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Human Resources Accounting and Financial Performance of Some Food and Beverages in Nigeria

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Abstract

The impact of human resource accounting on the financial performance of some selected food and beverages in Nigeria is the focus of this study. EViews 10.0 was used to analyse the panel data for eight of these food and beverage companies from 2002 to 2021. The findings of the study showed that staff training, development costs and employee welfare costs both considerably improved business performance, while employee safety costs did not. The return on assets (ROA) of the selected food and beverage companies in Nigeria, however, was significantly impacted negatively by recruiting costs over the study periods. As a result, the study came to the conclusion that human resource accounting is required to sustain financial performance of firms. The study therefore, recommends that management in particular firms regularly do both off-the-job training and on-the-job training rather than viewing staff training as an irregular occurrence.

Subject Areas

Human Resource Management

Keywords

Human Resource Accounting, Financial Performance, Quoted Nigerian Food and Beverages Firms

1. Introduction

1.1. Background to the Study

Human resource is needed in every organization, no matter the size and the primary objective of the firm. The success or failure of a firm is determined by type of workforce that constituted the organisation such as their personal endowment, technical know-how, skills or gifts, efficiency, innovation, ability, and dedication to the organization's success. Human resources are essentially workers of different grades who are employed in a company's production. In an organisation, they are divided into managerial, technically skilled, and unskilled workers among others (Bhovi 2016) [1].

Organizational resources can be both human and nonhuman, according to Bhovi (2016) [1]. The human resource is referred to as the last 1 m (men), while the nonhuman resources are referred to as the 3 ms (money, machines, and materials). The financial statement treats men, money, machines, and materials as the 4 M differently (Akintoye, 2016) [2]. Since the late 1960s, there have been numerous historical discussions about HRA. The largest resource that every company needs to fulfill its primary goal of higher returns on assets is human capital, and there may be a growing need to move beyond this perspective (Manukaji, Osisioma and Okoye 2019) [3]. According to Akintoye (2016) [2], HRA is still one of the most contentious accounting topics. Additionally, the requirement to view human resources as assets rather than just expenses gave rise to the relationship between HRA and financial performance more specifically, ROA.

Another crucial issue that caught the attention of this study was the fact that the construct has yet to receive a uniform criterion for its measurement and recognition despite the numerous studies devoted to the topic (Manukaji *et al.*, 2019) [3]. Again, there is little research on HRA and corporate performance that specifically focuses on the targeted enterprises. Furthermore, compelling arguments have been made for and against HRA as a strategy for gaining a sustainable competitive edge. Furthermore, there is no conclusive evidence to support the claim that HRA always enhances businesses' performance. HRA's impacts on performance are therefore unknown.

Poor human capital development has prevented many businesses from achieving their main goals (Olaniyi, 2010) [4]. Babalola (2003) [5] asserts that human capital should be preserved in an equilibrium state where there are no indications of a deficiency or surplus of educated people. According to this viewpoint, the main factor influencing the growth of human capital is education (Onuka and Ajayi, 2012) [6]. The lack of educated and trained labor in the cited Nigerian food and beverage enterprises has been blamed for the underwhelming performance of businesses in that country. The majority of these employees struggle to adapt to changes in their workplace, and the majority of these businesses find it difficult to permit their employees to attend conferences, seminars, or study leaves, which would have given them the skills and knowledge to have improved business performance (Oyinlola and Adeyemi, 2014) [7]. The majority of workers are not allowed the freedom to learn effectively when undergoing on-the-job training, and those who are in charge of instructing new workers may feel threatened by the presence of this worker and begin to hide their competence while carrying out their jobs (Prosvirkina, 2014) [8].

However, the majority of organisational cost-cutting techniques for gaining a competitive edge in the market frequently start with human resources at the expense of their growth, estimation, pay, and capitalisation. Perhaps as a result of the armchair managers' typical hiring and firing practices in the previous paradigm of corporate competitiveness, which measured success based on the sophistication of the management of supplies and equipment. In the new paradigm, when there is essentially no information asymmetry and globalisation, the competitive model is changing to focus on the caliber of the personnel that businesses can recruit, invest in, and keep. As a result, paying for such a concern seems worthwhile in light of the success of the company's finances.

1.2. Statement of the Problem

The reactions of firms to human resource management have led to the reconfiguration of their financial performance indices in a broader context under the ambiguous influence of improper financial provision for skilled labor, in order to create a comprehensive picture of firms' financial performance. As a result, there is an increase in demand from many stakeholders for the measurement of firms' financial performance and the subsequent presentation of this information to the public. As a result, human resource accounting has become a new branch of accounting. The need for management to have financial information on human resource expenditures resulted from the growing demands of various stakeholders, including the government, investors, lenders, the general public, and customers, to have financial information on the human resource performances of various firms reported in financial statements (Ali, 2002) [9]. Therefore, a practice where firms cannot make adequate provision for their staffs and still appear more economically efficient than others that pay their staffs well may be indicated by the lack of thorough and reliable information on human resource accounting of the firm.

Therefore, the researcher is interested in finding out whether Nigerian selected quoted food and beverage firms report their human resource accounting, and if so, how that affects their financial performance.

1.3. Objectives of the Study

The main objective of this study is to explore the interrelationship between human resource accounting and the financial performance of the selected quoted Nigeria food and beverages firms, while the specific objectives include:

1) To examine the relationship between human resource management and financial performance of the selected firms in Nigeria;

2) To investigate the effect of human resource accounting on the financial performance of quoted Nigerian food and beverages firms.

2. Literature Review

2.1. Conceptual Review

The act of accounting for expenses related to human resources or elements is all that the word "Human Resource Accounting" (HRA) refers to conceptually. Once more, it emphasises using human resources and/or elements as assets that generate income rather than as costs that lower profits (Akinjare, Idowu and Sule, 2019) [10]. The focus of this study, however, is only on return on assets (ROA). According to Akinjare *et al.* (2019) [10], ROA specifically informs an investor how much a company makes from its assets (invested money). It provides managers with insight into how they may use the human resources to produce high profits that will enhance the firm's financial performance.

2.1.1. Human Resources Accounting

The act of finding and measuring data connected to human resources and disseminating this information to relevant parties is described as "human resource accounting" (HRA) by the American Accounting Association (1973) [11]. In the context of a group of people, the term "human resources" refers to the workforce of a company, industry, or economy. Human resources and human capital are phrases that are occasionally used interchangeably (Akintoye, 2012) [12]. Although financial reporting is the display of financial data illustrating the operating performance, position, and cash flow of a company for a certain accounting period, efficient financial reporting necessitates user-friendly financial reports (Andrew and Higson, 2008) [13]. Despite the increased emphasis on a company's capacity to create value, Ashton (2005) [14] noted that there appears to be a clear shift in focus towards the "intangible value drivers" in place now that will position the organization for realization tomorrow. After a thorough analysis of the Skandia Model of Intellectual Capital, Ashton came to the conclusion that the Skandia Navigator and related framework have occasionally been used as the foundation for external reporting of non-financial information. In addition to understanding value creation itself, he stated that doing so might be helpful for interested stakeholders' value-creating activities. According to Akintoye (2012) [12], the crucial growth of effective organizations may result in a well-managed human resource with seasoned managers who have invested enough time in organizational relations policies, politics, and ethical ideals. The aforementioned claims imply that one of an organization's greatest contributions is its human element. A struggling business can succeed with the help of a group of capable, devoted, and motivated employees.

It is a crucial responsibility of an employer, according to Roslender (2004) [15], to create a work environment that is conducive to employees' excellent health and high morale. Some businesses have policies in place to protect their employees' well-being. Preventative actions must be taken and made available in accordance with the company's safety and health policies. Employees should primarily get safety training, protection, and consistent enforcement. In actuality, an organization's most significant resource is its human capital. The caliber of human resources that a firm may access determines how efficiently it can use its physical and financial resources. While efficient human resource management helps to manage the people who make such profit, machines and capital only serve to increase the capacity for profit. Identification, measurement, and dissemination of data on human resources to interested parties is the process of human resource accounting. Therefore, HRA is a system of information that alerts management to changes in an organization's human resources (Reeta, 2015) [16]. The cost incurred by organisations to find, choose, hire, train, and develop their human resources is measured in human resource accounting. It also entails calculating the financial contribution that each employee makes to the company (Flamholtz, 2014) [17].

2.1.2. Concept of Financial Performance

Performance is generally regarded as one of the major influencing elements that are frequently used to assess an organization's success or failure. Although many studies on performance-related problems that affect businesses or organisations have been conducted, it has been difficult for academics to define these problems (Lebans and Euske 2006) [18].

The growth and development of an organisation are governed by the firm's financial performance. It demonstrates the degree of financial development a company or organisation has made over time. However, the measure of corporate financial performance could be determined by using a number of indices or variables, including productivity, profitability, growth, or even customer and employee happiness. There is no precise measure to utilize in order to arrive at performance (Aliu, 2010) [19].

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2.2. Theoretical Review

This research's cornerstones were the resource-based view (RBV) and the human capital theory (HCT), among others. According to the HCT, businesses can gain huge advantages by using human capital as a resource. The researcher is therefore in favor of raising the price of education and training. According to Bassey and Tapang (2012) [20], a company's performance will improve if it continues to invest in its human resources. Investments in human resources therefore result in returns that far outweigh the initial outlay. The study concentrated mostly on this.

According to Amber (2016) [21], businesses have a variety of tools at their disposal that they may utilize to their benefit. A company can gain a competitive edge by utilizing valuable and uncommon resources. This theory also claims that human capital is an asset that cannot be replaced or duplicated, giving a company an advantage over rivals.

The following theoretical foundations of the subject prioritize accounting and human resource development: Human capital concept the idea of human capital is "a modern extension of Adam Smith's explanation of wage differentials by the so-called net (dis)advantages between different employments", according to the

Dictionary of Sociology. When everything else is equal, personal incomes vary based on the amount of human capital invested or the education and training that particular persons or groups of employees seek, according to economists like Gary S. Becker and Jacob Mincer. The expense of mastering the trade is a crucial component of net advantage. Another expectation that will be met by significant investments in human capital is that the workforce will be able to develop the skill set required for economic expansion. For example, it has been suggested that the rapid reconstruction of the Second World War winners may be related to the longevity of the human capital pool.

Any activity that increases a worker's output produces human capital. In actuality, full-time education is all too frequently used as the principal example. Investments made by employers in their human resources result in both direct expenses and indirect losses because of salary decreases. The decision-makers assess the appeal of several future income and consumption streams, some of which provide higher future revenue in exchange for higher immediate training expenditures and delayed consumption. It is theoretically possible to estimate the returns on society's investments in human capital in a comparable manner.

The human capital theory's proponents contend that education spending is wise since it increases output. They claim there is a return on the employees' investments in education and training since a workforce with superior education and the necessary skills makes it easier for a company to adopt and use new technology (Izushi and Huggins, 2004) [22]. According to the hypothesis, an organization's competitive advantage is influenced by the competence, knowledge, abilities, and skills of its workforce.

Resources Based View (RBV) "argues that firms possess resources, of which some enable them to achieve competitive advantage and some of which lead to superior long-term performance", according to Amber (2016) [21] posts. An organization can obtain a competitive edge by using rare and valuable resources. This advantage can be preserved for a long time if the business is able to guard against resource imitation, transfer, or substitution. The theory holds that organizations' enormous resources and capabilities—which are unique and challenging to replicate—maintain their competitive edge. Odhong *et al.* (2014) [23] cite Wernerfelt (1984) [24], who transformed RBV into a persuasive theory. According to Odhong and Were (2013) [25], the development of knowledge and skills can aid companies in maintaining their competitive advantage. A firm has an advantage over competitors, according to the notion, because human capital is a resource that cannot be replaced or duplicated.

2.3. Empirical Review

Five publicly traded Nigerian breweries were evaluated between 2007 and 2019 by Ndum and Oranefo (2021) [26]. According to the study, human costs only slightly increased ROA while dramatically increasing net profit margins. Akinjare *et al.* (2019) [10] claim that between 2012 and 2016, the 10 selected Nigerian oil and gas companies' performance (ROA) significantly increased due to the cost of staff, training, and development.

Similarly, Manukaji *et al.* (2019) [3] examined if human resource costs increased listed companies' performance from 2014 to 2018. Inferential, descriptive, and multivariate statistical methods were all used in the study. According to the research, firm performance was greatly enhanced by staff remuneration and training expenses. Using a variety of techniques, Ezejiofor *et al.* (2017) [27] and Olowolaju & Oluwasesin (2016) [28] discovered that employee compensation hikes and pension funds significantly impacted organizational profitability.

There is a positive correlation between the indicators of human resource cost (training cost, development cost, and staff number) and the company's profit, according to research by Edom, Inah and Adanma (2015) [29], who examined the effect of human resource accounting on a firm's profitability using empirical evidence from Access Bank of Nigeria plc (Access Bank Plc). Assessing the growth in Access Bank of Nigeria Plc's profitability between 2003 and 2012 was the primary goal of the study. In order to gather and examine secondary data from Access Bank of Nigeria Plc, the conventional least squares method was employed. Further research revealed a close correlation between the bank's revenue and its training and development expenses.

Ezejiofor, Nwakoby & Okoye (2015) [30] evaluated how HRM affected how well the corporate organization performed. A five-point Likert scale was used to assess the study's findings, which were based on a survey research approach. An easy-to-understand regression analysis was used to research the hypotheses. According to the investigational findings of this study, human resource management has an impact on how successfully businesses run. This has a direct impact on planning, management, and motivational development. At the 5% level of significance, only health expenditures can significantly predict netting profit.

A study on how human capital expenditure affects the profitability of publicly traded manufacturing companies in Nigeria was conducted by Olowolaju & Oluwasesin (2016) [28]. The sample for this study consisted of ten manufacturing firms that were traded on the Nigerian Stock Exchange. The vast bulk of the data used in this study came from secondary sources, and it was analyzed using both descriptive and inferential statistics. Metrics like mean, standard deviation, kurtosis, and skewness are examples of descriptive statistics. Panel regression and correlation are two examples of the inferential statistics that were used to assess the hypotheses. The study found that investing in human capital had a big impact on how profitable industries were.

In order to assess the growth effects of three government human capital investment variables on the economies of these countries' health, education, and literacy rates, Obialor (2017) [31] conducted a study on the impact of government human capital investment on economic growth in Sub-Saharan Africa: evidence from Nigeria, South Africa, and Ghana (1980-2013). The secondary data were obtained from the World Development Indicators (WDI) online database, and then co-integration analysis was performed on them. The study's findings, which are based on the VECM test results, suggest that, notwithstanding the aforementioned outcome, the economies of the SSA countries still have the potential for longer-term economic growth.

In their 2017 study, Ezejiofor, John-Akamelu, and Iyidiobi [27] examined how incorporating human resource accounting might impact business organizations' profitability. Data analysis and evaluation were performed using SPSS version 20.0 and the t-test statistical technique. According to the study, increasing personnel advancement levels and remuneration levels both influence organizational profitability positively. According to another report, the provision of retirement benefits to employees boosts organizational profitability.

The impact of human resource accounting (HRA) on the performance of Nigerian enterprises was evaluated by Akinjare, Idowu, and Sule (2019) [10] using ten (10) specifically chosen annual reports and financial summaries of oil and gas companies from 2012 to 2016. (2012-2016). Using ordinary least squares, the study evaluates the data it has gathered. Results reveal that the performance of Nigerian oil and gas enterprises is significantly impacted by both gross employee costs and costs associated with training and development.

The performance of Nigeria's listed corporations was the subject of research by Manukaji, Osisioma, and Okoye in 2019 [3]. The study made use of an ex post facto research methodology. We looked at the annual reports and financial statements of five companies listed on the Nigerian Stock Exchange. Utilizing descriptive statistics, a correlation test, and the ordinary least squares estimate technique, the acquired data were evaluated. According to the data, staff pay and training and development expenses have a significant impact on how listed Nigerian companies perform. It was discovered that, for the most part, staff count has no bearing on the performance of listed companies in Nigeria.

3. Methodology

3.1. Research Design

Research design is the process of organizing contexts for data collection and analysis in a way that aims to balance technical economy with relevance to the study's purpose (Claire *et al.*, 1962) [32]. In the study, an ex post facto research design was employed. Ex post facto investigations, as defined by Kerlinger and Rint (1986) [33], seek relationships by assessing an existing condition or state of affairs and looking back in time for potential contributing factors. An ex post facto approach is regarded as appropriate for the research because the study is non-experimental and seeks to determine the causal connection between the dependent and independent variables (Owolabi, 2017) [34].

The study made use of expo-facto research design using secondary data. This study will employ ex-post facto research design using secondary data. The required data will be sourced from annual report of the selected food and beverage firms for the period of 2002-2021.

3.2. Population and Sample Size

The term "population" refers to all the individuals who make up an actual or fictitious group of individuals, occasions, or items to which a researcher hopes to generalize the findings of their study (Borg and Gall, 1989) [35]. Firms quoted on the NSE's trading floor as of the end of 2021 make up the study's population. The study concentrated on businesses in the NSE's consumer products industry. All of the companies in the consumer products industry were included in the study's purposive sampling technique, a type of non-probability sampling.

For the study, secondary data were employed. Consequently, the published annual reports from 2002 to 2021 were the source of the data. Eight (8) businesses, or 4.0% of the population, were selected for the study's sample. This was accomplished by choosing the sample size using a ballot mechanism and straightforward random sampling techniques. The population for the study consisted of a sizable portion of the population, which is one of the justifications for choosing this sample size. The balanced panel data regression procedures were the econometric methods used in this investigation. The panel regression approach is used because it has the best linear, unbiased, and efficiency characteristics. The distribution's normality was further tested using descriptive analysis.

3.3. Operationalization of Variables and Model Specification

A multiple regression model is used in this analysis in keeping with the aforementioned research strategy. A multiple regression model was employed in this inquiry to take into consideration variations in the dependent variable's value brought on by changes in the independent variables. It is presumed that the independent variable and the dependent variable are linear functions. The model used in the study is an adaptation and modification of initial concept of Fontana and Macgnan's (2014) [36].

The quantitative analyses were considered in the study. Eight (8) food and beverage companies as of the end of 2021 were chosen in the researcher's analysis due to data availability which include: Coca-Cola Nigeria, Nigerian Breweries Plc. Rites Foods Limited, 7-Up Bottling Company Plc., Dangote Flour Mills Plc., Cadbury Nigeria Plc., Nestle Nigeria Plc. and Unilever Nigeria Plc. are the eight companies that have been singled out in this research work.

Moreover, Econometric Views version 10.0 (*i.e.*, EViews 10) was used to take into account, the panel regression estimate. The user-friendliness and widespread acceptance of this econometric software are key factors in its selection. The following models were designated as a result:

$$\mathrm{P} = \mathrm{f}\left(\mathrm{HRA}\right) \quad (1)$$

where: P is Performance, f is function and HRA is Human Resource Accounting.

$$\mathrm{ROA} = \mathrm{f}\left(\mathrm{STC}, \mathrm{SWC}, \mathrm{SHC}, \mathrm{SSC}\right) \quad (2)$$

$$\mathrm{ROE} = \mathrm{f}\left(\mathrm{STC}, \mathrm{SWC}, \mathrm{SHC}, \mathrm{SSC}\right) \quad (3)$$

Therefore, substituting Equations (2) and (3) into Equation (1) (for the study has decided to use both ROA and ROE to measure selected firms' performance) along with a constant (β_0) will produce Equations (4) and (5) as the research model specification as shown below:

$$\text{ROA} = \beta_0 + \beta_1\text{STC} + \beta_2\text{SWC} + \beta_3\text{SHC} + \beta_4\text{SSC} + \text{et} \quad (4)$$

$$\text{ROE} = \beta_0 + \beta_1\text{STC} + \beta_2\text{SWC} + \beta_3\text{SHC} + \beta_4\text{SSC} + \text{et} \quad (5)$$

where: ROA is Return on Assets, ROE is Return on Equity, β_0 is constant, STC is Staff Training Costs, SWC is Staff Welfare Costs, SHC is Staff Hiring Costs, SSC is Staff Safety Costs and e is error term.

4. Results, Analysis and Discussion of Findings

The descriptive and inferential statistics-correlation analysis was addressed in this section, along with a number of diagnostic tests, including the tests for normality, serial correlations, heteroskedasticity (constant residual error), and model misspecification. The following lists and discusses each of them.

4.1. Descriptive Statistics

The description of each study variable over the course of the study periods is included in **Table 1**. The investigation showed that the average values recorded by ROA, ROE, STC, EWC, SHC, and SSC were 25.24424, 165,859,496, 114,308,272, 3.18E+08, and 4,692,713. Since only ROA reported a mean value that was lower than its standard deviation value, only ROA was highly volatile at the same time.

Inferentially, the ROA mean differed greatly from its standard deviation value.

Inferentially, the ROE mean differed greatly from its standard deviation value.

Finally, the minimum and maximum values provided by ROA, STC, EWC, SHC, and SSC were: −62.9786, 3679185.4, 4482462.4, 1.36E+07, and 1,240,963, respectively, and 30.63596, 117,232,093, 77,697,541, 3.00E+08, and 2,895,976, respectively.

4.2. Inferential Statistics

The following variables were included in **Table 2** as having positive coefficient values: STC (0.828948), SWC (0.552511), and SSC (0.246368). SHC, on the other

Table 1. Descriptive statistics.

	ROA	ROE	STC	SWC	SHC	SSC
Mean	25.24424	29.34643	165,859,496	114,308,272	3.18E+08	4,692,713
Median	25.5717	29.72710	154,957,689	100,899,538	1.97E+08	4,070,006
Maximum	95.238	110.71418	536,800,000	313,600,000	9.73E+08	14,429,460
Minimum	−62.9786	−73.21263	3679185.4	4482462.4	1.36E+07	1,240,963
STD. Dev.	30.63596	35.61430	117,232,093	77,697,541	3.00E+08	2,895,976
Observations	160	160	160	160	160	160

Source: Econometric views version 10.0 (2022).

Table 2. Correlation analysis variables.

Variables	ROA	STC	SWC	SHC	SSC
ROA	1.000000				
STC	0.828948	1.000000			
SWC	0.552511	0.268283	1.000000		
SHC	−0.7495	0.274121	0.272136	1.000000	1.000000
SSC	0.246368	0.222836	0.345018	−0.00161	

Source: Econometric views version 9.0 (2022).

hand, has a coefficient value of −0.7495, indicating that it considerably but negatively affects ROA. Additionally, all regressors indicated low correlation coefficients, according to the correlation coefficient. This is due to the fact that they are all below the cutoff point of 0.80, indicating that there is no multicollinearity issue with the predictor variables.

4.3. Robustness (Diagnostic) Test

To ensure that, the panel estimate is reliable, accurate, and valid, we subjected the model to the following robustness (diagnostic) check.

The outcomes shown in Table 3 demonstrated that the series are homoskedastic, as stated correctly, and do not have an autocorrelation problem because all of their p-values are higher than 5%. The calculated model passed each test and was suitable for recommending policies.

4.4. Regression Results and Discussions

Having ascertained that the findings are fit for policy recommendations, the researcher then subjected the model to panel regression analysis, though ROA was used as the only dependent variable because it will also provide the same result as the ROE. The Panel Regression Estimate is presented in Table 4.

4.5. Discussion and Implications of Findings

Durbin Watson Statistics, R-Squared, adjusted R-Squared, and F-Statistics are all taken into account in Table 4. The calculated R-squared value was 0.476141, and the reported R-squared value was 0.519688. Inferentially, the regressors were able to account for 51.97% of the variation or change in the regressed data, with the error term covering the remaining 48.03%.

Furthermore, since the Durbin Watson value is set at 2.523396, the regression results demonstrated that the series is free of serial correlation. The F-statistic also evaluated the overall model significance. As a result, the regression results shown in Table 4 demonstrated that the series is overall highly statistically significant.

The variable that makes the overall model highly statistically significant cannot be identified using the F-statistics, though. As a result, we used the p-values

Table 3. Robustness (diagnostic) tests.

Robustness (Diagnostic) Tests	F-statistic	Prob. F	Conclusion
Test for Heteroskedasticity	0.361920	0.8603	Homoskedastic
Test for Omitted Variables: Ramsey Reset Test	0.467413	0.4314	Correctly specified
Test for Auto-correlation	1.951763	0.1008	No serial auto-correlation

Source: Econometric Views Version 10.0 (2023).

Table 4. Panel regression estimates.

Regressand: ROA Method Adopted: Panel Least Squares Sample: 2002 to 2021 Periods included: 20 Cross-sections included: 8 Balanced Panel observations: 160				
Variable	**Coefficient**	**STC. Error**	**t−Statistic**	**Prob.**
C	−0.551806	0.101527	−6.675749	0.0000
LOG (STC)	0.584821	0.104826	5.725477	0.0000
LOG (SWC)	0.687543	0.166505	4.366733	0.0127
LOG (SHC)	−0.461739	0.164694	−3.469420	0.0304
LOG (SSC)	−0.101935	0.192992	−0.653630	0.6659
R-squared	0.519688	Mean dep. var		16.829496
Adjusted R^2	0.476141	Durb-Watson stat		2.523396
F-statistic	8.880404	Prob (F-statistic)		0.000006

Source: Econometric Views Version 10.0 (2023).

of each variable to determine whether or not it was significant. Individually, STC significantly improved the performance (ROA) of the targeted firms by 58.48%. This further demonstrated that even though STC costs can occasionally be very high, their positive impact on ROA is encouraging.

This outcome is consistent with Akinjare *et al.* (2019) [10]. Again, the performance of the targeted firms was significantly enhanced by the staff welfare cost, which increased by 68.75%. The justification for this is that when a company's compensatory strategies take into account the welfare of its employees, the employees will ensure that the company's primary objective of high returns is attained at all costs.

This backs up the findings of Ezejiofor *et al.* (2017) [27]. On the other hand, the hiring expense reduces the targeted firms' ROA by 1019%. Inferentially, the ROA will be lower the higher the hiring cost. Simply put, a 1% increase (or decrease) in hiring costs will result in a negligible 10.19% reduction (or increase) in ROA. This is justified by the idea that every employee wants to give their all, even in situations where job security is improbable. The findings of Ndum and Oranefo (2021) [26], Akinjare *et al.* (2019) [10], and Manukaji *et al.* (2019) [3] are supported by this result.

Last but not least, the cost of staff safety was positive but statistically insignificant. This indicates that the cost of employee safety only had a small impact on the ROAs of the targeted firms. This is justified by the fact that most businesses do not factor employee safety costs into their cost structures. This finding concurs with those of Ndum and Oranefo (2021) [26], Akinjare *et al.* (2019) [10], and Manukaji *et al.* (2019) [3].

5. Conclusions and Recommendations

The study provided conclusive evidence that human resource accounting has greatly increased the selected food and beverages firms' financial performance through their returns on assets that of the targeted enterprises overall.

Additionally, spending related to employee welfare, training, and development significantly increased the targeted enterprises' return on assets, but costs related to employee safety had a far smaller impact.

However, the targeted companies' returns on assets were dramatically reduced by the expenditures of adding people.

Thus, the article came to the conclusion that HRA is essential to enterprises' performance in Nigeria. The following recommendations were made on this ground for the regulatory authorities of the targeted firms:

1) The cost of staff training, welfare and hiring must be tailored to each employee's area of interest and specialization, since they all have a significant effect on the selected firm's financial performance.

2) Companies should make provision for staff safety in their human resource costing for the results of this study indicates that its insignificant impact on selected firms' financial performance was attributed to poor provision from the firms.

3) The study also recommended that adequate morale should be provided to the special employees of the selected firms, for this will assist in reversing the detrimental correlation between hiring costs and firm performance.

4) Companies in the sector voluntarily report their staff safety costs annually for this can help improve the cost of staff safety and also improves its impacts on the selected firms' performance.

6. Contributions to Knowledge

This study assessed the financial performance and accounting for human resources of a few publicly traded Nigerian food and beverage companies. The research has added the following to embodiment of knowledge:

Contribution to Economic and Corporate Policy Making: The study was able to experimentally define the effect of human resource accounting on the financial performance of a few listed Nigerian food and beverage companies. Because of the methodology used, this study will be a useful tool for a variety of policymakers who will be better able to understand how much their tangible and intangible assets can contribute to their company's value development.

Human Resources Managers and Employers of Labour: The analysis in the report of various industry firms' attitudes (investments) towards human resource accounting and the extent to which it can alter their corporate values will be of particular interest to industry and sector drivers. According to the study, it is crucial that human resources play a significant role in determining values. As a result, the study will highlight human resources' capacity to create value. As a result, purposeful methods should be developed to improve the quality of human resources through strategic hiring, high-quality training and retraining, appropriate compensation, and other forms of motivation.

To Financial Analysts and Specialists in Corporate Valuations: This research will also serve as a guide for financial analysts and business valuers to understand the potential value creation potential of the different HRA components and to advise their customers accordingly. The study demonstrates yet again how structural capital has an insufficient and very low impact on value generation.

Contribution to Making Investment Decisions Easier: This research is a real tool for making investment decisions because it shows how much human resource accounting parts drive different businesses in different economic sectors.

Conflicts of Interest

The authors declare no conflicts of interest.

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