



HUMAN RESOURCES ACCOUNTING PRACTICES AND DEPOSIT MOBILIZATION OF COMMERCIAL BANKS IN NIGERIA

GODSAVE AHMADU ALDEI

Department of Accountancy,
Enugu State University of Science and Technology (ESUT), Enugu.

Abstract

Nigeria commercial banks mostly apply high salary payment as a means of staff motivation and compensating while neglecting the importance of non-salary compensation such as, staff bonuses, health insurance/medical scheme, staff trainings, functional pension plans, among others. This leads to disparity of salary and wages within the same firms and even across the industry. The consequences are, high staff turnover, poor deposit mobilization, high portfolio at risk, liquidity crises and poor financial performance. The study was motivated by this development to examine human resources accounting practices and deposit mobilization of commercial banks in Nigeria. The specific objectives of the study are, Retirement Benefits (RTB), Employees Benefits Scheme (EPB) and Employees Bonus (EPB) are the independent variables and measures of non-salary compensation while Total Deposit (TDP) is the dependent variable and proxy for deposit mobilization. The sample consists of five (5) deposit money banks listed on Nigeria Exchange Group during the period of 2011- to 2023 periods. Time series data obtained from the annual financial statement of the selected banks were analysed using Panel Least Square Regression Analysis. Results of analysis show that RTB and EPB positively and, but non-significantly affect Total Deposits (TDP) of the deposit money bank in Nigeria while EP positive and significant effect Total Deposits (TDP) of the banks during the period. Consequently, the study concludes that non-salary compensation are crucial for commercial banks deposit mobilization. Accordingly, the study recommends that managements of deposit money banks in Nigeria should enforce effective compensation plans to reward performance, loyalty, experience, responsibility, and other behaviors. The study also recommends that managements of deposit money banks should introduce generous benefits like post-retirement medical treatment, regular promotion, job security as a tool for retaining talents. The study finally recommends that apart from the salaries paid, employees of deposit money banks should be eligible for a fixed percentage of bonuses upon achievement of fixed target of performance.

Keywords: Human Resources, Accounting, Practices, Deposit Mobilization, Commercial Banks

Introduction

The role of Human resources professionals in hiring and retaining the right employees is becoming more and more important to an organization's overall strategy. Employees are organizations' key resources and the success or failure of organizations centers on the ability of the employers to attract, retain, and reward appropriately talented and competent employees (Armstrong, 2013). Most times, when organizations make enormous efforts to attract handfuls of employees and sustain them in the organization, compensation plays a significant role especially those who give outstanding performance or unique skill which is indispensable to the organization (Lawler, 2010). Hence, compensation is considered the most important factor for attracting and retaining the talent employees (Willis, 2010). Hope and Mackin (2017) posit that employees of large establishments stay in their jobs longer than employees of small establishments. When a firm offers benefits, it decreases the probability of an employee's leaving in a given year by 26.2 percent and increases the probability of staying an additional year by 13.9 percent reducing labour turnover. Labour turnover is the movement of employees in and out of an organization. It is commonly used to refer to the number of employees leaving an organization.



It is also defined as the ratio between the numbers of employees that leave to the total number employees over a given period usually a calendar year.

According to a study by Mercer (2013), employees will stay if they are rewarded. Employee's willingness to stay on the job largely depends on compensation packages of the organization (Armstrong, 2013). In attempt to ensure employee optimal satisfaction and retention, organizations need to consider a variety of appropriate ways to reward the employee to get the desired result (Falola, 2014). It has been argued that the degree to which employee are satisfied with their job and their readiness to remain in an organization is a function of compensation packages (Osibanjo, 2012). Organizations that have goals to achieve would require satisfied and happy staff in her workforce. Importantly is the fact that for any bank to take off and achieve its strategic goals would strongly depend on her capacity to attract, retain and maintain competent and satisfied staff into its employment (Oshagbemi, 2010). One of the fundamental tasks in Human Resources Management is Compensation Management. It is a complex task that occurs periodically, demand accuracy and must not be delayed. Compensation Management requires integrating employees' processes and information with business process and strategies to achieve optimal organizational goals and objectives. This can be attributed to the fact that Compensation Management is an essential tool to "integrate individual efforts with strategic business objectives by encouraging employees to do the right things with ever improving efficiency" (Horwitz, 2010). In other words, compensation management is a powerful means of focusing attention within an organization.

Generally, firms should rely on strategy as one of the means to remaining competitive. Although, there are lots of strategies which could be leveraged on by firms, but compensation being one of such, have been perceived to have direct impact on the employee performance. So for an industry like the banking sector amidst other industries like the oil and gas, telecommunication, entrepreneurship and agriculture, which are available for grab by high flying employees both locally and globally, it becomes necessary for the banking sector to consider its compensation plan for their employees, seeing that the industry plays a pivotal role in ensuring proper distribution of funds within the economy and as such require performing staff to accomplish this all important responsibility to the Nigerian economy. Similarly, compensation is one of the fundamental aspect of human resource management. It is a common knowledge that every firm is an entity whose daily operations are both people and material resource dependent. People basically team up to actualize corporate goals (Nwachukwu, 2010). Anybody in the organization who is involved in its activities is part of the human resource of the organization. The material resources include the machinery, equipment and every other material e.t.c, which are used in the accomplishment of stated objectives.

The human resource is the most valued resource of any organization because it is the human resources that convert all other resources into finished products or goods for consumption or use (Nwachukwu 2011). According to Jaja, (2019) Human resources is the most important variables of a firm or organization. How efficient and technologically advanced the entire system is, and no matter the extent of available resources, personnel/Human Resources function is needed to weave all the other variables together and attain an effective productive system. Compensation in a simple term mean reward(s) given to an employee for participating in the accomplishment of an organizational goal. Bob (2011) described it as principles, policies, strategies, structures and procedures created to types and level of pay, benefits and other types of benefits. He further asserted that compensation could be non-financial or financial with the ability to bring about inward and outward motivation for an employee. An organization's ability to attract and retain staff is the two essential components of talent sustainability even though it has become increasingly more difficult for organizations to hire and retain qualified talent (Cotton & Tuttle, 1986). Total compensation includes a total rewards approach because monetary compensation is not always the only factor (or even the most important factor) that employees consider when evaluating a job.

Companies today routinely provide a compensation package that includes both cash benefits (salary, paid leave, paid holidays and bonuses) and non-cash or deferred cash benefits (insurance and retirement



plans). Small businesses are expected to be at a competitive disadvantage to larger firms in terms of their ability to match the high salaries and availability of fringe benefits. (Hope & Mackin, 2017). Employees need to be given opportunities to participate and to influence actions and decisions. Therefore, seeing that compensation result into motivation, it is expected that the employee's performance be enhanced through compensation. Nwakanma (2013) described employee performance as the degree of achievement of the goal as well as the range of measurements of efficiency in workplaces. In general, employee performance is indicated by data that represent effectiveness such as productivity, satisfaction, goal achievement levels, customer satisfaction index and job commitment. In the view of Putterill and Rohrer (2015), employee performance focuses directly on employee productivity by assessing the number of units of acceptable quality of products produced by an employee, within a specific time period. The success of a business or an organization depends on employees' performance.

One of the biggest challenges in the private and public sectors is the ability to hire and retain staff. Identifying factors that influence staff attraction and retention and then developing strategies to attract quality talent and to increase employee retention is essential. It has been observed that competing for top talent on price alone through compensation and benefits is a no win proposition (Onuorah, et al 2019). Some people do quit because they are unhappy with their pay while some quit to take higher paying jobs elsewhere. The costs associated with losing employees and recruiting, selecting and training new employees often exceed 100% of the annual compensation for the position (Nurul, 2020). In addition to these direct financial costs, losing employees causes work disruptions, loss of organizational memory, tacit or strategic knowledge and mentorship. Banks in Nigeria have poor compensation structure. The salaries of executives and senior staff members of the banks are too large for the present income generated by banks to sustain and usually their salaries are not usually tied to direct performance target and in some banks no targets are assigned to such outrageous salaries. The aggregate of these salaries engulf most income made by the banks as the task of this group of staff do not add any form of financial value that commensurate to their pay. They are rated by group performances rather than by individual performance contribution. The present compensation model in use in banks is toxic to the health of the bank.

There is a need for senior staff pay cut or assignment of business targets that will at least justify their monthly salaries, or even implemented the duo to revert the present status. In view of the above, one of the reasons that informed this study has to do with the unique importance of salary in relation to employee satisfaction among bankers in bank industries. This affects the retention of employee yet it is not being addressed. There is need therefore, to find out and examine the relationship between salary and employee satisfaction among banker. Consequently, the study focused on the effect of non-salary compensation packages on deposit mobilization of commercial money banks in Nigeria during 2011-2023 period. Specifically, the study seeks to ascertain the effect of retirement benefits, employee benefit scheme and employee bonus affects total deposit of deposit money banks in Nigeria.

Review of Related Literature

Conceptual Review

Human Resources Practices

Adebawojo et al. (2015) defined human resources development as the framework for helping employees develop their organizational skills, knowledge and abilities. Most of the enterprises which follow human resource accounting devotes a separate section in their annual reports for a detailed account of their human resources. Human asset reporting usually includes a profile of human assets, the compensation pattern, training and development, human asset productivity, human asset value, and the total wealth of the organization. Micah and Ihendinihu (2015) stated that human resource development makes a major contribution to the successful attainment of the organization's objectives and that investment in it benefits all the stake holders of the organization. The expenditure incurred for creating, increasing, and updating the human resource quality is known as investment in human resources. Such investment yields fruitful results like higher productivity and higher income to the organization.



Ajgaonkar et al. (2022) stated that the purposes of human capital development practices include developing workforce competencies that can increase productivity, innovation, and agility in a business environment that is becoming increasingly complex. Kero and Bogale (2023) noted that human capital is a strategic organizational resource, which is a valuable, rare, inimitable, and non-substitutable resource, allowing firms to realize and maintain a competitive advantage despite technological disruption. The investments in human capital are based on the human capital theory, which claims that systematic investments in the productivity and performance of employees, through knowledge, skills and compensation, bear measurable returns.

Non-salary compensation

Budd (2004) defined non-salary compensation as monetary and non-monetary items used to attract, retain, motivate, and reward employees above and beyond traditional wage and salary payments. Osibanjo, et al (2014) stated that staff compensation can take several forms, however, the commonest form of compensation package as observed from empirical literatures, are staff salaries, wages, sales commission, pension, gratuity, training, medical allowance, bonuses, promotion and so on. Kazi et al (2019) opined that early employers believe that monetary rewards are the only factors that can improve employee productivity/performance but slowly and gradually it had been witnessed that non-monetary rewards also play a role in increasing job satisfaction of the employees which ultimately leads towards better job performance and overall organizational growth.

North Carolina State University (2022) describes non-salary compensation as anything of monetary value provided to an employee other than their base salary; salary supplements or overload pay (such as for additional temporary, acting/interim, or administrative responsibilities); or an “honor” salary supplement. Non-salary compensation both cash and non-cash to an employee includes, but not limited to, items like cash awards, gift certificates, tickets to athletic or cultural events, transport expenses, provision of a vehicle or vehicle allowance, club memberships, or other special benefits. Moragwa (2013) in his study of Agricultural Sector of Nigeria equally stated that bonuses, fringe benefits, promotion and verbal recognitions are among the various forms of non-salary compensation packages used by firms for staff motivation and retention in Nigeria. This study adopted staff training, staff welfare expenses and staff pension/gratuity as measures of non-salary compensation.

Retirement benefits

Retirement benefits are benefits payable to the member of the pension scheme on retirement or earlier withdrawal from service, including retirement pensions; retirement lump sums or gratuities; benefits (such as dependents’ pensions) payable following the member’s death in retirement and periodic increases on all pensions whilst in payment. Retirement benefits includes benefits arising from a previous employment which have not yet commenced, retirement pensions which are in course of payment and benefits arising from a current employment which will commence from a future date. Changes which occur after the date of the decree of judicial separation or divorce (with the exception of section 50 amendments) are not taken into account when calculating the designated benefit. In other words, the designated benefit is calculated in accordance with the rules of the scheme in force as at the date of the decree. Good retirement benefits enhance deposit mobilization in banks by acting as a resource of long term funds, enhancing customer loyalty, and providing a base for developing specialized financial products for the banks. Staff retirement benefits does this by improving staff motivation, retention and performance, which directly impacts the ability of staff to attract and retain customers (Nuray & Moazzam, 2016).

H₀: Retirement benefits does not significantly affect deposit mobilization of commercial banks in Nigeria.

Employee Benefit Scheme

Employers should always ensure that the organization is perceived as a great place to work meaning that it becomes an employer of choice, that is one for whom people want to work. There is a desire to join the organization and once there, to want to stay. Employees are committed to the organization and



engaged in the work they do. To acquire a national, even a local reputation as a good employer takes time, but it is worth the effort. Akerele, (2011) states that the objective of employee benefits and practices of an organization are to provide an attractive and competitive total remuneration package which both attracts and retains high quality employees. Turnover of key employees can have a disproportionate impact on the business and the people organizations wish to retain are probably the ones most likely to leave. Turnover is an expensive organizational outcome and companies expend considerable time and resources in attempts to reduce turnover particularly dysfunctional turnover (Campbell and Chia, 2013). It is caused primarily by poor supervision, a poor work environment and inadequate compensation. Excessive employee turnover often engenders far reaching consequences and at the extreme may jeopardize efforts to attain organizational objectives.

Sajuyigbe, Olaoye & Adeyemi, (2013) indicate that when an organization loses a critical employee, there is a negative impact on innovation, example consistency in providing services to guests may be jeopardized and major delays in the delivery of services to customers may occur. Employee remuneration is not just about pay, which is wages and salaries. It is also concerned with non-pay benefits or benefits in kind. These non-pay benefits are usually known as employee benefits and sometimes as fringe benefits or perks. The former refers to the more important benefits such as pensions and include those which are widely applied in the organization. The latter refers either to less significant benefits, such as private health insurance or to the benefits provided primarily as privileges (Bandiera, et al 2007). Comprehensive employees benefit schemes significantly boost deposit mobilization in banks, by increasing employees' motivation, productivity and commitment to meeting targets. Both financial and non-financial welfare packages create a supportive environment that allows staff to focus on identifying and securing high value depositors (Olajumoke, 2020).

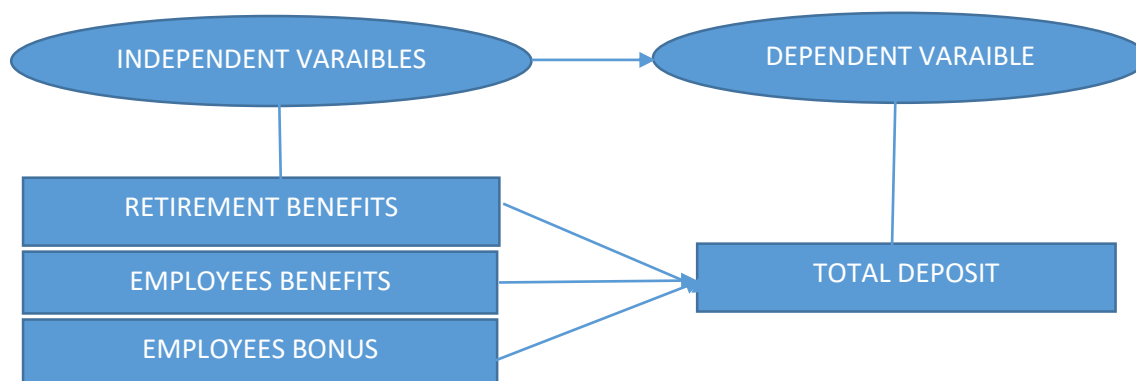
H₀: Employees benefit scheme does not significantly affect deposit mobilization of commercial banks in Nigeria.

Employee Bonuses

A bonus is a financial compensation that is above and beyond the normal payment expectations of its recipient. Companies may award bonuses to both entry-level employees and to senior-level executives. While bonuses are traditionally given to exceptional workers, employers sometimes dole out bonuses company-wide to stave off jealousy among staffers. Bonuses may be dangled as incentives to prospective employees and they can be given to current employees to reward performance and increase employee retention. Companies can distribute bonuses to its existing shareholders through a bonus issue, which is an offer of free additional shares of the company's stock. A bonus is a financial compensation that is above and beyond the normal payment expectations of its recipient. Bonuses may be awarded by a company as an incentive or to reward good performance. Typical incentive bonuses a company can give employees include signing, referral, and retention bonuses. In workplace settings, a bonus is a type of compensation an employer gives to an employee that complements their base pay or salary. A company may use bonuses to reward achievements, to show gratitude to employees who meet longevity milestones, or to entice not-yet employees to join a company's ranks. Banks staff bonuses and financial incentives generally have a positive effect on deposit mobilization of the banks, acting as crucial driver for the employees' motivation, performance and creativity in securing deposits. Empirical evidence shows that when bank staff are incentivized through cash bonuses, their productivity increases, leading directly to high deposit growth (Onuorah, 2019).

H₀: Employees bonuses does not significantly affect deposit mobilization of commercial banks in Nigeria.

Fig 2.1: Conceptual Framework



Source: Author's Compilation, 2024

Theoretical Framework

The study is underpinned by the Equity Theory propounded by John Stacey Adams in 1963 suggests that employee perceptions of what they contribute to the organization, what they get in return, and how their return- contribution ratio compares to others inside and outside the organisation,' determine how fair they perceive their employment relationship to be (Adams, 1963). Perceptions of inequity are expected to cause employees to take actions to restore equity. According to this theory, employees who see themselves as being under-rewarded will experience distress. The theory, primarily, focuses on ensuring that the distribution of compensation and benefits is fair to all members. The theory is related to this study in the sense that Pay inequality affects employee satisfaction because pay is positively associated with the job satisfaction of the employees. Employees feel satisfied or dissatisfied with their pay – not so much by the total amount received, but by comparing their benefits with those enjoyed by others in the same field.

Adams (1963) argued that when employees are motivated by fairness, balancing output-input ratio, which is their efforts and rewards against peers. When an employee perceives, an imbalance compares to others, they experience distress and are motivated to reduce it by adjusting inputs, outputs or by leaving the organization. Thus, when inequity is perceived, workers may leave the organization, reduce performance or attempts to change the rewards system. Input represents what an employee contributes to the organization while output represents what an employee receives, such as salary, benefits recognition and so on. Employees also use what their colleagues working in other similar organizations receives as comparison. Equity implies that contributions will be rewarded fairly.

Empirical Review

Mahssouni et al. (2022) studied employee compensation and training on firms' financial performance and the moderating effect of the COVID-19 pandemic on the relationship between employee compensation and financial performance, as well as the relationship between training and financial performance. The study period was from 2012 and 2021. Panel data regression analysis and the Generalized Method of Moments were used to examine 103 Belgian pharmaceutical firms. Whether or not a crisis exists greatly alters the parameters that influence a pharmaceutical company's business performance. Specifically, the results reveal that the COVID-19 pandemic had a substantial and negative impact on financial performance. Human resource factors, which include employee compensation and training, more accurately explain the company's performance. Ogiriki and Question (2022) studied employee benefits and profitability of listed manufacturing firms in Nigeria during 2010-2017 periods. The population consists of 17 manufacturing firms listed on Nigeria Exchange Group during the period. Secondary data were obtained from yearly reports of the firms. Panel data of 164 firm observations were used and analyzed using least square regression technique. Results show that employee benefits have a significant effect on the profitability of listed manufacturing firms. Ndum and



Oranefo (2021) evaluated the effect of human resource cost on financial performance of quoted brewery firms in Nigeria. The population of the study consists of five (5) breweries firms listed on Nigerian Exchange Group during the period. The data were extracted from the firms and analyzed using regression analysis. Results show that staff cost has positive and significant effect on the net profit margin of listed brewery firms in Nigeria, while staff cost has positive and insignificant effect on the return on assets of firms.

Olajumoke (2020) studied human resource costs' influence on financial performance of Nigerian Consumer Goods Company in Nigeria during the period from 2009 to 2018. Secondary data were sourced from the financial statements of the selected firms and analyzed using Static Panel Estimation techniques which consisted of Pooled Ordinary Least Square (POLS) Estimator, Fixed Effect Model, and Random Effect Model. Post Estimation Test (Hausman and Lagrange Multiplier Tests (to compare Panel Effect Result and Panel Random Effect Estimator Result) was used to evaluate Static Panel Estimators. Results indicate that predictors, pension cost, director's emolument and gratuity cost exerts positive and statistically significant impact on return on assets. Also the predictor salary and wages exerts positive but insignificant impact on return on assets. Nurul et al. (2020) used survey research method to examine the relationship among wages and benefits, welfare facilities, employee work motivation and employee productivity in Bangladesh. A systematic random sampling procedure was used to select 500 respondents out of 3,436,847 respondents working in the e garment industry of Bangladesh. The primary data from respondents were analyzed using Smart-PLS model. Results indicate that when management adopts the position of providing sufficient wages (that fulfil their basic needs) to their employees, this increases their productivity. In addition, wages enhance the purchasing capabilities of a healthy diet for the workers, which reduces malnutrition and ultimately reduces illness and absenteeism. Also, a significant relationship exists between welfare facilities and employee productivity in this context.

Craig et al. (2020) assessed employee remuneration and the performance of selected Nigeria manufacturing firms using five firms that had the highest asset base from the listed manufacturing firms in Nigeria. A dataset for the period from 2009-2018 was collated from the financial statement of the selected firms and analyzed using multiple regression model. Results reveal that there is a statistically significant relationship between staff salaries, post-employment benefits, and profit after tax of selected firms. Result further shows that staff cost is not significantly related to profit. Bankole (2020) used a sample of ten (10) consumer goods firms listed on Nigeria Stock Exchange during the period from 2009-2018 and examined the influence of human resource cost on financial performance of the firms. The time series data obtained from the sampled firms were analyzed using Static Panel Estimation techniques which consisted of Pooled Ordinary Least Square Estimator, Panel Data Regression Model. Findings indicate that predictors pension cost, director's emolument and gratuity cost exerts positive and statistically significant impact on return on assets. Result also show that the predictor salary and wages exerts positive but insignificant impact on return.

Onuorah et al. (2019) examined the effect of compensation management and employee performance in Anambra State, Nigeria. The population of the study comprises 257 public secondary schools in Anambra State. The sample size for the study consists of 257 employees drawn from the population of the study. The instrument for data collection is a structured questionnaire. The face content validity of the instrument was employee. In analyzing the data for the null hypotheses, Z-test was used to test the hypotheses at 0.05 level of significance. Therefore, the study conclude that compensation management has significance effect on employee performance in Nigeria organization. Uwimpuhwe et al. (2018) did a Work on the influence of compensation system on employee attraction and retention on the employees of the Higher Education Council, National Commission for Fight against Genocide and COGE Bank located in Kigali City. The study emphasized on the perception of respondents on compensation system, employee attraction and retention to come up on the influence of compensation system on employee attraction and retention. A random sampling technique was used to find the sample size of 32 employees of the cited institutions. Statistical evidence revealed that there is a significant positive correlation of 582 showing that Compensation system has a moderate influence on employee attraction and retention.



The study showed a strong positive relationship between compensation system and employee attraction and retention. Ojeleye, (2017) explored the impact of remuneration on employees' performance. The study adopted descriptive survey design. 83 employees of Abdul Gusau polytechnic and state college of education both in Zamfara state were handed structured questionnaire to solicit data on remuneration and performance. Pearson correlation and multiple regression model were used to analyzed the data. The finding suggested that there is a strong and positive relationship between remuneration and employees' performance and that salary/wage and bonus/incentives also serve as a form of motivation to the employees.

It was ascertained from the review of related literature that there is paucity of related studies in Nigeria in this area of study. The few studies available in this area focused more on the effect human resources practices on the financial performance of commercial banks in Nigeria while little or no attention was given to human resources practices on deposit mobilization of the banks. In addition, only a few studies used panel least square regression analysis as a model in their studies. These were the major identified gaps that motivated the present study.

Methodology

This study adopted an ex-post facto research design which provides an empirical solution to research problems by using data which are already in existence. The study is therefore based on published financial statements of the selected deposit money banks in Nigeria during 2011-2023 periods. This study was conducted in Nigeria and focused on deposit money banks listed on the Nigeria Stock Exchange during 2011-2023 periods. The study utilized secondary data on total deposit, retirement benefits, employees benefit scheme and employee bonus were used from the published annual financial statement of the selected deposit money banks in Nigeria during 2011-2023 periods. The population of study comprises of all the nineteen (19) deposit money banks in Nigeria quoted in the Nigerian Exchange Group during 2011-2023 periods. The study adopted the systematic sampling techniques. This was used to minimize bias in selection and as well give room for generalization. The study made use of a sample of five (5) deposit money banks in Nigeria; the banks selected include; Guarantee Trust Bank Plc, Zenith bank Plc, First Bank, Access Bank Plc and United Bank for Africa Plc.

The following model was developed based on the variables used in the study:

$$TDP = \beta_0 + \beta_1 RTB + \beta_2 EBS + \beta_3 EPB + \varepsilon$$

Where:

TDP	=	Total Deposit
RTB	=	Retirement benefits
EBS	=	Employees benefit scheme
EPB	=	Employee Bonus

Pearson Product Moment Correlation Coefficient was used to test the relationship between the independent and the dependent variables whereby total deposit which was used to proxy the dependent variable being deposits mobilization while retirement benefits, employees benefit scheme and employee bonus were used to proxy the independent variable being non salary compensation packages.

Results

The secondary data extracted from the annual financial statements of the five selected deposit money banks were examined using descriptive statistic, unit root test and panel least square regression analysis. The results of these analysis are presented in tables 1 to 3.



Table 1: Descriptive Statistics

	TDP	RTB	EBS	EPB
Mean	8.228615	5.572308	6.694154	4.638462
Median	5.940000	5.310000	5.610000	3.870000
Maximum	16.80000	8.700000	11.94000	10.16000
Minimum	5.040000	2.480000	4.470000	2.490000
Std. Dev.	4.148472	1.408127	2.461283	1.953587
Skewness	1.225866	1.011776	1.170450	1.216687
Kurtosis	2.663676	3.332658	2.653231	3.378788
Jarque-Bera	16.58613	11.38968	15.16683	16.42548
Probability	0.000250	0.003363	0.000509	0.000271
Sum	534.8600	362.2000	435.1200	301.5000
Sum Sq. Dev.	1101.429	126.9006	387.7064	244.2562
Observations	65	65	65	65

Source: Eview11.0 Output

The results of the Descriptive Statistics of the four variables are presented in table 1. Results from the table reveal that the Mean of the variables are: 8.228615, 5.572308, 6.6941545 and 4.638462 for TDP RTB, EBS and EPB respectively, while the Standard Deviations are: 4.148472, 1.408127, 2.461283 and 1.953587 reactively. These results show that the Standard Deviations of all the variables are below their mean, suggesting that the variables were not volatile during the period. Results of Jarque-Bera Statistics also indicates that the data sets used for the study are normally distributed. This was observed from the P-value of Jarque-Bera Statistics, which are all less than 0.05. This result was confirmed by the Skewness test, which show that all the Skewness Coefficient cross the benchmark rate of one (1). These results were further strengthened by the Kurtosis test. Results from this test suggest that all the Kurtosis coefficient are greater than the huddle rate of three (3). Hence, all the statistical indicators proved that the data set used for the study are normally distributed.

Table 2: Levin, Lin & Chu t* Unit Root Test

Method	Statistic	Prob.**
Levin, Lin & Chu t*	3.39051	0.0003

Cross section	2nd Stage Coefficient	Variance of Reg	HAC of Dep.	Lag	Max Lag	Band-width	Obs
1	-1.17081	6.2152	1.1041	1	1	10.0	10
2	-1.13351	9.5913	1.7257	1	1	10.0	10
3	-1.26820	8.3869	1.5723	1	1	10.0	10
4	-1.13886	9.0794	1.6329	1	1	10.0	10
5	-1.12589	4.7238	1.4530	1	1	6.0	10

	Coefficient	t-Stat	SE Reg	mu*	sig*	Obs
Pooled	-1.16638	-5.680	1.001	-0.554	0.919	50

Source: Eview11.0 Output

The results of the Levin, Lin & Chu t* Unit Root test is presented in table 2. Unit Root test is one of the diagnostic tools in regression model used to detect the presence of a unit root in a time series data. This test is important because the presence of a unit root in a time series data leads to spurious regression results. Findings from Unit Root test in table 2 reveal that the all the variables of the study are integrated of order 2(2) with p-value = 0.0003. This means that the variables have unit roots, but were integrated after second differencing.

Table 3: Panel Least Square Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
RTB	0.001257	0.094780	0.013257	0.9895
EBS	1.670141	0.072620	22.99843	0.0000
EPB	0.007611	0.085340	0.089181	0.9292
C	-2.993870	0.263418	-11.36548	0.0000
R-squared	0.789323	Mean dependent var		8.228615
Adjusted R-squared	0.788797	S.D. dependent var		4.148472
S.E. of regression	0.439083	Akaike info criterion		1.251307
Sum squared resid	11.76042	Schwarz criterion		1.385115
Log likelihood	-36.66747	Hannan-Quinn criter.		1.304103
F-statistic	1883.996	Durbin-Watson stat		1.737166
Prob(F-statistic)	0.000000			

Source: Eview11.0 Output

Presented in table 3 is the results of the Panel Least Square Regression Analysis. Results from the table indicate that Adjusted Coefficient of Determination (R^2) is 0.788797. This suggest that 79% of the variations in the Total Deposit of the banks is explained by the explanatory variables, comprising RPB, EPS and EBS while the remaining 21% is explained by other qualitative and quantitative factors not captured in the model of the study. It could also be observed from the model that Durbin Watson Statistics Coefficient is 1.737166, which is not within the acceptable range of Durbin Watson (2-4). However, since this value is closer to the lower limit of 2, we approximate to 2 and conclude that there is no autocorrelation in the model of the study.

Three hypotheses, which were formulated in their null forms were used to conduct the study. The test of the hypotheses forms the basis for the findings of the study, conclusion and recommendations. The decision rule for the test of hypotheses is to accept the null hypotheses if the p-values is more than 0.05 level of significance and to rejected the null hypothesis if the p-value is less than 0.05.

Hypothesis one

The regression model in table 3 indicates that the coefficient of Retirement Benefit (RTB) is 0.001257, and that the p-value 0.9895, is greater than 0.05 ($p=0.9895>0.05$). This suggests the acceptance of hypothesis 1, and implies that Retirement Benefits positively, but insignificantly Total Deposit of deposit money banks in Nigeria.

This result is consistent. The result agrees with Equity Theory propounded by John Stacey Adams in 1963. The theory that Pay affects employee satisfaction because pay is positively associated with the job satisfaction of the employees. The result is also consistent with Olajumoke (2020), who concluded that predictors, pension cost, director's emolument and gratuity cost exerts positive and statistically significant impact on return on assets; Ndum and Oranefo (2021), who found that staff cost has positive and significant effect on the net profit margin of listed brewery firms in Nigeria, while staff cost has positive and insignificant effect on the return on assets of firms; and Uwimpuhwe et al. (2018), who found that a strong positive relationship exists between compensation system and employee attraction and retention.

Hypothesis Two

The regression model also indicates that the coefficient of Employees Benefit Scheme (EBS) is 1.670141, and that the p-value (0.0000) is less than 0.05 ($p=0.0000<0.05$). This requires the rejection



of hypothesis 2, and implies that Employees Benefits Scheme positively, and significantly affect Total Deposit of deposit money banks in Nigeria.

The result agrees with Equity Theory propounded by John Stacey Adams in 1963. The theory that Pay affects employee satisfaction because pay is positively associated with the job satisfaction of the employees. The result is also agrees with Ogiriki (2022), who observed that employee benefits have a significant effect on the profitability of listed manufacturing firms; Ndum and Oranefo (2021), who found that staff cost has positive and significant effect on the net profit margin of listed brewery firms in Nigeria, while staff cost has positive and insignificant effect on the return on assets of firms; Craig, et al. (2020), who found that significant relationship between staff salaries, post-employment benefits, and profit after tax of selected firms; and Uwimpuhwe et al. (2018), who found that a strong positive relationship exists between compensation system and employee attraction and retention.

Hypothesis Three

The regression model further shows that the coefficient of Employees Bonuses (EPB) is 0.007611 and that the p-value (0.9292) is greater than 0.05 ($p=0.9292>0.05$). This requires the acceptance of hypothesis 3, and suggests that Employees Bonuses positively, but insignificantly affect Total Deposit of deposit money banks in Nigeria.

The result agrees with Equity Theory propounded by John Stacey Adams in 1963. The theory that Pay affects employee satisfaction because pay is positively associated with the job satisfaction of the employee. The result is also in line with Ndum and Oranefo (2021) who found that staff cost has positive and significant effect on the net profit margin of listed brewery firms in Nigeria, while staff cost has positive and insignificant effect on the return on assets of firms; Onuorah et al. (2019) who observed that compensation management has significance effect on employee performance in Nigeria organization; and Uwimpuhwe et al. (2018), who found that a strong positive relationship exists between compensation system and employee attraction and retention.

Conclusion

The study analysed the effect non-salary compensation packages on deposit mobilization of deposit money banks in Nigeria. Based on the results of analysis, the study concludes that Retirement Benefit (RTB) and Employees Bonus (EPB) positively but insignificantly affect Total Deposits (TDP) of the deposit money bank in Nigeria while Employees Benefit (EPB) positive and significant effect Total Deposits (TDP) of the banks.

Recommendations

The study recommends that:

1. Commercial banks in Nigeria should ensure that deserving staff members are regularly promoted to motivate staff to increase productivity.
2. The management should also enforce effective compensation plans to reward performance, loyalty, and experience and responsibility staff.
3. The managements should further introduce attractive post-retirement benefits, as well as staff health insurance scheme to attract and retain talented staff.

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