An Empirical Study of Human Resource Accounting Disclosure on Financial Performance of Selected Listed Firms in Nigeria

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Abstract: The aim of this study is to examine the impact of human resource accounting disclosure on financial performance of selected listed firms in Nigeria. Annual financial report index of the selected firms was used to capture the dependent variable while the human resource accounting disclosure were proxies by firm profitability, firm size, financial leverage and industry type. The study made use of secondary data in eliciting for the required information needed for this study. The population of the study comprises of 188 manufacturing and non-manufacturing firms in the Nigerian Stock Exchange annual report between the period of 2011 – 2015 out of which 20 were selected. The sample size for this study was ballot system of simple random sampling techniques to select 20 listed manufacturing and non-manufacturing firms from the population. The data collected was analysed using descriptive statistics, correlation and regression. The study revealed that there was a positive co-efficient value of 0.565 between the independent and dependent variables. Based on these findings, the study therefore recommends that the listed firms should imbibe the culture of capitalizing their reports and disclose all the expenditure on human resource so as to improve the productivity of the firms. Also, the regulatory body should set aside a minimum standard of reporting human resource accounting in the financial statement of the listed firms in other to enhance stakeholders' valuation in the statement of financial position and note to the accounts.

Keyword: Human Resource Accounting; Financial Disclosure; and Financial Performance

JEL Classification: G30

1. Introduction

The fact that firms are engaging voluntary disclosure of human resources information is a clear indication that firms are now recognizing and acknowledging that there has been an omission of a very important asset in the financial statements. Human resource accounting is widely accepted that success of any organization, business or otherwise to a great extent depends upon the quality, calibre and character of the people working in it. An organization having vast physical resources with latest technology may find itself in the midst of severe financial crisis in case it does not have right people to manage and conduct its affairs (Bukh, 2015). Thus, in spite of all technological developments, the importance of human resources has in no way diminished.

Human resource accounting also recognized that inclusion of this disclosure in the financial reporting will make the published financial statements more meaningful and useful to the users. This is an important step in the development of human resources accounting as it clearly indicates that in future there may be need for financial regulatory authorities on the inclusion of human resources values in the financial statements. They may also need to determine what human resources information firms in

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Nigeria are disclosing and the trend of this disclosure and what factors determine human resources accounting disclosure in Nigeria. This will shed more light on the current practices of accounting for human resources in the annual reports of Nigerian firms as well as pointing the way forward in the development of this important branch of accounting (Maheshwari & Maheshwari, 2013).

The adoption of International Financial Reporting Standard (IFRS) in Nigeria has compounded the need for complete disclosure: IFRS recognized the disclosure of intangibles assets in the annual financial statement. Bonson, Cortigo and Escobar (2009) opine that the adoption of the global financial reporting standard (IFRS) increase the need for intangibles disclosure. Ironically, the financial statements in Nigeria lack full disclosure of human resources information. Human resources accounting and by corporate organization is still at the infant stage in Nigeria (Enofe et al., 2013). Studies revealed thata limited attention has been given to examine human capital practices of the business in the developing countries (Okpala & Chidi, 2012; Enofe et al., 2013; Salman & Dandago, 2013). In Nigeria there is a dearth of studies to the best of our knowledge, consequently investigating the determinants of human resource accounting disclosure is imperative. As a result, the primary causes of weak and poor human resources accounting disclosure has to do with firm profitability, firm size, firm leverage and industry type. However, despite the growth and development of human resources accounting disclosure, its ability to satisfy the information needs of various stakeholders is still low (Jasrotial, 2004; Enofe et al., 2013).

In the light of the above, thestudy attempts to examines the impact of firms' profitability on financial performance, ascertain the relationship between firm's size and financial performance, determine the effect of financial leverage on financial performance; and investigate the industry type on financial performance of selected listed firms in Nigeria. This also creates the need for empirical investigation which could assist in understanding the human resources accounting disclosure and the major factors influencing human resources accounting on financial performance of selected listed firms in Nigerian stock exchange market. To achieve the stated objectives, the following hypotheses are tested:

$H0_1$: Firms' profitability has no significant impact on financial performance of selected listed firms in Nigerian;

$H0_2$: Firms' size has no significant relationship on financial performance of selected listed firms in Nigerian;

$H0_3$: Financial leverage has no significant effect on financial performance of selected listed firms in Nigerian;

$H0_4$: Industry type has no significant relationship on financial performance of selected listed firms in Nigerian.

2. Theoretical and Empirical Literature

The monetary theories often used to hinge resources on Human Resources Accounting (HRA) which includes stake holders theory, agency theory, human capital theory, good management theory, slack resource theory and legitimacy theory. For the sake of this study, human capital theory and stakeholder theory was adopted to anchor the human resources accounting.

Human Capital Theory

The human capital theory on its part is based on the assumption that organizations would take decision regarding the amount of investments that would be made on human capital based on the anticipated future benefits and or returns from such investment. Investments in human capital in this regards includes training and development costs. Flamholtz and Lacey, 1981 in Bassey and Tapang (2012) opine that investments in human capital includes all costs related to eliciting productive behaviours from employees, including those related to motivating, monitoring and retraining them. Organizations therefore commit their resources to training employees' specialized skills while at the same time; they make a comparison between their investments in the firm's human capital and the potential future returns and benefits accruing from such investments. Efforts are expected to be made to ensure that any of such acquired skills from training are retained in the investing company and not transferred to other companies. The theory is relevant to this study because it borders on human resource accounting.

Stakeholder Theory

Stakeholder theory suggests that all stakeholders have a right to be provided with information on how organizational activities impacted on them, even if they choose not to use it (Deegan, 2000). The various interest groups deemed to have an interest in controlling certain aspects of an organization can be efficiently communicated with via the annual report (Guthrie, Perry & Riccert, 2004). Also, companies will voluntarily disclose information such as human capital to meet the demands of stakeholders who have power to control resources required by the organization. Stakeholders should also be seen not just existing, but as making legitimate impacts on the firms. The relationship should be seen as a two-way relationship. What stakeholder wants from the firmmay vary. Some will actively seek to influence what the organization does and others may be concerned with limiting the effects of the organization's activities on themselves. Relations with stakeholders can also vary; possible relationship can include conflicts, support, regular dialogue and joint enterprise.

Empirical Review

Ilaboya (2013) explores the extent to which large top companies have adopted socially responsible reporting practices with a focus on human resource reporting within corporate annual reports. The results found that human resource disclosures lack overall consistency and comparability. Quantities indicators are disclosed by few companies in the sample, with further concern evident with a lack of attention paid to disclosures relating to equal opportunities, work life balance and integration of disadvantaged groups.

Khan and Ali (2011) in an article of human resource disclosure practice of top Bangladesh companies; the study analysed the disclosure practice of the sampled companies. The study investigated the level of human resources accounting disclosure around top leading companies in the developing countries. The study used content analysis method with a sample of 52 companies and for the period of 3 years. The data collected from the top manufacturing companies and service companies listed on the Dhaka Stock Exchange, the method of selection was on the basis of the market capitalization, the study also examined the trend of human resources accounting disclosure. The findings revealed that human resources accounting disclosure was not as low as reported. The studies concluded that most of the companies disclose information on human capital in the area of employee training, number of employees training, career development, opportunities that firm provide and employee recruiting policies.

Vafaei, Taylor and Ahmed (2011) examined human resource accounting disclosure practices in listed companies. The studies used listed companies in Britain, Australia, Hong Kong and Singapore as sample and employee content analysis to examine content in their annual reports. The studies aimed at exploring the extent of human resources related information disclosure as contained in companies' annual reports and the extent at which the information disclosed contributed to the core value-relevance of earnings and equity of entities. The results revealed that human resources information is significantly related to the market price of the companies that is human resources accounting disclosure is a value relevant in companies in two of the four countries and in non –traditional sectors.

Adebawajo, (2015) studied human resources accounting and corporate performance. The studied investigated the effect of human resources accounting on the performance of business in Nigeria. The studies adopted an empirical Ex-post factor research design, on a sample of 18 listed Banks in Nigeria capital market. The studies employed primary data with the aid of a well-constructed questionnaire designed to collect relevant information from the respondents on a six steps, Likert Scale and validated through peer review with Cronbach Alpha Coefficient of 0.807 and 0.870 for human resources and organization performance respectively. The hypotheses were tested using simple regression model. The result of the analyses confirmed that human resources accounting significantly affects the banks performance and also human capital related information is relevant to the market value of the sampled Banks in Nigeria.

Salman and Dandago (2013) investigated human resources accounting disclosure in financial reports of Nigerian companies, the study used a sample size of 50 companies listed in the Nigeria Stock Exchange Market, the study also employed content analysis method and 17 indexes were employed to show the extent of disclosure. The results show that Nigerian companies commonly expressed in narrative and qualitative rather than in quantitative or monetary terms of human resources disclosed. The results further showed that, companies in Nigeria selected any methods favourable to them in disclosing human resources accounting information, and more than half of the companies sampled have been disclosing information on 7 items to 16 items out of 17 items. The studies concluded that the level of human resources accounting disclosure is below the average.

Cornier, Aerts and Magnan (2008) study the attributes of social and human capital disclosure. The study posits that disclosure strategy will affect simultaneously market value and disclosure decision of the firm. The sample consist of 155 non-financial companies quoted in the Toronto Stock Exchange, the result showed that quantitative disclosure reduces share price volatility for social capital disclosure as well as human capital disclosure, the result also suggest that efficient good governance will lead to more transparency in quantitative human resources disclosure while the extent of Chief Executive Officer stock options will lead to less transparency in social capital disclosure.

Monteiro and Aibar-Gusman (2009) studies the determinants of human resources accounting disclosure. The studies focused on the profitability as one of the determinant, the authors sampled 109 large firms for the period of three (3) years, the results revealed that firm's profitability are positively associated with the level of human resources accounting disclosure, the studies concluded that market value of the firm increases as the level of human capital disclosure increases.

Syed (2009) studies the determinant of human resources accounting and firm characteristics using fifty-five (55) randomly selected companies and human resource accounting disclosure index. A number of hypothesis were tested, the results revealed that on the average companies disclosure 25% information on human resources, furthermore, the study revealed that a significantly positively relationship exist between firm size, profitability and human resources accounting disclosure but no relationship was found between company age and human resources accounting disclosure.

Gon (2005) studied intellectual capital performance of commercial banks in Malaysia using a sample of all listed Banks for the period of three (3) years; the study adopted efficiency coefficient refers to as Value Added Intellectual Coefficient (VAIC). The results showed that the sampled Banks had greater capital efficiency than structural and capital employed efficiencies. Moreover, domestic banks were found to be less efficient compared to foreign banks, the result also confirmed a high rate of human resource disclosure and the banks score a high mark of significant relating the average disclosure rate to firm profitability. This finding was consistent with the findings of Mohiuddin, Najibullah, and Sahid (2006) they study human resources accounting disclosure in Bangladesh for the period of four years using the sample of all listed Banks, they found that there is a significant relationship between human resources accounting disclosure and the Banks performance.

Fernando and Macagnan (2012) studied the factors explaining the level of voluntary human capital disclosure in the Brazilian capital market. The study explored 145 annual reports of 29 companies listed in the Brazilian stock market for the period of five (5) years, 2005-2009. The studies aim to investigate the factors that determines voluntary information disclosure by using content analysis of the indicators of human capital disclosure. The results indicated that the factors of size, leverage of company registered to the stock market explaining the level of voluntary human resources disclosure.

Subbawo and Zeghal (2007) examined the annual reports of a sample of quoted corporation in the developed countries, the UK, Canada, USA, Germany, Japan and South Korea. The studiesaimed was to find out the level of human resources information disclosure in those countries, the studies explored the annual reports of the financial and manufacturing sectors of these different countries. A sample of 120 annual reports comprising of 20 reports from each company listed were analysed. The studies found that the size of the reporting entity and the level of leverage employed determine the level of human resources information disclosure. This is similar to the findings of (Brennan, 2001; Bontis, 2002).

Enofe, *et al.* (2013), examined human resource accounting disclosure in Nigeria listed firm, the study was carried out to verify the relation between firms profitability and human resources accounting disclosures, they used data from financial and non-financial sector with a sample of 50 companies quoted in the Nigerian Stock Exchange the companies used were randomly selected. The data collected were analysed using the multiple regression statistical tools to test the relationship between the variables. The findings revealed that a positive relationship exists between the financial performance of a company and its level of human resource accounting disclosure. The study also indicates that financial companies are disclosing human resources accounting information more than non-financial companies and that company’s profitability, firm’s size, financial leverage and industry types positively influence companies to report the human resources accounting information in their Annual report

Al-Mamum (2009) in a study of human resource determinants affirmed that quoted companies in Nigerian, that there is relationship between human resource information and company size. The studied further stated that company size significantly associated with human resources information disclosure, which led to the conclusion that larger companies with higher market value disclose more human capital information that the smaller companies. What necessitate this outcome could be that large companies have incentives to disclose more human resources information in their annual report to uphold market value. The study noted that financial companies are disclosing more human capital information than non-financial companies and that company's profitability positively influences companies decision disclosure both financial and non-financial information in the annual report.

Bruggen, Vergauwen and Dao (2009) examined the determinants of human resources related information disclosure in the annual reports of Australian companies, the study used the sampled of 125 publicly listed firm. The results show that company size is an important determinant of the disclosure level of human resource accounting information. Studies have argued that this result is important and is a signal to investors, which indicates the relevance of human resource for some firms and industries.

A relational study of firm attributes and human resources accounting by Zourarakis (2009) found no association between leverage and the level of human resources accounting disclosure. Ding and Stolowy (2002) stated that leverage is not a determinant of voluntary human resources accounting disclosure characteristics associated with intellectual capital disclosure. De Silva, Straford and Clark (2014) employing a longitudinal research designed approach studied human capital disclosure approach of New Zealand companies for the period of seven employed content analysis to examine the human resource reporting of five "knowledge intensive" companies and five "traditional product-based" companies listed. The results revealed that human capital information disclosure increased between 2004 and 2010, the results failed to show any strong pattern connecting human resource disclosure to increase in the market value of the sampled companies. Furthermore, the result also shows that the extent human resource accounting disclosure reporting is not determined by the type of industry.

Bakare (2015) studied human resources related information on non-financial related knowledge based information. The key objective of the study is to find out the extent of human resource information disclosed in Nigerian Initial Public Offering (IPO) and the level of voluntary human resources information disclosure in prospectuses. The study employed index analysis method to identify amount of information relating to human resource included in the prospectuses. The study found a substantiate increase on the level of voluntary human resource information disclosed inInitial Public Offering (IPO) of Nigerian listed companies. Furthermore, the results revealed that the percentage of managerial ownership before the initial public offer and industry type affect the amount of voluntary human capital disclosure, while company size and age do not affect disclosure.

3. Methodology

As a model of logical sequence, the study adopted survey type of research design which combines both cross sectional and time series research design. The survey research design is preferred because the data that were used for this study was obtained from a cross section of twenty (20) categories that was selected from the One Hundred and Eighty-Eight (188) manufacturing and non-manufacturing firms in the Nigeria Stock Exchange (NSE). Secondary data was used for the study. Therefore, the data were sourced from the published annual reports from the period between 2011-2015. The study samples twenty (20) firms which represented 9.4% of the population. This was achieved through the use ballot system of simple random sampling techniques to select the sample size. The reasons for adopting this sample size are on the basis that there was a large number of the population for the study. The econometric techniques adopted for this study was the balanced panel data regression techniques. The use of panel regression method is due to its fundamental properties of best linear unbiased and efficiency. Descriptive analysis was also used to test the normality of the distribution. The analysis for the study was conducted using SPSS version 21.0 statistical software.

Model Specification

In the light of the research design above, a multiple regression model is used for this study. A multiple regression model was adopted for this study to explain variation in the value of dependent variable on the basis of changes in the independent variables. The assumption is that; the dependent variable is a linear function of the independent variable. The model for the study is an adaption and modification of the model of Fontana and Macgnan (2013). The model as applied by the authors is shown below in empirical form:

DL = β_0 + β_1 (COMPANY SIZE) + β_2 (COMPANY GROWTH) + β_3 (OWNERSHIP DIFFUSION) + β_4 (PROFITABILITY) + β_5 (LEVERAGE) + β_6 (GROWTH) + $\sum$

Consequently, the model for this study is thus:

FP = β_0 + β_1 PROF+ β_2FS + β_3 FINLEV + β_4 INDST + $\sum_{it}$

Where:

FP = Financial Performanceindex

PROF = Profitability (proxy by retain on assets)

FS = Firm size (proxy by natural logarithm of total asset)

FINLEV= Financial Leverage (proxy by debt-equity ratio)

INDST = Industry type (proxy by dummy variable)

β_0 β_1 β_2 β_3 β_4 = Coefficients

ϵ_{it} = error term.

The operational definitions of variables are offered in the table below:

Summary of Previous Empirical Studies on HRAD Determinants

S/N	Variables	Description	Measurement	Used by	Outcome
1.	**FP**	Financial Performance	Profitability index	Syed, (2009)	NA
2.	**PROF**	Profitability	Proxy by Return On Asset (ROA) of firms	Enofe, *et al*. (2013)	Positive
3.	**FS**	Firm size	Proxy by natural Logarithm of total assets of firms	Bukh, *et al.* (2005)	Positive
4.	**FINLEV**	Financial Leverage	Proxy by debt-equity ratio of firms	White *et al*. (2010)	Positive
5.	**INDST**	Industry type	Dummy variable equal to”1” if the firm is in financial industry and “O”	Mohiuddin*et al.* (2006)	Negative

Source: Author Compilation from various sources (2018)

4. Results and Discussion of Findings

The table below provide numeral summary of human resources accounting disclosureattributes mentioned in this study (Prof, FS, Finlev and Indst) of twenty (20) selected listed firms on the Nigerian Stock Exchange (NSE).

Descriptive Statistics

The descriptive statistics shows the nature of the data. The summary of descriptive statistics of the dependent and independent variables are presented in table 4.1. The descriptive statistics include mean, standard deviation, minimum and maximum which were computed using SPSS version 21.

Table 1. Descriptive Statistics of the Variables

Variables	Means	Std. Deviation	Min.	Max.	N
FP	0.850	0.366	0.000	1.000	100
PROF	0.095	0.074	-0.010	0.250	100
FS	5.256	0.913	3.910	7.000	100
FINLEV	0.933	1.834	0.000	7.950	100
INDT	0.150	0.366	0.000	1.000	100

Source: Descriptive Statistics Result Using SPSS 21

The above table reports the descriptive statistics for the dependent and independent variables. The mean of FP for the listed firms during the study period is 0.850 with standard deviation of 0.366; this implies that there exists low significant variation among the FP index used by most firms. Profitability which shows the mean value of 0.095, minimum value of -0.010 and maximum value of 0.250 has the lowest standard deviation of 0.074 which explains the level of variability in profit being generated by the listed companies, and the rate at which it was influenced the FP was high. Firm size which has a minimum value of 3.910, maximum value of 7.000 and mean value of 5.256 has the lowest standard deviation of 0.913. Financial leverage has the mean value of 0.933, standard deviation of 1.834, minimum value of zero and maximum value of 7.950 while industrial type shows a means value of 0.150, standard deviation of 0.366, minimum value of zero and maximum value of 1.000.

Correlation Matrix

Pearson correlation analysis was performed in order to obtain an understanding of the relationship among all the variables in the study. The table 4.2 below shows the correlation between the dependent variable which is Financial Performance(FP) and the independent variables which are profitability (PROF), Firm size (FS), Financial Leverage (FINLEV) and Industry type (INDT).

Table 2. Results of Pearson Correlation Analysis

	FP	PROF	FS	FINLEV	INDT
FP	1.000				
PROF	0.195	1.000			
FS	0.438	0.390	1.000		
FINLEV	0.650	0.418	0.707	1.000	
INDT	0.457	0.084	0.072	0.573	1.000

Source: SPSS 21 output result

The table above presents the correlation of the variables of the study which indicates that Profitability (PROF), Firm Size, (FS), Financial Leverage (FINLEV) and Industry type (INDT) are positively related to Financial Performance. The correlation between the independent variables is positively correlated. Profitability shows a positive association with Financial Performancewhich indicates that the higher the profitability, the better the Financial Performance, firm size also shows a direct relationship with Financial Performance which indicates that the large the size of the firm, the higher the Financial Performance. Financial leverage also shows a positive correlation with Financial Performance which indicates that the higher the debt of listed firms, the higher the Financial

Performance and vice-versa and finally, the Industry type shows a positive correlation with Financial Performance which implies that the better the industry type of the better their Financial Performance.

Robustness Tests

Presented in this section is the result of robustness tests conducted to improve the validity of all our statistical inferences for the study. In this section, the problem of multi collinearity is discussed based on the result generated for the purpose of the study. Multi collinearity is investigated using toleranceand Variance Inflation Factor (VIF) value. An insignificant tolerance value indicates that variables under consideration is almost a perfect linear combination of the explanatory variable already in the equation and that it should not be included to the regression equation. The tolerance value and VIF are employed in this study to test for multi collinearity of the explanatory variable. The result of multi collinearity test is presented in table 3 below:

Table 3. Multi Collinearity Test

Variables	TV	VIF
Profitability	0.628	1.592
Firms size	0.666	1.501
Financial leverage	0.903	1.107
Industry Type	0.556	1.799

Source: Result output generated from SPSS 21

The result above shows that the study is free from multi collinearity problem as the Tolerance Value (TV) is less than 1 and Variable Inflation Factor (VIF) is less than 10 and is in agreement with assumption of classical regression model which states that there should not be multi collinearity among the explanatory variables included in the model. This therefore shows the appropriateness of fitting the model with four explanatory variables.

Test of Hypotheses

This section present and analyse the result obtained from regression analysis. The summary of the regression result obtained from the study is presented in table 4

Table 4. Regression Results between Independent Variable and Dependent Variable

Variables	Standard Coefficient Beta	T-value	Sig
Profitability (PROF)	0.565	2.025	0.061
Firm Size (FS)	-0.104	-0.383	0.707
Financial Leverage (FINLEV)	0.272	1.167	0.262
Industry Type (INDT)	0.479	1.615	0.127
Constant (C)	0.679	1.317	0.208
R-Square (R^2)		0.266	
Adjusted R^2		0.070	
F- value		1.357	
F-significance		0.295	
Durbin – Watson		1.888	

Source: Result output generated from SPSS 21

The analysis of the table above began with the interpretation of the combined effect of both the explanatory variables and the explained variable. The R^2 which is the multiple co-efficient of determination gives percentage or proportion of total variation in the dependent variable measurement by financial performance index of the listed firms in Nigeria which is explained by the independent variables jointly. The result of R^2 signifies that 26.6% of total variation of financial performance were listed firms in Nigeria stock exchange which caused by profitability, firm size, financial leverage and industry type. The adjusted R^2 of 7% also buttress the position of R^2. In addition, the cumulative result of the F-statistics of 1.357 with a significant value of 0.295 indicates the fitness of the model and means that the selected variables are the main determinants of financial performance of the listed firms in Nigeria. The Durbin –Watson Statistic value of 1.888 indicates that the presence of serial correlation does not pose a problem to our result. The result of the study provides the basis for the rejection of the hypothesis 1, 2, 3, and 4 of the study which states that firms' profitability, firms' size, financial leverage and industry type have no significant association on the financial performanceof selected listed firms in Nigerian.

Discussion of Major Findings

The result in respect of profitability reveals a co-efficient value of 0.565 and a t-value of 2.025 with a p-value of 0.061. The positive co-efficient value implies that there is a positive relationship between firmsprofitability and financial performance of listed firms in Nigeria. The P-value of 0.061 which is significant at 0.05% level signifies that profitability is significantly influencing financial performanceof listed firms in Nigeria. The finding supports the argument that a well profitability firms engage more human resource and it reflected in their firms performance. As a result of this, the study ejects the hypothesis one (1) of the study which states that firm's profitability has no significant relationship on the financial performance of listed firms in Nigeria. The finding is line with that Fiar and Stainbank (2013) and Monteiro and Aibar- Gusman (2009). It however, contradicts the findings of Li, *et al.* (2007).

The regression result of firm size showed a co-efficient value of -0.104 and t-value of -0.383 with a P-value of 0.707. This means that there is a negative relationship between firm size and financial performanceof listed firms in Nigeria. The p-value as indicated from above result is 0.707 implying that the firm size is strongly and significantly influencing the financial performanceof listed firms in Nigeria. The findings of the study are congruent with that Syed (2009) and Mohuddin *et al*. (2006) but contradicts the finding of Omoyen (2014) and Enofe *et al*. (2013), on the basis of this outcome, the study therefore rejects the hypothesis two (2) which states that firm size has no significant relationship with the financial performance of listed firms in Nigeria.

The result for financial leverage shows a co-efficient value of 0.272 and t-value of 1.165 with a significant value of 0.262 which indicates that there is a positive relationship between financial leverage and financial performance of listed firms in Nigeria. This implies that higher levered firms tend to engage higher financial performance. The p-value of 0.262 implies that financial leverage which is measured by ratio of debt to equity has a significant factor in determining and explaining financial performance of listed firms in Nigeria. That is, an increase or decrease in financial leverage will have great impact on financial performance as the result indicates that the variable is significant at 0.05% level of significance. This result was in line with that of Enofe *et al*. (2013), and Williams (2001). This result contradicts the results of Nurunabi and Hossain (2011). In view of this contradiction, we reject the hypothesis three (3) of the study which states that financial Leverage has no significant relationship with financial performance of listed firms in Nigeria.

The analysis in table 4.4 shows that the t-value and the beta value for industry type is 1.615 and 0.479 which is the significant at 0.05% level of significance. This signifies that industry type has a strong positive and significant effect on financial performance of listed firms in Nigeria. It implies that manufacturing firms tend to engage high in financial performance than service sectors. The result therefore provides an evidence of rejecting hypotheses four (4) of the study which states that industry type has no significant relationship on financial performance of listed firm in Nigeria. The result at the finding is in agreement with that of Bakare (2015) and Mahajan and Chander (2007) but contradicts that reported by De Silva *et al*. (2014).

Conclusion and Recommendations

From the outlook of human resource accounting disclosure as it was measured by profitability, firm size, financial leverage and industry type to determine their influence on financial performance of selected listed firms in Nigeria. The study sought to examine the impact of human resource accounting disclosure on financial performance of selected listed firms in Nigeria. Findings of the study revealed that firms profitability have significant influence on financial performance. Firm size has negative effect on financial performance of listed firms but the findings shows that there was a contradiction on the previous studies. The financial leverage indicates that there was a positive relationship between the variables. That is, an increase or decrease in financial leverage will have great impact on financial performance as the result indicated that the variable is significant at 0.05% level of significance while the industry type has a strong positive and significant effect on financial performance of listed firms in Nigeria. It implies that manufacturing firms tend to engage high in financial performance than service sectors.

The study therefore recommends that listed firms should imbibe the culture of capitalizing and reporting all expenditure or investments on human resource accounting disclosure to improve their productivity. This will increase the value relevance of the information content of their financial reports and hence impact positively on the share price of the firm. Also, the regulatory bodies and agencies in Nigeria and around the globe should try and bring out an accounting standard that will guide listed firms in the valuation and disclosure of human resources as this will enhance valuation of stakeholder, uniformity in disclosures and will allow a reliable comparison of human capital values.

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