy at least one third of the annual reports. Human Capital Accounting aims at ensuring that investments in human resources are treated as assets, capitalized and written-off within the expected period that the staff will serve the organization. Human capital accounting will ensure that existing and potential investors appreciate the changes and value in human assets in order to evaluate assets and income properly. The significance of the human capital theory is that it regards people as assets and stresses that investment by organization in people will generate worthwhile returns (Okpara and Chidi, 2010). Barnney (1991) as cited in Okpara and Chidi (2010) noted that sustainable competitive advantage is attained when the firm cannot be or substituted by its rivals.

Theoretical Review

Human Capital Theory

This theory is a contemporary development of the explanation of Adam Smith regarding the difference in remuneration of the so-called net benefits between various jobs. The cost of learning to work is a very important part of the net advantage and has led economists such as Gary S. Becker and Jacob Mincer argue that other income varies depending on the size of investments in human capital; it is education and training of people or groups of employees. Human capital theories have developed rapidly since Mincer (1958, 1962), Schultz (1960, 1961), Becker (1962) and Bcn-Porath (1967), laid their foundations.

Since training is regarded as an investment, it involves costs and benefits, which can be assessed by using financial criteria such as present value and the internal rate of return. Initially, Becker (1962) studied the impact on wage levels of two types of human capital operating in a perfectly competitive labour market that had no imperfections distortions. The form of human capital can be transferred to other organizations that encourage employees to cover costs and achieve all the benefits of education. The theory of human capital is based on neoclassical theories on labour markets, education and economic growth. It is assumed that employees are productive resources and try to find out if highly educated employees are more productive than other employees (Simon, 2008).

According to Garcia (2005), because employees do not receive significant increases due to increased productivity after participating in special training, they will not be motivated to finance their own educational requirements. On the other hand, companies will want to cover these education costs, because they will get almost all returns from improving the efficiency generated by new skills (Garcia, 2005).
So, Becker' (1964) theorized that human capital theories elaborated the relationship between labour capital and the growth of family and society and the influence of capital labour theory on income and the repaying rate of labour capital theory. It also discussed the problems of the repaying rate of college education and middle school education, the relationship among age, profits, wealth and labour capital.

The theory asserted that widespread commitment in human capital creates in the labour-force the skill-base indispensable for growth of economic agent. It thus captured that the survival of the human capital reserve has been said, for example, to explain the rapid reconstruction achieved by the Dutch peoples during World War II. Human capital comes from every activity that can increase the individual productivity of employees.

In practice, full-time education is far too fast as the main example. In the case of employees, investments in human capital involve both direct costs and costs in past due revenues. Employees who make investment decisions compare the attractiveness of alternative future revenues and flows of consumers, some of which increase future income as opposed to higher current education costs and delayed consumption.

The return on social investment in human capital can in principle be calculated in a similar way. Empirical research suggests that even if some of the observed volatility of earnings, probably due to skills, learned the percentage of unexplained variance is still high and should be the property of an imperfect structure and function in the labour market rather than the productivity of a person supplying labour. Although the human capital development theory states that investing in human capital will lead to greater economic efficiency, the importance of this theory is sometimes difficult to prove and contradictory. Previously, economic power was heavily dependent on tangible physical assets such as land, plants and equipment. Work was an indispensable component, but the increase in the value of the company resulted from investment in investing equipment. Contemporary economists seem to agree that education and health care are the key to improving human capital and ultimately increasing the country's economic output (Becker, 1993). The theory of human capital revived in the 1960s primarily thanks to the work of American economists Theodore Schultz (1902-1998) and Gary Becker (1930).

At that time, economists began to create tangible links between education and its impact on the ability of people to earn higher wages (Fitz-et al., 2000). Schultz argued that the traditional economy did not exactly calculate or take into account the value of human knowledge. Jac Fitz-Enz in his book ROI Human Capital (2000), cited the description of Schultz human capital and found that all human skills had to be congenital or acquired. Each person is born with a specific set of genes that determine the innate ability of the person. Bowles notes that the modern theory of human capital eliminated the class as the main economic concept (Bowles, 1975). The theory of human capital has been moved gradually from the assignment of control of production factors to the identification of groups (classes), and the theory for each working is capitalist (Bowles, 1975). Bowles questioned the conventional economic assumptions that people only motivated their own interest. In Bowles, he believes he can pay the structure, the individual attributes that are valued on the labor market and social conditions in the educational process can only be explained by the analysis of class structure and class (Bowles, 1975). Becker claims that every employee is a capitalist who works in his own interest. Becker expanded the theory of human capital by analyzing the relationship between earnings and human capital. Becker is responsible for developing a systematic framework for studying return on education and training in the workplace, in addition to wages differences and wages profiler over time (nobelprize.org 2007).

Empirical Review of Related Literature

Arma (2018), investigated the effects of earnings per share and firm size to stock price LQ45 Company Listed in Indonesian Securities. This study was conducted by the firm that included the stock index of IDX (Indonesian stock exchange) consist of the 45 best stocks (LQ45 index companies) that are listed on the Indonesian Securities. This study aims to assess the effect of earnings per share and the firm size on stock prices. The purpose of this study was also to prove that the size of the firm can moderate the relationship between earnings per share and stock prices. By conducting a regression analysis, this study gives evidence that earnings per share and firm size have a significant effect on stock prices. The size of the firm is also able to moderate the relationship between earnings per share and stock prices. The results of this study gave evidence that profit and the size of the company can provide important information for investors in making decisions.

Omole et al. (2017), evaluated the effect of human capital accounting on shareholders' value in oil and gas companies in Nigeria. This was with a view to providing information on how costs incurred on personnel could be identified, measured and disclosed on the statement of financial position of companies as an asset which is the key factor to the successful operation in oil and gas industry. The study made use of secondary data collected for the period 2004 – 2016. The entire oil and gas companies listed on the Nigerian Stock Exchange (NSE) were selected for the study based on availability of human capital accounting information in their Annual Reports. Data on variables such as human capital disclosure, dividend per share and earnings after tax were collected from the Annual Reports of the companies. Data collected were analyzed using correlation and regression analysis using the E-view statistical package. Findings revealed that that the nature and characteristics of investments on the human resource require them to be capitalised rather than expensed. The study established that there is positive significant relationship between human capital costs and the shareholders' value in oil and gas companies in Nigeria. The study recommended that that standard should be created for human resource disclosure and measurement in order to enhance valuation of human capital, ensure uniformity in disclosure and more reliable interpretation and comparison of financial statements

Ekundayo and Odhigu (2016) investigated the determinants of human capital accounting in Nigeria. Secondary data was used for the study and the data were sourced from the annual reports of 30 companies listed on the Nigerian stock exchange (NSE) fact-book as at 31st December, 2014. Pooled data research design was adopted in this study while the ordinary least square regression technique was used to test the relationship between the variables. The study revealed that size of employee has a significant impact on human capital accounting. Also this study reveals that welfare and training cost has a significant impact on human capital in Nigeria. The study recommends that size of employee would impact positively on the efficiency, sustainability and profitability of the firm. Lastly, training of staff both locally and internationally should be taken into consideration because it will help to expose them to current developments in their area of specialization.

METHODOLOGY

Research Design

The research design adopted for this study is the export-facto quasi-experimental design along with correlation research design. This is because of the complex relationship that exists between the variables and to measure the accurate relationship that exist between human capital accounting and market value of Nigerian listed insurance companies.

Research Population

Taylor and Skinner (2000), have defined the study population as the aggregate of elements from which the sample is actually selected. The study focused on all listed insurance, company in Nigeria

Sample/Sampling Techniques

It was discovered, that the insurance companies in Nigeria is twenty seven (27) are listed. Thus, the sample size for this study was twenty (20). This is the available data for the period under investigation.

Data Collection Method

The data collection method used here is the secondary sources as listed in the Nigerian stock exchange fact book.

Data Analysis Technique
A simple panel data regression analysis method was adopted.

DATA PRESENTATION, ANALYSIS, INTERPRETATION AND RESULT

Univariate Data Analysis
The univariate data analyses for this study were conducted using descriptive statistic. This was done to examine whether the variables are normally distribution as well as their respective direction. The results for univariate analysis are shown in the table below

Table 4.1: Descriptive Statistics For test of Normality

	EPS	DY	TC	WC
Mean	2.200875	0.072906	168.8406	72638.61
Median	0.130000	0.060000	159.5000	35000.00
Maximum	41.91000	0.640000	435.0000	911142.0
Minimum	-168.5800	0.010000	27.00000	1500.000
Std. Dev.	13.48947	0.055262	85.52334	113653.3
Observations	320	320	320	320

Source: Author Computation (2025) Using E-Views 10.0

Table 4.1 contain the Summary Descriptive Statistic for each of the unit variable otherwise referred to as univariate data analysis and the results shows that all the variables has positive mean, standard deviation and Skew statistic. As shown in the table 4.1 above, the average earnings per share received by the listed insurance companies for the period 2004 to 2019 were 2.200875 with a standard deviation of 13.48947 indicating a relatively large variability in the earnings per share received by the listed insurance companies over the period. The maximum earnings per share received was 41.91000 while the minimum was -168.5800. The results also show that the average dividend yield that the firms had benefited from for the period 2004 to 2019 was 0.072906 with a standard deviation of 0.055262 which depicted a low variability in the amount received by the firms over the period. The maximum dividend yield received was 0.640000 while the minimum was 0.010000. It was further found that the average employee size by the firms under study for the period 2004 to 2019 was 168.8406 with a standard deviation of 85.52 where the maximum was 435.0000 while the minimum was 27.0. Welfare cost averages 72638.61 with standard deviation of 113653.3 and maximum and minimum values of 911142.0 and 1500 respectively for the period under review.

Diagnostic Tests
Normality Test
The normality test of the residues from the panel regression model was run on E-views for all the variables. The result is as shown below;

Table 4.2: Normality Test

	EPS	DY	TC	WC
Skewness	-5.934572	4.132144	0.840381	3.867640
Kurtosis	83.90301	37.77404	3.250239	22.38356
Jarque-Bera	89148.98	17033.76	38.50108	5807.425
Probability	0.000000	0.000000	0.000000	0.000000
Sum	704.2800	23.33000	54029.00	23244356
Sum Sq. Dev.	58047.06	0.974197	2333243.	4.12E+12

Source: Author Computation (2025) Using E-Views 10.0

The Jarque-Bera test: tests the null hypothesis of normality against the alternate of non-normality. From Table 4.2 the p-values for EPS, DY, TC, and WC are all less than 0.05 (5% significance level) indicating that the Jarque-Bera values are significant at 5% level of significance and therefore we reject the null and conclude that all the variables included in the model are not normally distributed. All the selected variables were positively skewed except EPS which was negatively skewed thus, we conclude that all the variables under study are not normally distributed.

Summary of Findings Table 4.3

	Hypothesis	R^2	Prob.	Remark	Decision
1	Training cost has no significant relationship with earnings per share of Nigerian listed Insurance companies	0.81	0.04	Significant	Rejected
2	Training cost has no significant relationship on dividend yield of Nigerian listed Insurance companies.	0.76	0.17	Insignificant	Accepted
3	Welfare cost has no significant relationship on earnings per share of Nigerian listed Insurance companies.	0.81	0.34	Insignificant	Accepted
4	Welfare cost has no significant relationship on dividend yield of Nigerian listed Insurance companies.	0.76	0.50	Insignificant	Accepted

Discussion of findings

Descriptive Statistics for Test of Normality

Table 4.3 contains the summary descriptive statistic for each of the unit variable otherwise referred to as univariate data analysis. The results show that all the variables have positive Skew statistic. This simply means they are positive mean reverting and they are all skewed to the right direction except EPS which is skewed to the left. However, considering the normality of the variables using the Jerque Bera test statistic and the calculated probability of value it revealed that the variables are not normal. This confirmed that the null hypotheses of normality should be rejected in all cases whereas the alternative hypotheses should be accepted. This means that all the variables are not normally distributed. Therefore, there is need to examine the univariate data analysis to ascertain the true state of the relationship that exist between these variables. The results obtained from this analysis were in line with Brook (2016) assertions concerning financial data.

Unit Root Test

Table 4.2 contains the results for the unit root test using Levin, Lin & Chu t* test of stationarity for all the variables both in levels and first difference forms. The results show that only Training cost (TC), and Welfare Cost (WC) are all stationary at first difference order one whereas others which include; Dividend Yield (DY), Earnings Per Share (EPS) were stationary at level. This was investigated to avoid the estimation been victim of spurious and bias estimation. This was done in line with Goksu (2012) observation. In Goksu (2012), it was observed that in avoidance to spurious and biased estimation, there is need to do preliminary time series investigation to ensure all the variables that are subject to statistical analysis are stationary at one level and a specific order respectively.

Bivariate Panel Data Analysis

Hypothesis one test the relationship between training cost and earnings per share of Nigerian Insurance companies and the results is shown in table 4.7. In Table 4.7a, it was confirmed that the relationship Training Cost (TC) between and Earnings Per Share (EPS) are explained by the interconnection between operational time and between companies. This shows that there is a difference in operations for each company and this makes earning per share vary overtime. One percent increase in Training Cost (TC) will reduce Earnings per Share (EPS) by a little percentage of 3. 5767. The result obtained in this study agree with Arma (2018) study on the effects of earnings per share and firm size to stock price LQ45 Company Listed in Indonesian Securities. In Arma (2018), investigation on the effects of earnings per share and firm size to stock price LQ45 Company Listed in Indonesian Securities, it was found that earnings per share and firm size have a significant effect on stock prices. The size of the firm is also able to moderate the relationship between earnings per share and stock prices. The results of this study gave evidence that profit and the size of the company can provide important information for investors in making decisions.

Table 4.7b contains a panel data regression establishing relationship between dividend yield and Training cost. Training cost has no significant relationship on dividend yield of Nigerian Insurance listed companies the probability value of the model is greater than 0.05 level of significance. Therefore, this shows that there is a difference operational practice among each company and these operational practice makes dividend yield vary overtime. In this study, Aminu (2012) concluded that it is possible to domesticate HRA in Nigeria considering such that, both professional and accounting standards are capable of accommodating HRA practices especially with the growth of service sector in the Nigeria economy. He further explained that the manner in which convergence and harmonization of accounting practice grow stronger by the day could be attributed to operational practice and the level companies handle issue of dividend yield and Earnings per Share.

Table 4.7c contains results for test of hypothesis two establishing the relationship between Welfare cost and earnings per share of Nigerian listed Insurance companies. The result shows that there is negative but insignificant relationship between welfare cost earnings per share of Nigerian listed Insurance companies as the probability value of the model is greater than 0.05 level of significance. Such that One percent increase in Earnings Per Share (EPS) will call for the need to reduce Welfare cost (WC). The result obtained in this study agree with Olayiwola (2016) investigation of the relevance of human capital accounting information on the market value of quoted manufacturing companies in Nigeria. In Olayiwola (2016) studied, findings suggest that capitalization of corporate investment on its human resource has the propensity of increasing the shareholders' fund and also capable of creating a favorable image for quoted manufacturing companies in Nigeria. Similarly, Olsson (2001) annual reports on the largest Swedish firms in the stock market. It was found that human resources information is mostly deficient in the quality or the extent of the disclosure when welfare cost and earnings per share are not properly documented.

Table 4.7d contains a panel data regression establishing the effect of welfare cost on dividend yield of Nigerian Insurance listed companies. It was found that Welfare cost has no significant relationship on dividend yield of Nigerian Insurance listed companies.

SUMMARY, CONCLUSION, RECOMMENDATIONS AND CONTRIBUTION TO SCHOLARSHIP

Summary

The study investigated the relationship between human capital accounting and market valuation of Nigeria insurance companies. Four research questions were answered in the study using correlational techniques while formulated and test at 0.05 level of significance. Literature related to this study were reviewed. The following concepts of human capital accounting (HCA), Market value (MV), Training Cost (TC), were reviewed in the study. Furthermore, other variables that were conceptualized in the study includes, earning per share (EPS), welfare cost (WTC), Dividend yield (DY) among others theoretically, the study was anchored on human capital theory (HTC). The study adopted the expo-facto research design incorporating quasi-experimental design.

The population of the study is all the listed insurance companies in Nigeria exchange group as at 2019 purposive sampling technique was employed to select twenty (20) insurance companies based on availability of raw data. Data for analysis were collected from secondary sources in Nigeria exchange group fact book. The data were analyzed with the aid of E-views version (10) software. The result of the study shows that there is a positive significant relationship between training cost and earnings per share. The result also shows a positive significant relationship between salaries and wages with dividend yield. Based on the finding from the study recommendations were made.

Conclusions

This study examined human capital accounting and market valuation of Nigerian Insurance listed companies. The data used in the study include; human capital (Training cost (TC), welfare cost (WC), as the independent variable while market Value (Earnings per Share (EPS) and dividend yield) is dependent variable. Panel data analysis was employed to establish the relationship between human capital cost accounting and market value of Nigerian quoted insurance companies. The study explored the performance of human capital accounting and market value of Nigerian listed Insurance companies. The data used in the study include Human capital (Training (TC), welfare cost (WC), while market Value (Earnings per Share (EPS) and dividend yield) and found out that virtually all indicators of Human capital and market Valuation are positively skewed to the right except Earnings per Share(EPS) negatively skewed to the left.

In another development, all the models of human capital of the study sample within the period under investigation shows that there is no much effect or little or no significant relationship between market value of Nigerian listed insurance companies. This simply means that Nigerian listed insurance companies are still undergoing re-organization, and in some of the companies Nigerian Government are shareholders. This is one of the reasons why human capital does not have much significant influence on market value of Nigerian listed insurance companies. From this study it was found that human capital does not have much influence on market value of Nigerian listed insurance companies. The implication is that human capital does not have influence on market value of Nigerian insurance companies. Human capital (Training cost (TC), welfare Cost (WC), surrogates significantly influenced on market value of Nigerian insurance companies.

Recommendations

Based on the empirical findings of the study, the following recommendations were submitted:

i. Nigerian listed Insurance companies should improve their human capital investment in order to create optimality by increase their Earnings per Share.
ii. Human capital such as training should include all the expenses incurred on enhancing knowledge, education, expertise and skills of employees.
iii. Nigerian listed Insurance companies should capitalized welfare cost to augment their earnings per share. Also, this will enable the shareholders to know the total welfare and of companies and the manager can also make accurate, timely and informed decision.
iv. Nigerian listed Insurance companies should inculcate the culture of regulating their training cost, so that, the rate at which dividend yield is utilized to generate income can be determined by management and other stakeholders.

Contribution to Knowledge

1. . This study was able to develop four (4) models that can be used to predict empirically human capital cost accounting and market value of quoted Nigerian Insurance Company in the world all over

2. The study estimates the Nigerian insurance companies' financial performance model which is proxy by Market Value (Earnings per Share (EPS) and dividend yield (DY)) in

order to establish the validity of the estimated relationship with the financial performance of Nigerian Insurance Companies (Training cost (TC), welfare cost (WTC), Salaries &wages cost (WSC)) through F-test, t-test, Durbin Watson and Variance Inflationary Factor (VIF) statistics.

4. This research study was able to provide answers to the four (4) research question of the study and can be also be needed for policy thrust.

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