

The Impact of Human Capital Development Cost on the Net Income and Dividend: An Applied Study over Jordanian Islamic Banks

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Abstract

The study aimed at identifying the effect of the cost of Human capital development through training employees on the net income and dividend at Jordanian Islamic banks; three banks. The study followed the descriptive analytical approach. The financial data of published financial statements of the study population over the period (2012-2015) were brought and analyzed by mathematical modules to test the study hypotheses. The study concluded several results, the most important are: There is an effect for the cost of training employees over the pre-tax annual profit development at Jordanian Islamic banks with variant proportions. There is also an effect with variant proportions for the cost of training employees over dividend. The study recommended several recommendations; the most important was the need of Jordanian Islamic banks to disclose in their financial statements in details the cost of their human capital development.

Keywords: cost, human capital, net income, market share value, Jordanian Islamic banks.

Introduction

Human capital is considered one of the modern administrative and accounting topics whose literature has been presented in terms of measurements and the way it is shown in the financial statements. Management started being aware that competitiveness, increasing profits and sustainability in the market cannot be achieved depending on investing in tangible assets only, whereas the company's advantage lies in its employees' minds; these human minds are the real investment of companies. Out of this, companies including banks started working on developing their human capital to achieve revenues higher than those of companies that depend solely on investing in tangible assets.

One of the most important items that appear in the published financial statements indicating the development of human capital is the continuous training, preparation and qualification of employees at all levels. Hence, the researchers will rely on the annual cost of continuous training at Jordanian Islamic banks as a measure of human capital development at these banks.

Since Islamic banks enjoy acceptance within the Jordanian community, as they consider the legitimate rules in all their transactions, they should work on developing and training their human capital (employees at all levels) to be able to perfectly present services and achieve a competitive advantage for these banks which will positively be reflected on the annual net income at the end of a financial period.

The study came to investigate the effect of the cost of human capital development on the pre-tax net income and the dividend at Jordanian Islamic Banks, and to measure this effect in case it was found.

The problem of the study

There is no doubt that remarkable human resources are a key element within companies to enhance their operational performance, even within countries, due to their importance in achieving the competitive advantage among companies, therefore; companies should develop and qualify them continuously to gain experiences. The process of developing and qualifying them needs financial costs and companies usually spend for the purpose of gaining revenues. Out of this, the problem of the study emerged; that is to identify the effect of the cost of human capital development through training employees at Jordanian Islamic banks over the pre-tax net income and dividend.

The study questions can be formed as follows:

Q1: Is there an effect for the cost of human capital development through training employees over the pre-tax net income at Jordanian Islamic companies?

Q2: Q1: Is there an effect for the cost of human capital development through training employees over dividend at Jordanian Islamic companies?

The objectives of the study

The study aims at the following:

1. Identify the concept of cost.
2. Identify the ways applied at banks in order to develop the human capital.
3. Clarify the concept of human capital.
4. Measure the effect of the cost of human capital development over the net income and dividend at Jordanian Islamic bank.

Literature Review

1. The study of Mehsen (2017) entitled: “The Effect of Intellectual Capital Disclosure on the Financial Performance at the Jordanian Commercial Banks”.

This study aimed at identifying the effect of the disclosure of intellectual capital components (the human capital, the structural capital, and the relational capital) on the financial performance at the commercial banks listed in Amman Stock Exchange. This study was applied over all banks listed in Amman Stock Exchange; that is (13) Jordanian commercial banks for the period (2009 – 2015).

To achieve the study’s objectives, the analytical descriptive approach was applied, which includes the variables that refer to the intellectual capital.

The results showed that there is a statistically significant correlation of the disclosure of human capital on the financial performance, also there is a statistically significant correlation for the disclosure of structural capital on the financial performance, as well as; there is a statistically significant correlation for the disclosure of relational capital on the financial performance.

The study recommended that the optional disclosure items should include qualitative and quantitative information about the bank which benefits all parties that have common interests and objectives connected with the bank to help them make the investment decisions and increase the attention toward the disclosure of intellectual capital components (human capital, structural capital and relational capital).

2. The study of Abd Al-muniem (2016) entitled: “The Intellectual Capital and its Effect on the Industrial Establishments’ Business, a Study Case for the Jordanian Ready-Made Garments Company”.

The study aimed at identifying the effect of intellectual capital on the financial performance of industrial companies. The study sample was made of the ready-made garments company’s employees. The analytical approach was applied through analyzing the theories and studies related to the intellectual capital.

The results showed that the concept of intellectual capital is a revolving diversified concept due to the quick changeability of the surrounding environment at all the company’s divisions. They also show that the intellectual capital is achieved by the management taking over the knowledge kept in its employees’ minds and make them transfer this knowledge to the new employees. There is a weak tendency of the company’s management to activate the

intellectual capital in terms of encouraging the workers industrialists to follow the method of brainstorming to raise the creative abilities, which the management of the company pays all its efforts to maintain intellectual capital.

The study recommended the necessity to understand and realize the importance of the intellectual capital by the industrial companies' managements due its value in increasing the companies' efficiency locally and globally.

3. The study of Luiza (2016) entitled: "The Role of Intellectual Capital in Achieving the Competitive Advantage of Economic Institutions within the Economy of Knowledge: A Case Study of the Cement Company Ain Al-Touta-Batna".

This study aimed at identifying the effect of intellectual capital and its role in achieving the competitive advantage within the economy of knowledge and determining the role of intellectual capital in all its dimensions (the human capital, the customer-relations capital and the structural capital). A questionnaire has been prepared and the study's sample was made of (78) employees who work in the cement company Ain Al-Touta. Several approaches have been applies such as the descriptive statistics and the single sample testing.

The results showed that there is a statistically strong correlation between the human capital and achieving the competitive advantage. There is also a statistically strong correlation between the customer-relation capital and achieving the competitive advantage within the cement company Ain Al-Touta.

The study recommended the necessity to focus on the importance of measurement and accounting disclosure of the intellectual capital in achieving the competitive advantage.

4. The study of Al-Shikirji & Mahmoud, (2010) entitled: "Measuring the Intellectual Capital and its Effect on the Profitability of Banks".

Intellectual capital is considered one of the administrative topics that were mentioned in modern literature. Researches started paying attention to it in the early nineties of this century. Literature presented several topics that changed the traditional view of the concepts of capital and profitability; as individuals became the real capital of business units; revenues are no longer those gained by business units through investing in fixed and current assets only, but rather the intellectual revenues became more important. Business units realized that resources alone are no longer enough to fulfill their activities without investing them in the best possible way.

This research represents an analytical study of the intellectual capital and its components, the ways of measuring it within financial statement and the difficulties of its measurement. This study was concerned in measuring the intellectual capital and its effect on banks profitability. The research was applied over a sample made of fifteen banks of nine countries in order to test the research's hypotheses. Statistical approaches have been used to test these hypotheses. In the light of the obtained results the researcher reached a number of conclusions, the most important was that despite the multiple indicators (financial and non-financial) in measuring the intellectual capital, the usage of these indicators is limited with what is presented by the

financial statements of the study sample. They showed that there is a significant correlation between the intellectual capital and profitability of banks. The research recommended a number of recommendations, the most important was the necessity of paying attention to the (intellectual capital) within banks under the condition of presenting it in the their financial statements and presenting its corresponding intellectual assets as well, so the bank's budget starts with them.

5. The study of Al-Bishtawi & Bani Taha, (2014) entitled: "The Effect of Intellectual Capital in Enhancing the Profitability of Jordanian Pharmaceutical Companies".

Abstract

This study aimed at identifying the effect of intellectual capital on enhancing the profitability of Jordanian pharmaceutical companies. The study tried to answer the following main question: What is the effect of intellectual capital and its components (the human, structural and customer-relation capitals) on enhancing the establishment's profitability? The study population included the pharmaceutical companies in Jordan. The researchers chose a sample made of eleven pharmaceutical companies in Jordan. The sample's members were chosen depending on the model of Stratified Sample- to achieve the study's objectives, the researchers prepared a questionnaire of (38) items. The number of valid questionnaires was (80) out of (88) distributed questionnaires with a percentage of (9.90%). Data was analyzed using SPSS and the hypotheses were tested using (Test-T) and Cronbach Alpha to verify the reliability and validity of the study tool. The study reached a number of conclusions the most important was that the intellectual capital and its three main components (the human, structural and customer-relation capitals) have a great role in enhancing the profitability of Jordanian pharmaceutical companies. The recommendations were about the importance of investing funds in the intellectual capital in order to gain intellectual resources and to put a plan to maintain the intellectual capital through the programs of physical and moral motivation as well as providing the appropriate atmosphere to attract expertise, skills and competencies. **Key word:** Intellectual capital, profitability enhancement, companies' profitability, pharmaceutical industries.

6. The study of Al-A'raj, (2016) entitled: "The Usage of a Model to Measure the Human Capital and its Contribution in the Net Income".

Abstract

This study aimed at identifying the methods of measuring human resources (human capital), as well as measuring the human capital of BLOM Bank in Jordan for the financial periods of 2011-2014 using the model of Schwartz & Lev based on the most recommended model by the researcher which is the model of cost. The study measured the human resources using the approach of value by deriving a mathematical equation that measures the value of net income resulting from operating human resources

$$(n) = N HR * 2.3 * \sqrt{(N) 2.1.5}$$

The study used the descriptive analytical approach. The research tackled an applied case over

BLOM Bank in Jordan. The data was collected through a questionnaire about human resources to get the data needed for completing the objective of this study. The study concluded that the results of operating human resources of expenditure and revenue can be determined with an acceptable level of fairness, accuracy and objectivity. It also concluded that the results of BLOM Bank's investment in its human resources regarding profit or loss were determined with acceptable quantities. The results showed a decrease in returns on the investment of BLOM Bank in its human resources. The study recommended that the derived model should be disseminated and applied more widely. It also recommended for researchers to link human resources performance to the financial performance of companies in general and to study the nature of the relationship between the two. Moreover, it recommended to BLOM Bank to increase the productivity of its employees.

The hypotheses of the study

Based on the study problem and its questions the following hypotheses were founded:

H01: There is no statistically significant effect at $\alpha \leq 0.05$ for the cost of human capital development through training employees over the pre-tax net income at Jordanian Islamic banks.

H02: There is no statistically significant effect at $\alpha \leq 0.05$ for the cost of human capital development through training employees over dividend at Jordanian Islamic banks.

What distinguishes this study from previous studies

Previous studies focused on the effect of intellectual capital on achieving the competitive advantage in different sectors and on the profitability and its improvement, as well as the usage of models to measure the human capital and its participation in the net income, whereas the current study focused on the effect of the cost used in the human capital development over the net income and dividend at Jordanian Islamic banks.

The theoretical framework

(The human capital (Human resource): is the combination of knowledge, abilities, skills, and experiences of the establishment's members of employees and managers) (Al-A'raj, Mu'az, 2016).

It is also identified as the efforts that affect the future of real income through mobilizing the resources in individuals. Human capital is accumulated in a human being through career training, schooling, research and other ways of acquiring knowledge (G.S.Becker, 2012).

(Xera, 2001) sees that the human capital frame includes:

(Knowledge – education – qualifications – employees' participation in social committees – career development – initiative, creativity and the ability to face changes – training programs – equity in customs, experience and religion – issues related to property and allowance – cultural activity – the activity of unity – the number of employees – offers for employees – a guidance plan for employees – employees' dues – employees' benefit – employees' share – employees' share in options and plans – the employees average of experience – the

educational level – the added value from each element – the added value for each employee).

(Bernadette, 1999) sees that the human capital is always expressed through the skills and knowledge acquired by the company's workers and employees.

Both researchers believe that human capital is the distinguished experienced minds that have the capability to innovate and solve problems. It is the company's real capital that achieves the management's success which in turns is positively reflected on the company's revenues. This is realized by the continuous training and development of human resources.

The concept of costs

There is almost a consensus on the definition of costs as they are the sacrifices or the amounts incurred by the establishment for the sake of obtaining a commodity, a service, utility or realizing a specific goal. In order to have a meaning for the definition of costs, they should be linked to what is known as the subject of cost, in other words the subject that we want to find its cost, be is the production of a commodity, offering a service, one of the establishment divisions or a particular production phase (Abu Nassar, 2016, p.14).

(Matz, 1980) defined cost as the sacrifice of a specific resources in order to gain an expected utility (a commodity or a service) to achieve a particular goal (Al-Rabi'I & Al-Saqi, 2008, p.15).

The researchers identified cost as the sacrifice or the amounts incurred by the establishment in order to obtain revenues or a future utility that lasts for several financial periods. Despite the high cost of human capital, it would achieve the competitive advantage and sustainability in the market if it was met with high revenues.

Islamic bank

(Al-Najjar, 1982) Identified it as a financial and banking institution that collects money and uses it to build an Islamic integrated society, achieve distribution justice and to put the money within an Islamic course.

(Arshid, 2001) Identified the Islamic bank as a financial and banking institution that complies with the Islamic legislation in all its transactions, investments and administrative activities, as well as with the Islamic community internally and externally.

(Fatahi, 2009) Identified it as a financial institution that collects, invests and develops money for the benefit of the participants according to the Islamic legislation.

(Al-Wadi & Samhan, 2012) Identified it as a financial banking institution that collects money and uses it according to the Islamic legislation to serve building an integrated society, achieve distribution justice and to put the money within an Islamic course. Or it is an Islamic organization that works in the field of business for the objective of building the Muslim individual and the Muslim community; giving it the needed opportunities to rise on Islamic basis adhering to the rule of Halal (allowed) and Haram (forbidden).

The researchers believe that Islamic banks are financial institutions that collect assets and

reinvest it in all fields according to the Islamic legislation to achieve a real economic development in order to reach an integrated Islamic economy.

The Islamic banks characteristics:

There are several essential characteristics that distinguishes the Islamic bank from others: (Al-Rawashdeh and Al-Bawab, 2017)

1. The complete commitment to the Islamic legislation in all its transactions.
2. Not dealing with Riba (interest) whether it is given or taken nor even in concealed ways as for it is Haram (forbidden).
3. Establish the principle of participation in profit and loss through intermediating the bank between the owners of funds and the applicants for funding without terminating the risk and thronging it on the shoulders of one party without the other.
4. Create real economic and social development in the society.
5. Establish the principle of social solidarity, not only by collecting and disbursing Zakat in its legislative courses, but also by seeking justice in distributing the returns of invested funds and maximizing the social return of investment.

The concept of dividend

Dividend is one of the commonly used criteria for analyzing the profitability of a company. The Dividend of the company is either compared with previous years for the same company or with other companies in the same sector. Dividend plays a key role in determining the share market price due to its effect on the decisions of investors.

The International Accounting Standard No. 33 obliged shareholding companies that offer their shares for subscription and trading in the financial market to calculate the dividend and to present it in the financial statements, particularly in the statement of income IAS (33).

The types of dividend: There are two types of dividend; the first is the basic earnings per share and the second is the diluted earnings per share (Abu Nassar, 2016).

Earnings per share are calculated through the following formula:

After-tax net income – the distribution of preferred shares

The weighted average number of shares during the year

This ratio also shows the profit achieved for each ordinary share during the financial period. It is also known as the ratio of the ordinary share of profits. This ratio is considered as the most important ratio in the market and is used by current and potential investors. The measurement of the ordinary share yield depends on the financing structure of establishments which is of two types: a simple financing structure or a complex financing structure. The simple structure consists of ordinary shares and does not include any other sources of financing that are convertible into ordinary shares such as preferred shares and deeds that converting them has a financial effect on reducing the ordinary share of profits (Khanfar &

Al-Matarneh, 2006, p.146).

The methodology and procedures:

Here we will present the methodology on which the research was based to carry on this study as well as the study's population, sample, tool, applied procedures and the used statistical approaches.

1. The methodology of the study:

The researchers followed the descriptive analytical approach by obtaining the study's theoretical and scientific data from the published annual reports of Jordanian Islamic banks.

2. The population and sample of the study:

The study's population and sample were made of all Jordanian Islamic banks' employees who received training courses on the expenses of the banks under study from (2012) to (2016). The following table shows the distribution of the study's sample regarding the participants and the number of the courses they received within the period of the study.

Table 1. the distribution of the study's sample regarding the participants and the number of courses for the years (2012-2016)

Bank's name	Year									
	2012		2013		2014		2015		2016	
	Courses	Participants	Courses	Participants	Courses	Participants	Courses	Participants	Courses	Participants
Safwa Bank	137	1321	152	2334	41	994	56	1482	297	3500
Islamic Arab Bank	198	2539	207	1669	209	1773	193	1107	234	1661
Jordan Islamic Bank	391	3062	460	3934	500	3577	590	3607	628	4199
Total	726	6922	819	7937	750	6344	839	6196	1159	9360

The previous table shows that there is a remarkable variation in the number of courses that each bank offers to his employees during the years (2012-2016). There is also a variation in the number of courses from one year to another and in the number of participating employees in each bank.

3. The tool of the study: the researchers depended on the annual financial reports of the banks under study, issued during the years (2012-2016). These reports formed the basic source of data which will be used to answer the study's questions. The following table shows this.

4. The sources of the collected information:

Primary sources: the researchers depended on the annual financial reports of the Jordanian Islamic banks from 2012 to 2016.

Secondary sources: the researchers depended on books, scientific references, and theses for the theoretical framework.

Table 2. the cost of employees' training, the pre-tax annual profit, and dividend / Dinar at Jordanian Islamic banks for the years (2012-2016)

Bank's name	Safwa Bank			Islamic Arab Bank			Jordan Islamic Bank		
	Training cost	pre-tax annual profit	After-tax dividend / Dinar	Training cost	pre-tax annual profit	After-tax dividend / Dinar	Training cost	pre-tax annual profit	After-tax dividend / Dinar
2012	141673.00	761906	0.0230	154115.00	16495001	0.1155	137147.00	51198005	0.2920
2013	79279.00	2170312	0.0150	131780.00	22511480	0.1575	147943.00	64680715	0.3610
2014	67146.00	2700831	0.0190	123827.00	19092135	0.1337	159589.00	63971706	0.3010
2015	73446.00	4781999	0.0330	98706.00	25009759	0.1664	189097.00	74685076	0.3250
2016	132188.00	8836214	0.0570	99321.00	34642860	0.2301	200574.00	83747933	0.3600

4. The used statistical approaches

To analyze the study's data and answer its questions the researchers applied the Simple Linear Regression Analysis.

5. Results and discussion

After applying the simple linear regression over the study's data and carrying out the descriptive statistical analyses, the following results were reached:

1. Regarding the first question: is there an effect for the cost of training employees over the annual profit development at Jordanian Islamic banks?

The effect of the cost of training employees over the pre-tax annual profit development will be measured. The tax was excluded because it is a sovereign decision and does not reflect the effect of human capital on profit.

Table 3. the Simple linear regression analysis for the effect of the cost of training employees over the pre-tax annual profit development at the Jordanian Islamic banks

The cost of training employees	T value	Sig.	F value	DF	Sig.	R ²
				1		
	3.813	0.002	14.539	13	0.002	0.727
				14		

From the previous table we see that the cost of training employees contributes with a percentage of (72.7%) in the annual profit development of Jordanian Islamic banks for the

years (2012-2016). It also shows that there is a significant explanatory force at ($\alpha=0.05$), where the calculated value of F was (14.539) with a significance of (0.002). The table as well shows that the cost of training employees has a statistically significant effect on the annual profit development at the Jordanian Islamic banks where the calculated T value was (3.813) with a significance of (0.002), this indicates that the cost of training employees by the Islamic banks has a positive effect over the annual profit development.

The researchers calculated the percentages of effect for each bank separately in order to be able to compare among the three banks and determine which bank has the highest effect of training employees over the annual profit development. The following table shows the above mentioned:

Table 4. the Simple Linear Regression analysis of the cost of training employees over the pre-tax annual profit development at Jordanian Islamic banks separately

The cost of training employees	T value	Sig.	F value	DF	Sig.	coefficient of selection
Safwa Bank				1		
	-0.321	0.769	0.103	3	0.769	0.182
				4		
Jordan Islamic Bank				1		
	5.793	0.010	33.554	3	0.010	0.958
				4		
Islamic Arab Bank				1		
	-2.397	0.096	5.745	3	0.096	0.811
				4		

From the previous table we see that the values of the coefficient of selection for the three banks varied between (0.182 – 0.958). The explanatory force was not of significance for each of Safwa Bank and the Islamic Arab Bank, as the calculated F value was (0.103, 5.745) respectively with a significance of (0.769, 0.096) respectively as well. The table also shows that the cost of training employees has a statistically significant effect on the annual profit development at the Jordan Islamic Bank where the F value was (33.554) with a significance of (0.010). The cost of training employees was not statistically significant for each of Safwa Bank and the Islamic Arab Bank. From this, we can say that the annual profit development of Islamic banks does not only depend on the cost of training employees at the Jordanian Islamic banks; this indicates that there are other factors that have a high effect over the profitability of Islamic banks such as the factors of supply and demand for investment or financing opportunities offered by Jordanian Islamic banks, which are affected by the size of the savings of individuals and the regional surrounding conditions as well as the commitment to the Islamic legislation by those who deal with the Islamic banks. We find that a large proportion is cautious and careful in terms of dealing with Riba and thus they refuge to Islamic banks whether to borrow or save money.

We can also say that Jordan Islamic Bank gives a great deal of attention toward training

employees due to the utility reflected on the annual profit development, as the number and cost of courses offered by this bank was remarkably more than those offered by Safwa and Islamic Arab banks.

2. Regarding the second question: Is there an effect for training employees over the annual basic and diluted earnings per share at the Jordanian Islamic banks?

Table 5. The simple linear regression analysis for the effect of the cost of training employees over the annual basic and diluted earnings per share development / Dinar at the Jordanian Islamic banks

The cost of training employees	T value	Sig.	F value	DF	Sig.	Prediction coefficient
				1		
	3.595	0.003	12.927	13	0.003	0.706
				14		

From the previous table we found that the cost of training employees participates with a percentage of (70.6%) in the annual basic and diluted earnings per share at the Jordanian Islamic banks for the years (2012 – 2016). The table also shows that there is a significant explanatory force at ($\alpha=0.05$), where the calculated F value was (12.927) with a significance of (0.003). Moreover, the table shows that the cost of training employees has a statistically significant effect over the annual basic and diluted earnings per share development at the Jordanian Islamic banks, where the calculated T value was (3.595) with a significance of (0.003). This shows that the cost of training employees by the Islamic banks has a statistically significant effect over the annual basic and diluted earnings per share development at the Jordanian Islamic banks.

researchers calculated the percentages of effect for each bank separately in order to be able to compare among the three banks and determine which bank has the highest effect of training employees over the annual basic and diluted earnings per share development / Dinar. The following table shows the above mentioned:

Table 6. The simple linear regression analysis for the effect of the cost of training employees over the annual basic and diluted earnings per share development / Dinar at the Jordanian Islamic banks

The cost of training employees	T value	Sig.	F value	DF	Sig.	coefficient of selection
Safwa Bank				1		
	0.977	0.401	0.955	3	0.401	0.491
				4		
Jordan				1		
Islamic Bank	6.288	0.023	11.874	3	0.023	0.775
				4		
Islamic Arab				1		
Bank	2.255	0.109	0.988	3	0.109	0.493
				4		

From the previous table we see that the values of the coefficient of selection for the three banks varied between (0.491 – 0.775). The explanatory force was not of significance for each of Safwa Bank and the Islamic Arab Bank, as the calculated F value was (0.955, 0.988) respectively with a significance of (0.401, 0.109) respectively as well. The table also shows that the cost of training employees has a statistically significant effect on the annual basic and diluted earnings per share development / Dinar at the Jordan Islamic Bank where the calculated T value was (6.288) with a significance of (0.023). The cost of training employees didn't have a statistically significant effect on the annual basic and diluted earnings per share development / Dinar for each of Safwa Bank and the Islamic Arab Bank. From this, we can say that the annual basic and diluted earnings per share development of Islamic banks does not only depend on the cost of training employees at the Jordanian Islamic banks; this indicates that there are other factors that have a high effect over the annual basic and diluted earnings per share development/ Dinar of Islamic banks such as:

1. The cost of training employees.
2. The weighted average number of shares per year.
3. Tax rate.
4. The distribution of preferred shares, if any.

As the earnings per share are calculated by subtracting preferred dividends (if any) from after-tax net income, divided by the weighted average number of shares per year; going back to the weighted average number of shares shown in the financial reports of the Islamic banks stated in this study we see that the weighted average number of shares was not fixed sometimes.

Results:

1. There is an effect for the cost of training employees over the pre-tax annual profit

development at the Jordanian Islamic banks with variant proportions. This result agrees with the result of the study of (Al-Bashtawi & Bani Taha, 2014) which was applied over a different sector; the pharmaceutical sectors.

2. There is an effect with variant proportions for the cost of training employees over dividend at the Jordanian Islamic banks.
3. The cost of human capital development at Jordanian Islamic banks' financial statements was not disclosed except for the cost of training employees.
4. The Jordanian Islamic banks did not disclose the scholarships granted for their employees for the purpose of human capital development.
5. The cost of the employees' rewards and incentives within Jordanian Islamic banks has not been separated from their salaries, as for salaries are an entitlement whereas incentives and rewards are an encouragement for the employees to enhance their performance and they are only for those who are distinguished in their performance.

Recommendations

1. The importance of the disclosure of Jordanian Islamic banks of the human capital development cost in details within their financial statements.
2. The Jordanian Islamic banks should care about granting scholarships to their employees to finish their studies due the effect reflected on enhancing their work performance.
3. The importance of separating the item of rewards and incentives from the employees' salaries at the Jordanian Islamic banks to help researchers in measuring the effect of the human capital development cost.
4. Focusing on the continuous training for employees within the Jordanian Islamic banks due to the effect of this training on the company's profit development and dividend.
5. The necessity of carrying out more researches and studies about this important subject.

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