

EFFECT OF HUMAN CAPITAL INVESTMENT ON FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANKS IN NIGERIA

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Abstract

The paper investigated the impact of human capital investment on the performance of banks in Nigeria. A multiple regression analysis and panel research design was used for the study. The study formulated two research questions, which border on the impact of human capital investments on returns on assets (ROA) and returns on equity (ROE) of Nigerian banks. The paper made use of secondary data obtained from annual reports of ten listed banks in Nigeria from 2010-2019. Results obtained showed that investment in human capital development had a positive and significant impact on ROA indicator of the banks while ROE has a negative and insignificant relationship on banks performance in Nigeria with a p-value (0.0417 & 0.0000). The paper recommends that there is a need for greater investments in the human capital of the banks and that banks in the country should commit sufficient funds in the training and development of their workforce.

Keywords: Human capital, resource-based theory, Banks, Financial Performance, Nigeria.