


Do Human Capital Value Added Impact the Risk-Based Performance of Banks? (A Review Based on the CAMEL Model)

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1. Round 1

1.1. Reviewer 1

Reviewer:

The phrase "the effective and efficient use of intangible assets is of high importance" should be supported with more recent literature citations beyond Abdel-khalik (2003) and Barak & Sharma (2024). This will provide a more robust theoretical foundation for the discussion on the importance of intangible assets.

The sentence "Studies examining the effects of intellectual capital on the performance of firms, including banks, show that intellectual capital significantly impacts bank performance" should cite specific studies that support this claim. Including citations will enhance the credibility of the statement.

The sentence "The necessary information for the present study was collected from the audited financial statements of banks" should specify the exact sources (e.g., specific databases or websites) and the date range of the data collection process. This detail will assist in verifying the data sources.

Ensure the consistency of variable names and abbreviations throughout the text and tables. For instance, in Table 1, "Earnings" is used, but in the text, it is often referred to as "Income." Consistent terminology will avoid confusion.

In Table 3, clarify the meaning of "Prob" in the context of the results. It is essential to specify that these are p-values and discuss the significance levels used for hypothesis testing.

The discussion on the inverted U-shaped and U-shaped relationships found in the regression models should be expanded. Provide a theoretical rationale for why these nonlinear relationships are expected, supported by relevant literature.

When comparing the study's results to previous studies, such as those by Haris et al. (2019) and Kaupelytė & Kairytė (2016), include a discussion on the methodological differences or similarities that might account for any discrepancies or alignments in findings. This critical analysis will deepen the discussion.

Authors revised the manuscript and uploaded the new document.

1.2. Reviewer 2

Reviewer:

The description of the CAMEL model lacks specificity. Briefly explain each component of the CAMEL model (Capital Adequacy, Asset Quality, Management, Earnings, and Liquidity) to provide context for readers unfamiliar with this model.

The sample selection process, specifically the use of the systematic elimination method, requires more detail. Describe how many banks were initially considered and the specific criteria used to exclude banks from the sample. This transparency will improve the reproducibility of the study.

In Table 2, provide more context on the range and distribution of the data. For instance, discuss why the "Human Capital Value-Added Coefficient" has such a wide range (from -55.7 to 28.5). This will help in interpreting the results accurately.

In the section discussing the stationarity test, the statement "The Levin Lin and Chu approach was used to examine stationarity" should include a brief explanation of why this test was chosen over others. Additionally, provide the results of the stationarity tests in a separate table for clarity.

The sentence "The results indicate that the human capital value-added coefficient is significantly associated with the variables of capital adequacy, management, and income across multiple quantiles" should quantify the strength and direction of these associations. This will give a clearer picture of the impact.

The practical implications section should be expanded to provide specific recommendations for bank managers and policymakers based on the study's findings. For instance, suggest particular strategies for investing in human capital that align with the observed nonlinear relationships.

The suggestion for future research to include "a more diverse range of banks from different regions" should specify potential regions or types of banks that might provide additional insights. This specificity will guide future researchers in building on this study.

Authors revised the manuscript and uploaded the new document.

2. Revised

Editor's decision after revisions: Accepted.

Editor in Chief's decision: Accepted.