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HUMAN RESOURCE ACCOUNTING AND FINANCIAL PERFORMANCE OF LISTED CONSUMER GOODS COMPANIES

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Abstract

The objective of this study is to investigate the influence of human resource accounting on financial performance of Nigerian listed consumer good companies. The specific objectives were to; determine the effect of cost of employees' compensation and reward on financial performance, assess the effect of staff training and development cost on the financial performance; and influence of costs of recruitment and selection on financial performance of listed consumer goods companies in Nigeria. The population of the study consisted 21 listed consumer goods companies. Purposive sampling technique was used to determine the sample size of 5 listed firms. Secondary data were sourced from annual reports of selected firms for a period of 11 years (2013-2023).

Descriptive and Panel estimation techniques were used to analysed data. The results revealed that cost of employees' compensation and reward was positively and insignificantly related to return on assets and return on equity (t-v= 1.632, t-val.= 1.018, p-val. >0.05). The results showed that staff training and development costs was positively and significantly influence the return on assets and return on equity respectively (t-val.=3.177, t-val. =2.896, p-v <0.05). In addition, the results revealed that costs of recruitment and selection was negatively and significantly influence the return on assets and return on equity (t-val.= -2.246, t-val.=-1.725, P-v <0.05) respectively. Therefore, the study concluded that organization financial performance is dependent upon the performance of the individuals that make up the organization. The study recommended that Consumer goods companies must be willing and ready to invest heavily on human resources especially training and development for greater productivity and attainment of corporate goals.

Key words: human resource accounting, profitability, organization, salaries and wage.

Introduction

Nigeria's private and public organisations including consumer goods firms have a long history of meeting the country's financial and economic demands and their clientele was quite limited (Akinyemi, 2017). It is pertinent to note that only a few manufacturing firms existed in the country a few decades ago (Richard, 2019) and their operations were quite modest, limited, and traditional. Apparently, they relied on manual manufacturing processes, which had yielded much profitability to organisations (Wan & Syarif, 2015).

However, the wave of globalization and expanding market demands, Nigeria's manufacturing firms had undergone a massive shift from traditional to contemporary manufacturing during the previous decade, resulting from technological advancement and product developments

Based on the records of event, the business performance of organisations including consumer goods companies has face serious challenges because of rapidly changing environment orchestrated by globalization.

The problem of high-performance work system and productivity bargaining had mostly posed serious challenges to business performance and profitability of most of the existing manufacturing industries in Nigeria. Meanwhile, some factors had been attributed to failure or otherwise of business organisations in Nigeria, presumably the human side of the enterprise; but the corresponding effects of human resource accounting are yet to be established especially in developing country like Nigeria.

It has been observed that organisations often invest huge amount of money on employees' recruitment and selection; training and development, retention, health and retirement with little or no positive impact on business performance in terms of return on investment; return on asset, return on equity, return on capital employed, earning per share and profit after tax. This scenario has posed serious problem on business profitability and sustainability on the part of organisation, especially in recession period in developing economy like Nigeria (Akintoye, 2016; Abdulazeez & Ajagbe, 2017)

In addition to leadership and culture, there are a number of other factors that have been shown to impact business performance. For example, a study by the Society for Human Resource Management (2017) found that organisations with effective performance management systems tend to have higher levels of employee engagement and are more likely to achieve their strategic objectives.

Similarly, a study by the Boston Consulting Group (2017) found that companies that invest in digital technology tend to have higher levels of productivity and profitability. Similar study conducted by the World Economic Forum (2020) found that companies that prioritize sustainability tend to have higher levels of financial performance and are more resilient in the face of economic and environmental challenges.

The study found that companies that integrate sustainability into their business models tend to outperform their peers in terms of revenue growth and profitability.

It is pertinent to note that all the studies mentioned above had demonstrated that a range of factors impact business performance, including leadership, culture, employee training and development, digital technologies, employee well-being, collaboration, and sustainability. By understanding these factors and investing in strategies to improve them, organisations can improve their overall performance and achieve long-term success. Overall, there is a large body of research that demonstrates the importance of various factors on business performance. By understanding these factors and implementing strategies to improve them, organisations can improve their overall performance and achieve their strategic objectives.

In the discipline of human resource accounting, job performance is a hot topic, particularly in the manufacturing business, thereby representing individuals as an authoritative asset is portrayed in human resource accounting.

It involves computing the expenses caused by an organisation or other association in enlisting, choosing, employing, preparing, and creating human resource (HR). It likewise involves working out the financial worth of representatives to the organisation (Ijeoma and Aronu, 2013). HR accounting, then, is the most common way of laying out monetary evaluations for people inside an association and society, as well as the tracking of these assessments through time. It is concerned with human capital investments and the economic outcomes of those investments (Okpala & Chidi, 2018); Isaac, Mayor & James, 2019, Gebauer, 2013).

Despite the fact that, the manufacturing industry is rapidly expanding in the twenty-first century worldwide, where intellectual capital is the most valuable asset, the system of human resource accounting has few examples of its use (Kodwani & Tiwari, 2019).

Many authors such as Ogodor and Olaniyi (2022), Nwude et al (2023), Ekoyi et al. (2023) and Osanyinbi and Oyekanmi (2023) have conducted studies on how an organisation's human resources might be valued and reflected in its financial accounts.

It has been established that the world is undergoing a shift to a knowledge-based economy. A knowledge-based economy is one in which the substitute for business success and survival is knowledge, skills, expertise, and experience. This has provided yet another reason and justification for valuing and reporting human capital as an asset in business financial statements (Obe, 2000;, Kodwani & Tiwari, 2019, Isaac, et al., 2019).

The implications of the reviewed studies indicate that the impact of human resource accounting (HRA) on business performance may depend on several factors, such as the type of organisation and culture, leadership, the nature of the industry, and the specific HRA practices used. By so doing, more research is needed to better understand the conditions under which human resource accounting is most effective. For this reason, this study is designed to survey on the nexus between human resource accounting and business performance using the indices of return on asset and return on equity of listed consumer goods companies in Nigeria.

The fundamental questions were formulated. What is the influence of cost of employees' compensation and reward on financial performance? How staff training and development cost affect the financial performance? What is the effect of costs of recruitment and selection on financial performance of listed consumer goods companies in Nigeria?.

The objectives of the study are to; determine the effect of cost of employees' compensation and reward on financial performance, assess the effect of staff training and development cost on the financial performance; and influence of costs of recruitment and selection on financial performance of listed consumer goods companies in Nigeria.

The findings of the study will contribute to manufacturing firms' ability to create enabling environment and supportive working system, leading to improved operational and financial business and competitive edge in the market.

The growing interest on human resource accounting as factor in the consideration of financial performance of firms has become a polemical issue among the accounting practitioners in the recent times. The accounting practitioners acknowledge that employees are a critical component of an organization's success and there is need for seeking for measurement of their contributions to the organization's financial performance. Some researchers had reported that human resource accounting has contributed to financial performance while some claimed that human resource accounting has no correlation to financial performance (Adeyemi and Fajana, 2016; Nwachukwu, 2012)

Most importantly, human resources have been described as the most valued asset of organizations considering their strategic contributions to overall organizational performance. Despite the importance of human resources in driving business success, many organizations in Nigeria fail to recognize the value of their human assets.

This oversight can lead to suboptimal financial performance, as organizations neglect to invest in and manage their human resources effectively. While there is a growing body of research on human resource accounting, there is a need for more studies that explore the relationship between human resource accounting and financial performance in the context of listed consumer goods companies in Nigeria.

This study therefore seeks to investigate the relationship between HRA and financial performance in listed consumer goods companies in Nigeria, with a view to identifying the specific human resource accounting practices that contribute to improved financial performance.

Literature Review

Conceptual Review

Human Resource Accounting (HRA)

Human Resource Accounting (HRA) has been characterized by the American Accounting Association (1973) cited in Salisu (2019) as "the method involved with recognizing, estimating, and sharing data on human resources to permit powerful administration inside an association." HRA is characterized in this definition as the most common way of perceiving and measuring human resources for the point of aiding an association's compelling administration ((Nwude et al, 2023). What involves human resource consumptions and how they are to be perceived are not determined in the definition. HRA is characterized as the most common way of measuring the expense consumed by business organisations and different associations to look for, pick, recruit, train, and foster human resources (Flamholtz, 2002 & Salisu, 2019). This definition gives knowledge into what human resource consumptions, and as such, believes HRA to be the estimation of an individual's financial worth to an association. Bader (2017) argues that the mental and physical abilities of a person are rarely sufficient to explain their job performance. Other elements, such as a person's motivation and interpersonal skills, are more crucial. Meanwhile, research findings revealed that as possible predictors, the personality, motivation and interests' inventory are catalysts of job satisfaction; and that workers' job satisfaction affects their performance on the job (Ayodele, 2019; Sonnentag & Frese, 2017).

Cost of Employees' Compensation and Reward

These costs are important for organizations to consider, as they impact the overall expense of maintaining a skilled and motivated workforce. This includes expenses incurred to compensate and reward employees for their work, such as: salaries and wages, benefits (health insurance, retirement plans, etc. bonuses and incentives stock options or equity recognition and award programs and employee perks (Nwude et al, 2023). Compensation cost and other benefits also play an important role in determining employee value, especially in an approach that nets the employees value and costs associated. Salary and benefits are investments that are associated with the expected return of the employee. Brain et al (2014) also stressed that the greater the difference between the value and the cost is, the better the investment by the company.

Recruiting and Selection Cost

They further affirmed that the same is true for recruiting and training cost associated with obtaining the employee in the first place. Employee value must be captured mainly through performance in their role. Although difficult, employee reviews by managers and other data; for example, sales numbers for a salesman or deliverables met for an IT professional, must be quantified and taken into account (Ogodor & Olaniyi 2022). Cost of recruitment and selection includes expenses incurred when attracting, selecting, and hiring new employees, such as: advertising job openings, agency fees (if using recruitment agencies), travel and accommodation costs for interviews, background check and assessment costs and staff time spent on recruitment and selection processes

Staff Training and Development Cost

The natural attributes an employee has are also important in determining his monetary worth to an organization. A good, charismatic and highly connected employee is likely to be productive in term of meeting sales target, deposit mobilization target and winning viable contracts for the organization. Brain et al. (2014) also affirmed that a naturally intelligent person, whether they attended college or a training class or not, can obviously still be of great value to a company if they are good at what they do. Certain attributes that are crucial to success in one industry can be of little help in another.

The experience acquired on the job by an employee is also crucial to the value that an employee can provide the company. An employee that has been working for certain period of time will possess more skill and expertise on the job than a newly employed employee. This means an experienced and skillful employee will earn better value and remunerated in term of salary and other fringe benefits than a new employee without job experience (Ekoyi et al. 2023). Generally, the more time spent in a job or industry, the more knowledge and people that employee will gain and know. Cost of Employees' Training and Development includes expenses incurred to improve employees' skills and knowledge, such as Training programs (in-house or external), Workshops and conferences, Mentorship programs, Online courses and certifications and Staff development programs.

Financial Performance

Financial performance refers to a measure of the result of a firm's policies and operations in monetary terms. These results are reflected in the firms Return on Equity (ROE), and return on assets (ROA). Return of Equity (ROE), according to Ward and Price (2006), Return on equity reveals how much profit a company earned in comparison to the total amount of shareholder equity found on statement of financial position. A business that has a high return on equity is more likely to be one that is capable of generating cash internally. Return on Equity is calculated as Profit After Tax/Shareholders Fund multiply by one hundred. ROA measures a company's profitability in relation to its assets. It evaluates how efficiently a company uses its assets to generate income. Return on assets also explains a firm's ability to make use of its assets and return on equity reveals what return investors take for their investments.

Theoretical Framework

This study is anchored on Human capital theory which is proposed by Schultz (1961) and extensively developed by Becker (1964). Human capital theory upholds that education or training raises the productivity of workers by imparting useful knowledge and skills, thus raising workers' future income as well, through increase in their lifetime earnings. The theory postulates that expenditure on education or training and development is costly, and should be considered as investment since it is undertaken with a view to increasing personal incomes. The relevance of this theory to the study is that it considered the cost of education, training, development and even workers medical treatment as investments which are expected to reflect in increased or improved productivity of individual workers.

Empirical Review

Alla and Viorica (2019) examined how human resource accounting (HRA) practices influence the financial performance of Moldova's banking system. The study evaluates the combined contribution of HRA components to business performance, the study sheds light on the broader dynamics of organizational efficiency. Despite not addressing specific financial metrics outlined in objective two, such as return on investment or profit after tax, the research underscores the significance of HRA practices in enhancing overall banking system efficiency.

Ogodor and Olaniyi (2022) utilized multiple regression analysis to demonstrate the positive and significant influence of human resource accounting (HRA) efficiency on corporate performance metrics like Return on Assets (ROA) and Earnings Per Share (EPS). This finding underscores the importance of effective management of human capital in driving organizational success. However, the study acknowledges the need for further investigation into additional factors or sectors to fully grasp the complexity of this relationship, indicating avenues for future research to enhance our understanding of the relative contribution of HRA to business performance.

Otache et al. (2022) investigate how human resource accounting orientation (MO) impacts Nigerian bank performance, with a focus on team orientation mediation. Utilizing a survey of 255 senior bank managers from 18 Nigerian commercial banks and employing partial least squares structural equation modeling (PLS-SEM), the study uncovers a positive association between human resource accounting orientation and both team orientation and bank performance. Team orientation significantly mediates the relationship between human resource accounting orientation and performance, highlighting the importance of fostering a team-oriented culture in Nigerian banks.

Mohan et al. (2022) explored the impact of human resource accounting practices on the financial performance of 30 small-scale industries in Odisha. Analyzing financial data from 2016 to 2020, the study found a significant influence of HRA on financial performance metrics such as return on assets (ROA) and return on capital employed (ROCE), highlighting its importance in industry management. However, a gap remains in understanding how these practices specifically affect financial performance within the Nigerian banking sector.

Ekoyi et al. (2023) examined the impact of human, structural, and relational capital efficiency on financial performance in Nigerian banks. The study utilized econometric techniques to demonstrate the positive and significant impact of HCE and SCE on ROTA, ROSE, and EPS. Although RCE exhibits a positive but insignificant impact on EPS and lacks significant effects on ROTA and ROSE, the overall findings suggest that human resource accounting investment significantly shapes the financial performance of Nigerian banks.

Nwude et al (2023) investigated the relationship between human resource accounting practices and bank performance in Nigerian listed deposit money banks. The study aims to fill the gap in the literature regarding the influence of human resource accounting practices on various performance indicators in emerging market economies. Using panel data multiple regressions applied to annual reports from 2009 to 2020. The findings reveal that human resource accounting practices positively and significantly relate to bank performance indices. This suggests that effective human resource accounting practices contribute to enhanced financial performance.

Ogunbiyi-Davies et al. (2023) investigated the influence of human resource accounting (HRA) on the financial performance of selected food and beverage companies in Nigeria. By examining panel data for eight food and beverage companies from 2002 to 2021. The study employed multiple regression analysis to revealed that investments in staff training and development, as well as employee welfare, significantly improved business performance, while recruitment costs had a negative impact on return on assets (ROA) over the study period.

Osanyinbi and Oyekanmi (2023) examined the relationship between HRA and the management of human resources in financial technology (Fintech) firms in Lagos State. The study aimed to assess HRA and evaluate its influence on the management of disruptive technology by Fintech firms. Data collected from employees in human resources and accounting/finance departments of Fintech companies in Lagos Central Business District revealed a significant relationship between HRA and the management of disruptive technology.

Alao et al. (2023) investigated the impact of HRA on the organizational performance of deposit money banks in Nigeria, aligning with objective four. Exploring how HRA practices influence financial performance metrics within a specific industry context, their study focused on deposit money banks, representing a distinct sector within the financial industry. While findings correlated HRA with return on equity and return on capital employed, the study highlighted sector-specific factors influencing the relationship between HRA and financial performance, emphasizing the importance of contextual nuances in understanding organizational outcomes.

Methodology

This study employed quantitative research approach presumably the ex-post facto research design. The population of the study consisted of 21 of listed consumer goods firms in Nigerian Exchange Group (NGX). Purposive sampling method was used to select the sample size of 5 listed firms. The quantitative data was collected using secondary data obtained from the annual reports and financial statements of the selected companies.

Data on variables were gathered from be extracted from the audited annual financial reports and accounts of selected firms from 2013 to 2023. The inferential statistics were used include panel regression technique under which the three alternative panel regression methods namely; pooled Ordinary Least Square (POLS), fixed effect panel regression and random effect panel regression for data analysis.

The baseline technique among the three would be arrived at following the outcomes of both the Breusch Pagan test for firm effect and the Hausman specification test. Relevant diagnostic tests were conducted such as variance inflation factors, heteroscedasticity using Breusch-Pagan test and test for serial correlation using Wooldridge test for serial correlation panel data

Table 1: Measurement of Variables

Variables	Type of Variable	Variable Labels	Measurement	Expected Design
Return on Assets	Dependent	ROA	Net Income / Total Assets x 100	
Return on Equity	Dependent	ROE	Net Income / Shareholder Equityx100	
Cost of Employees' Compensation and Reward	Independent	CEC	Natural Log of total Cost of Employees' Compensation such as salaries	
Recruiting and selection Cost	Independent	RSC	Natural Log of total Cost of Recruiting and Selection of personnel	
Staff Training and Development Cost	Independent	STD	Natural Log of total Cost of Staff Training and Development of personnel	

Source: Author's Compilation (2025)

Results and Discussion

Table 2: Summary of Descriptive Statistics

	ROA	ROE	LCEC	LSTD	LRSC
Mean	8.522	28.028	5.780	4. 871	4.888
Median	5.788	17.241	5.790	5.090	5.020
Maximum	26.494	100.275	7.290	6.280	6.500
Minimum	-7.157	-11.153	4.130	2.530	2.910
Std. Dev.	7.911	27.065	0.740	0.876	0.917
Skewness	0.506	0.953	-0.266	-0.780	-0.401
Kurtosis	2.511	2.943	2.630	2.961	2.604
Jarque-Bera	2.895	8.337	0.962	5.581	1.836
Probability	0.235	0.015	0.618	0.061	0.399
Sum	468.722	1544.528	317.920	267.920	268.85
Sum Sq Dev.	3379.911	39554.39	29.589	41.461	45.364
Observations	55	55	55	55	55

Source: Researcher's Computation (2025)

As displayed in Table 2, the results indicated that the average return on asset is approximately 8.5 % while the minimum and maximum values of both are -7.16 % and 26.49% respectively. This showed that the average profitability of the sampled consumer goods companies was very poor and not encouraging. The study found that the ROE had average of 28.082%, the indicated that average return on equity of the sampled consumer goods companies was very poor and not encouraging. The average value of cost of employees' compensation and reward revealed 5.780 with minimum and maximum values of 4.130 and 7.290 respectively.

The study found that the staff training and development cost (STD) had a means of 4.871 with minimum and maximum values of 2.530 and 6.280 respectively. Recruiting and selection cost had an average value of 4.888 respectively. The probabilities of Jarque-Bera of all variables are greater than the 0.05, level of significance, indicated that null hypothesis could not be rejected and sampled data are normally distributed.

Table 3: Correlation Matrix

	ROA	ROE	LCEC	LSTD	LRSC
ROA	1.000				
ROE	0.784	1.000			
LCEC	0.235	0.252	1.000		
LSTD	0.395	0.411	0.444	0.444	
LRSC	0.124	0.163	0.511	0.422	1.000

Source: Researcher’s Computation (2025)

As depicted in Table 3, finding showed positive association exist between cost of employees' compensation and reward (CEC) and ROA given estimated coeff. of 0.235 and weak connection with ROE given coeff. 0.252. This implies that costs incurred on employees' compensation and reward (CEC) did not reflect on the financial performance of selected firms.

Table 3 also revealed the positive relationship between staff training and development cost (STD and return on assets among sampled firms with estimation coeff. 0.395 and strong association with ROE given estimation coeff. 0.411 respectively.

Recruiting and selection cost (RSC) revealed positive association with return on assets given estimation coefficient of 0.124 and weak association with estimation coeff. 0.163 respectively.

Diagnostics Tests

Table 4: (Multicollinearity, Heteroscedasticity and Serial Correlation) Test

	ROA			ROE		
Variable	Coefficient variance	Uncentered VIF	Centered VIF	Coefficient Variance	Uncentered VIF	Centered VIF
C	75.362	82.161	NA	900.462	82.161	NA
LCEC	11.032	408.324	6.470	131.813	408.324	6.470
LSTD	2.795	74.616	2.297	33.401	74.616	2.297

LRSC	6.701	180.598	6.026	80.072	180.598	6.026
Heteroscedasticity	2.493	(0.070)		4.243	(0.079)	
Serial Corr. LM	11.366	(0.054)		20.974	(0.000)	
Wald Test: X2	15.997	(0.001)		14.619	(0.002)	

Source: Researcher's Computation (2025)

The Variance Inflation Factor (VIF) approach was employed in the study to check for multicollinearity among the explanatory variables. According to Wooldridge (2009), explanatory variables with VIFs more than 10.0 exhibit strong multicollinearity with other explanatory variables. No explanatory variable has a VIF greater than 10.0, as shown in Table 4, Since it falls between 6.470 and 2.297 multicollinearity among the explanatory variables in the study is not present.

Table 4 indicates that the model 1 is not characterized by an autocorrelation based on the Breusch-Godfrey Serial Correlation LM Test which was meant for F-value of 11.366 and corresponding value 0.054 while and F-value of ROE 20.974 and P-value 0.000 is characterized by an autocorrelation based on the Breusch-Godfrey Serial Correlation LM Test.

The model also reveals that no existence of heteroskedasticity problem given the estimated Breusch-Pagan Godfrey F-value of ROA 2.493 and ROE 4.243 with a corresponding p- value of 0.070 and 0.079, this implies there was no presence of heteroskedasticity. Wald test X2 reveals the p-values of ROA and ROE are < 0.05 this indicates all instrument lists were taken into consideration as part of factors influencing the financial performance.

Test of Hypotheses

Table 5: Estimated Panel Regression Results
t-stat. value in parentheses

	ROA			ROE		
VARIABLES	POL	FE	RE	POL	FE	RE
LCEC	4.636 (1.396)	5.633 (1.801)	5.035 (1.632)	11.937 (1.039)	12.719 (1.059)	11.937 (1,018)
LSTD	5.039 (3.014)	4.762 (3.014)	4.924 (3.177)	17.094 (2.958)	17.771 (2.959)	17.094 (2.896)
LRSC	-5.814 (-2.246)	-5.252 (-2.119)	-5.643 (-2.246)	-15.769 (-1.762)	-14.316 (1.506)	-15.769 (-1.725)
Constant	-14.398 (-1.659)	-21.566 (-2.537)	-16.983 (-2.064)	-47.099 (-1.569)	-62.022 (-1.902)	-47.099 (-1.536)
F-stat	5.332	2.928	6.318	4.873	1.684	4.873
p-v	(0.003)	(0.004)	(0.001)	(0.005)	(0.102)	(0.005)
R	0.34	0.48	0.37	0.32	0.35	0.32
Hausman T	4.637			2.091		
P value	0.2004			0.554		

*** p<0.01, ** p<0.05, * p<0.1

Source: Researcher's Computation (2025)

Table 5 showed the P-values of the Hausman Test of 0.2004 and 0.554 which implies that Random Effect is more appropriate for this study. The probability value of (F-stat. 6.318; p-value < 0.05) and (F-stat. 4.873; p-value < 0.05) showed that the model is fit and significant at 5% level of significance and the variables were properly selected and combined. This indicates that the overall predictors' variables of human resource accounting had a significant influence on the financial performance of sampled listed firms.

The R2 of 37 % of the total variation of ROA is explained by the explanatory variables and the remainder of 63 % is not explained which is accounted for by the random error term, while The R2 of 32 % of the total variation of ROE is explained by the explanatory variables and the remainder of 68 % is not explained which is accounted for by the stochastics term.

H01: The cost of employees' compensation and reward has no significant contribution to financial performance (return on assets and return on equity) of listed consumer goods companies. In Table 5 the study revealed that cost of employees' compensation and reward was positively and insignificantly related to return on assets and return on equity given (t-v= 1.632, t-val.= 1.018, p-val. >0.05). This implies that variable represent only increased costs, resulting in lowering return on assets of listed consumer goods in Nigeria since majority of employees are on contract staff.

H02 : The cost of staff training and development cost has no significant impact on financial performance (return on assets and return on equity) of listed consumer goods companies. The results showed that staff training and development costs was positively and significantly influence the return on assets and return on equity respectively (t-val=3.177, t-val. =2.896, p-v <0.05). This means that staff training and development of employees will equip staff on the job which invariably add value an employee and this can make them productivity, leading to increase in financial performance.

H03: The cost of recruitment and selection has no significant influence on financial performance (return on assets and return on equity) of listed consumer goods companies. The results revealed that costs of recruitment and selection was negatively and significantly influence the return on assets (t-val.= -2.246, t-val.=-1.725, P-v <0.05). This suggests that there is a negative and significant effect of costs of recruitment and selection on financial performance of sampled firms.

Discussion of Findings

The study examined the effect of human resource accounting proxied by cost of employees' compensation and reward, staff training and development cost and costs of recruitment and selection on financial performance measured by return on assets (ROA) and return on equity (ROE). The study revealed that cost of employees' compensation and reward was positively and insignificantly related to return on assets and return on equity. This implies that variable represent only increased costs, resulting in lowering return on assets of listed consumer goods in Nigeria since majority of employees are on contract staff.

The results showed that staff training and development costs was positively and significantly influenced the return on assets and return on equity respectively. This means that staff training and development of employees will equip staff on the job which invariably add value an employee and this can make them productivity, leading to increase in financial performance.

This is inconsistent with the study Ogunbiyi-Davies et al. (2023) who found that the-job training for staff could enhance organizational outcomes. Baghadam et al. (2020) found that training, positively influenced employee performance invariable enhance organizational performance. In addition, the results revealed that costs of recruitment and selection was negatively and significantly influence the return on assets and return on equity.

This implies that companies do hide under the cost of recruitment and selection which includes expenses incurred advertising job openings, agency fees (if using recruitment agencies), travel and accommodation costs for interviews to defraud company which invariably negatively affect the financial performance. The outcome of this study is in line with study of Nwude et al (2023) revealed a positive relationship between the indicators of human resource cost (training cost, development cost and number of staff) and the profit of the organization.

Conclusion and Recommendations

Based on the findings of this study, it could be concluded that organisational financial performance is dependent upon the performance of the individuals that make up the organization. The study has shown that staff training and development costs has a positive and significant effect on financial performance of selected consumer goods companies.

This further reveals that for the selected companies to continue to sustain and improve on their revenue generation ability in term of profitability, there is a need for the management to recognize and appreciate the contribution of its work force towards attainment of organizational goals.In the light of the foregoing findings, the following recommendations were suggested:.

i Organisation should curtails the expenses incurred on cost of recruitment and selection of employee as this negatively affect the financial performance of selected firms.

ii Consumer goods companies must be willing and ready to invest heavily on human resources especially training and development for greater productivity and attainment of corporate goals.

iii Appropriate steps must be taken by regulatory accounting bodies to develop uniform acceptable standards and models for the measurement and reporting the value of human asset in the statement of financial position of organizations.

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Table 3.1: Work force from the Industries selected

Industries	No. of Workforce	Workforce from the affected Department
Nestle Nigeria Plc	2,400	240
Nigerian Breweries Plc	2,685	268
Flour Mills of Nigeria	5,919	590
Cadbury Nigeria Ltd	480	48
Unilever Nigeria Plc	786	78
Total	**12,270**	**1224**

Source: Global Data, 2024