



The Controlling Role of Corporate Governance in Enhancing Firm Value through Human Resource Accounting in the Manufacturing Sector: Evidence from Nigeria

Odewusi, Oyetola O.

Babcock University, Ilishan-remo, Ogun State, Nigeria

Adegbe, Folajimi Festus

Babcock University, Ilishan-remo, Ogun State, Nigeria

Nwaobia, Appolos N.

Babcock University, Ilishan-remo, Ogun State, Nigeria

ABSTRACT

Firm value is a critical determinant of shareholder wealth maximization and investor confidence. However, many manufacturing firms in Nigeria have not fully integrated human resource accounting (HRA) and corporate governance into their operational strategies, leading to suboptimal firm value. This study investigated the controlling role of corporate governance in enhancing firm value through human resource accounting in Nigeria's manufacturing sector. The study employed an ex post facto research design and utilizes secondary data from 28 manufacturing firms listed on the Nigerian Exchange Group (NGX) between 2009 and 2023. Multiple regression analysis is used to evaluate the impact of HRA on firm value and the moderating effect of corporate governance. Human resource accounting has significant effect on FV of quoted firms in Nigeria ($\text{Adj.}R^2 = 0.237$, $F(14, 371) = 257.99$, $p < 0.05$), Corporate governance has significant controlling effect on FV of quoted firms in Nigeria ($\text{Adj.}R^2 = 0.255$, $F(14, 369) = 329.38$, $p < 0.05$). The study concluded that Human resource accounting, corporate governance enhanced Firm Value of quoted firms in Nigeria. The study recommended that policymakers and regulators enforce global best practices in corporate governance and human resource management to enhance firm value in Nigeria's manufacturing sector.

Keywords: Corporate governance, Firm value, Human resource accounting, Manufacturing firms, Nigeria

INTRODUCTION

Firm value is an essential metric for evaluating a company's financial health and attractiveness to investors. A firm with high value signals strong corporate performance, effective management, and robust financial stability. In the manufacturing sector, where capital and human resources play a critical role in driving productivity, the integration of human resource accounting (HRA) and corporate governance is essential for maximizing firm value. It may also make it more difficult for investors to determine the true economic value of the company when making decisions, which can further result in adverse selection issues (Tulcanaza-Prieto & Lee, 2022).

A company's value is a reflection of its shareholders' wealth. The earnings received by the shareholders increase with the Firm value (Brigham and Houston, 2021). This is what draws money into a business from investors. The management's efforts are what generate the Firm value, not the firm's inherent worth. Firm value is a reflection of how investors feel about the company. The most common indicator is the difference between the market value and book value of the company's shares; the higher an investor's assessment of the company's quality, the higher the market value of the company will be, and vice versa (Kasibi et al., 2023). Reforms and policies have been implemented to ensure that businesses can achieve the goals of maximizing profit and the wealth of their owners. Among these are corporate governance reforms include boosting CEO compensation transparency and regulation (Hassan et al., 2022), strengthening board independence and diversity (Khan et al., 2022), and promoting audit quality and auditor independence (Ahmed et al., 2020).

Tax policies that support increasing transparency in tax reporting and decreasing tax evasion (Klein et al., 2020), implementing progressive taxation to reduce income inequality (Wang et al., 2020), and introducing tax incentives for businesses that prioritize social responsibility (Hassan et al., 2022). Another policy and reform is regulatory oversight, which includes enforcing fines for non-compliance with regulations (Wang et al., 2020), improving transparency requirements for firms (Ahmed et al., 2020), and bolstering regulatory organizations to monitor firm activity (Khan et al., 2022). Stakeholder protection is another important government policy that has boosted investor confidence. It covers topics like putting policies in place to protect minority shareholders (Hassan et al., 2022), improving employee rights and protections (Klein et al., 2020), and encouraging businesses to put social responsibility and sustainability first (Wang et al., 2020). These reforms to a very high extent have been complied with and that's why we can see some level of firm value being improved upon and further compliance with these reforms will lead to greater increase in firm value. Consequent to this has brought motivation for the study.

The value of the company is a common metric used to assess corporate success. As a result, it becomes a useful tool for businesses looking to establish their reputation and draw in financing. As a result, managers and regulators' concerns about the firm's value have significantly increased (Nguyen, 2023). The significance of firm value has increased for businesses, both financial and non-financial. When assessing business worth, financial firms exercise a little more caution (Esan et al., 2022). The quality of human resources is vital to corporate operations in today's competitive business climate; hence, it is recognized as an asset, a source of value, and a vital source of competitive advantage. The term "human resource" refers to the collective of individuals who work for an organization or a firm. This phenomenon may be accounted for by the business community's apparent increasing recognition of the importance that major stakeholders place on corporate activity that is both socially and ecologically responsible (Alekhya and Lakshmi, 2020). An organization's ability to supply physical labor as well as technical and professional skills—both necessary for the effective and efficient planning and implementation of development policies, programs, projects, and day-to-day operations - makes human resources the cornerstone of any business. Human resource accounting has an impact on a number of organizational performance metrics, including stakeholder expectations, employee, team, and institution performance (Van De Klundert et al., 2018).

Despite the significance of HRA in improving organizational efficiency, many manufacturing firms in Nigeria have failed to incorporate it effectively. This has led to declining firm value, weak investor confidence, and poor financial health. Additionally, weak corporate governance structures have exacerbated these challenges, leading to issues such as poor executive oversight, inadequate risk management, and inefficient resource allocation. This study, therefore, examines the extent to which corporate governance moderates the impact of HRA on firm value in Nigeria's manufacturing sector.

Firms today face the problem of firm value which research has classified as poor, dwindling, and volatile and structural which research has attributed to poor quality of financial statements, ownership structure, poor business model and system and poor market penetration. According to Ozovehe (2024), firms today are faced with a lot of challenges that have negatively affected their performance and require urgent attention before it leads to a total collapse of the sector as it is one of the sectors that significantly contributes to the growth of the economy. Firm value issues have caused investors and stakeholders great concern.

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Corporate growth is another factor that might impact a company's value since investors demand a higher rate of return on investment from companies with stronger profit margins. Their shares will therefore draw in investors with strong growth. The sustainability of operations and the ability of manufacturing enterprises to continue operating are threatened by a decline in their firm value. In the end, the manufacturing sector - which is viewed as a center and a driver of economic growth—affects the overall performance of the economy, which worries stakeholders and investors and necessitates immediate attention.

Dada and Ghazali (2016) discovered that, as measured by Tobin's Q, company performance is significantly impacted by company growth. Although Tobin's Q is an often used indicator of business value, research has shown that it has a number of issues. This metric evaluates a company's market value in relation to its replacement cost. For some businesses, the market value is low and cannot afford the expense of replacement. Among the issues businesses encounter is the challenge of estimating replacement costs. It can be difficult to estimate the replacement cost of a company's assets, particularly for intangible assets like human capital or brand reputation (Khan et al., 2022). This is because intangible assets may not be reflected in the estimate. Tobin's Q concentrates on material assets while disregarding intangible assets, which can be impacted by market and industry situations and may add a substantial amount to the firm's worth (Ahmed et al., 2020). It is challenging to compare businesses across different industries or time periods because of the influence of market and industry conditions on Tobin's Q (Hassan et al., 2022).

Market capitalization is a straightforward and popular way to gauge a company's worth. Additionally, unimpressive is the total market value of the outstanding shares of the businesses. The underlying value of a corporation may not be reflected in its market capitalization. Because

market sentiment and volatility can affect market capitalization, it might not accurately represent a company's genuine worth (Wang et al., 2020). Additionally, it is impacted by market volatility: Because market volatility can cause market capitalization to fluctuate dramatically, it can be challenging to determine a firm's genuine value (Klein et al., 2020). Liabilities such as debt are not taken into consideration. Market capitalization ignores debt and other liabilities that could affect the value of the company and only takes equity worth into account (Ahmed et al., 2020).

The difference between a company's book value and market value is called Market Value Added (MVA). The performance of the company may not be fully reflected in market value added: MVA may not be a reliable indicator of a company's performance since it is subject to market conditions and accounting decisions (Hassan et al., 2022).

Objective of the Study

The main objective of the paper was to evaluate the controlling role of corporate governance in enhancing firm value through Human Resource Accounting in the Manufacturing Sector with specific objective to: investigate the role of corporate governance control on the effect of human resource accounting on Firm Value Added of quoted manufacturing firms in Nigeria.

Research Hypothesis

- **H₀₁:** Human Resource Accounting does not have a significant effect on firm value of quoted manufacturing firms in Nigeria.
- **H₀₂:** Corporate governance does not significantly control the effect of human resource accounting on firm value of quoted manufacturing firms in Nigeria.

LITERATURE REVIEW/THEORETICAL REVIEW

Firm Value

Firm value, as defined by Richardson (2022) from the Financial Performance Perspective, is the economic worth of a business as determined by financial performance metrics like earnings, revenue, and profitability. From a market-based standpoint, a company's market capitalization and stock price indicate the market's estimate of its future cash flows, which is represented by the company's firm value (Easton et al., 2023).

An asset-based perspective, firm value is the total of the economic worth of a company's assets, both tangible and intangible, less its liabilities (Larker et al., 2022). It is described as the development of value through sustainable business practices and social responsibility for all stakeholders, including shareholders, employees, consumers, and society, by the Stakeholder-Based Perspective (Hassan et al., 2023).

The financial representation of the market value of a company as a whole is its value. All of the assets that belong to shareholders, including preferred and common equity holders as well as secured and unsecured creditors, make up the firm value. A crucial indicator for accounting, financial modeling, portfolio analysis, business valuation, and other fields is firm value. According to Sulaiman et al., (2019), firm value is a variable that demonstrates a company's tendency for growth, which attracts potential investors, as well as its ability to increase shareholders' wealth.

A business's total worth or overall economic value is referred to as its firm value, sometimes called company value or enterprise value. It shows the total worth of all of the company's assets, including its intangible (such intellectual property, brand reputation, and customer relationships) and tangible (like buildings, machinery, and inventory). A company's worth is determined by a number of criteria, including profitability, projected cash flows, market demand for its goods and services, and the level of competition. Put another way, a firm's value is an estimate of the market value of a company based on its assets, projected earnings, and competitive position.

Since a firm's worth is a reflection of its financial health, it is imperative that stakeholders pay attention to this key statistic. It establishes the firm's ability to create money for stakeholders and its overall financial health. When a company has a high value, stakeholders will be able to put their trust in it and reward it by investing both debt and equity money. In the end, the best tool for raising a company's share price may be the faith of its stakeholders. Conversely, stakeholders would be reluctant to commit capital in a company with a poor value (Musa & Yahaya, 2023).

Human Resource Accounting

Broker et al., (2022) defined human resource as the process of identifying, measuring, and disseminating information on human resources in order to give interested parties comprehensive and qualitative information so they can make informed decisions. It is the process of keeping track of the costs related to investing in human capital development (Stanley & Edrin, 2022). According to Akinjare et al., (2019), human resource accounting involves viewing an organization's human resources as an asset that generates money rather than as a cost that lowers revenue. Performance of the company continues to be the primary determinant of its success or failure; yet, high performance, which will result in a greater return on assets, cannot be attained without a highly developed human resource. The measuring of the cost and value of people to an organization is known as human resource accounting, and it includes expenses related to employing, training, developing, and selecting employees as well as determining the value they provide to the company. To maintain peak organizational performance, management must pay for the training and development of its personnel. The monthly salary, benefits, and allowances that an employee receives are considered personnel costs.

According to Abraham et al., (2022), the primary goal of human resource accounting is to assist and support management in obtaining data regarding the cost and value of human resources. The volume of human resources is disclosed by human resource accounting, which also outlines proper maintenance, consumption, and judgmental valuation procedures (Abraham et al., 2022).

Corporate Governance

The most important factor in maintaining a competitive edge and achieving organizational success is the fundamental competencies of employees. Competitive advantages stem from a company's human resources, not from its hiring, retaining, or other personnel strategies. Another way to look at recruitment and selection is as an important and fantastic place to start when putting together shared human resources and abilities. Employee morale, skill, job

knowledge, potential, and productivity are all related to recruitment and selection productivity (Khan & Abdullah, 2019). Employee talent and capability expansion is only anticipated to pay out in the long run by improving the company's performance and profitability.

An improvement in the company's competitive advantage over its competitors and the fulfillment of corporate social responsibilities in the communities where it operates are two benefits of good corporate governance practices. The first is the reduction of agency costs and inefficiencies resulting from conflicting interests between owners and stakeholders. Investors are more inclined to invest in such organizations when corporate governance is in place. In the view of Ololade (2021), corporate governance implementation framework facilitates funding access and increases returns for businesses, hence improving earnings. Companies need to continuously innovate and adopt sound corporate governance (CG) frameworks and practices in order to compete effectively in a changing world.

Theoretical Framework

Signaling Theory:

Modigliani and Miller proposed the signaling theory in 1961, and eminent scholar Spence (1973) further elevated it in the literature (Clarkson et al., 2008; Huang & Kung, 2010). The theory's philosophy revolved around the application of information privileges in a capital market setting, while also considering the degree of economic gain resulting from information asymmetry in the market and participant behavior (Kathy et al., 2012; Bakken, 2021). Voluntary disclosure is one form of signaling related to market information asymmetry, and signaling theory can address potential issues related to market imperfections, arbitration, and some privileged knowledge of market operations leading to information asymmetry, thereby reducing disproportionateness by the other with more information signaling to other issues (Chebly et al., 2018; Ditlev-Simonsen & Midttun, 2011). The actions and exchanges between players are taken into account by signaling theory, along with the actions of insiders who knowingly conceal crucial market information, resulting in imperceptible characteristics that, in most situations, cause confusion and moral hazard among the stakeholders. Gutterman (2020) asserts that insiders' actions typically obstruct market transparency and openness, and they may also swing in a preset direction for particular objectives. As an indicator for new trades or taking a position on the highly regarded performance of the companies reflected in their stock price, the signaling theory tends to strengthen the dependency and dependability of the numerous market signals and the direction of the stock price (Jeucken, 2010; Krauss et al., 2016). Numerous studies have demonstrated that while investors view dividend increases as a positive indicator of success and a way to affect stock prices, company leaders view dividend strategies as a positive indicator of the efficient operation of their organizations.

According to the fundamental presumptions of signaling theory, share prices are susceptible to consideration hazards such as stock mispricing, overinvestment, and the problem of adverse selection when investors have access to non-specific information (Krauss et al., 2016; Park, 2018). Among the presumptions of signaling theory are the following: information conveyed as either good or bad news affects the recipients' reaction; corporate entities and individuals have different productivities, and these productivities are specific to each; information could cause panic and worry, which could influence investment decisions. It is important to remember that,

in most circumstances, comprehension of the material's contents rather than educational attainment is the prerequisite for making sound decisions.

Stakeholders Theory:

Stakeholder theory's tenets have been analyzed from various perspectives. Stakeholder theory, according to Fields et al., (2001) and Cho et al., (2020), takes the position that information is distributed equally among the stakeholders and views each invested stakeholder concern as a legitimate concern that is in everyone's best interests. Additional presumptions made by the stakeholder theory are as follows: First, it is assumed that all stakeholders want access to reliable information, and that managers should logically provide this information so that everyone may make an informed decision. Second, the theory makes the assumption that managers of a firm should treat stakeholders fairly and refrain from taking unfair advantage of them. Creditors should also be paid promptly and accurately, according to the idea. Third, according to the theory, managers should make sure that the company fulfills its corporate civil responsibility to the government by adhering to existing laws and regulations, acting civically in all of its operational activities, and making sure that the public is provided with high-quality goods and services. According to the stakeholder theory, employees are important because they must continue to be productive and not undermine the organization's goal of maintaining a sustainable going concern. All stakeholders are also expected to genuinely contribute to the growth and sustainability of the business as well as the welfare of the managers (Mohammad et al., 2019; Buchner et al., 2016).

Empirical Review

Poonia, et al., (2021) study discussed human resources. Accounting as the sum of money invested in each worker and the contribution they make. Accounting for an organization's resources, since its productivity and profitability largely depend on intangible assets. Despite some success, the HRA concept is still gaining ground in India, where HRA is crucial in assisting in the placement of the right individual in the right role. It also offers insightful information on the price and worth of human resources. It highlights the company's strengths and areas for improvement in human resources.

The research study by Saxena (2021) discusses labor expenses as the procedure for categorizing, allocating, and sharing labor costs and investments made by a company. This covers labor expenses that are not accounted for in the computation and bookkeeping procedures at this time. Estimating and projecting the value of human capital and the future value it will create is the primary goal of HRA. This is due to the fact that land, buildings, machinery, furniture, plants, and other items are evaluated and documented in the books. To present the full picture of the financial statements, human resources should also be computed, documented, and published. According to the white paper, an organization's ability to manage and utilize its talent to its fullest potential determines its success. Furthermore, there are no accounting standards available from the Institute of Chartered Accountants of India for the organization's human resource reporting. Nonetheless, a large number of Indian businesses acknowledge that they support people accounting and voluntarily grow and reveal their resources in financial reports. The Companies Act's rules mandate that the worth of staff practices be disclosed. In order to boost human capital productivity, this article puts forth the following compelling concepts. An AS (Accounting Standard) for the assessment, accounting,

and presentation of human resources must be created by the Accounting Standards Board of India. In order to enhance financial accounting's talent disclosure, an objective model must be created. Businesses should support staff audits that yield information about employee dependability. You must compute your talent's performance and include it in your financial reports.

According to Jat (2020), a number of research studies in the accounting and finance domains have led to the development of human resource accounting. If properly deployed, used, and developed, human resources are an asset whose worth improves with time. Human resource accounting is the process of treating the staff and management of the business as future-oriented human capital (HRA). The impact of Indian corporations on human resource accounting was observed using data from four companies listed on the Bombay stock exchange. Instead of considering human resource costs as expenses on the income statement that reduce earnings, as is customary in accounting, they have adopted the HRA approach, which treats human resource expenditures as assets on the balance sheet. Eight years' worth of data from two public and two private sectors were used to evaluate HRV, and the results of the regression show that net worth and net profit are good indicators of a company's human resource value.

The study conducted by Hiremath (2020) examined the human resources of an enterprise, which are its most valuable assets and without which other production variables cannot be used. The field of accounting for human resources may be relatively new in India, having been practiced for more than 50 years worldwide. While the economy and business are moving toward a trendy period, many businesses are beginning to recognize and value human resources as assets. India may be a developing country with a high labor-intensive economy, having long used the standard accounting method, the implementation of a replacement system called human resource accounting is still in its early stages. According to a survey, most public sector organizations embrace and employ the practices that work for them. Only a small minority of private sector businesses do not follow suit, which can lead to incorrect HRA assumptions. In order to address these benefits and drawbacks, Indian institutions need to promote more research on human resource development.

The following gaps were found in the synthesis, which helped to formulate the objective. The majority of research focuses on particular sectors or geographical areas, which restricts the findings' generalizability and places undue dependence on survey instruments and regression analysis; A greater amount of research is required to fully understand HRA's implications in this context. The majority of studies examine HRA as a whole rather than focusing on specific aspects like training, health, and safety. Few studies explore the decision-making processes influenced by HRA. Most studies like (Eleje et al., 2018; Poonia et al., 2021; Saxena, 2021; Jat, 2020; & Hiremath, 2020) rely on primary data, neglecting the potential of secondary data sources. The majority of studies focus on African and Asian contexts, with limited representation from other regions. Few studies use experimental or longitudinal designs. The definitions and measures of HRA vary, making comparisons difficult.

METHODOLOGY

The study adopts an *ex post facto* research design, using secondary data from audited financial statements of 28 manufacturing firms listed on the NGX between 2009 and 2023. Stratified

proportionate and simple random sampling techniques were used in selecting the sample firms. Data were collected from secondary sources and data was analyzed using inferential statistics. Operationalization of Variables

$$Y = f(X, Z)$$

Where:

Y = Firm Value

X = Human Resource Accounting (HRA)

x_1 = Salaries and Wages (SW)

x_2 = Training Cost and Development Cost (TDC)

Z = Corporate Governance

z_1 = Board Independence (BI)

z_2 = Audit Committee Independence (ACI)

FV = f (SW, TDC) equation i

FV = f (SW, TDC, BI, ACI) equation ii

Model Specification

$FV_{it} = \beta_0 + \beta_1 SW_{it} + \beta_2 TDC_{it} + \mu_{it}$ Model 1

$FV_{it} = \beta_0 + \beta_1 SW_{it} + \beta_2 TDC_{it} + \beta_3 BI + \beta_4 ACI_{it} + \mu_{it}$ Model 2

RESULTS AND DISCUSSION

Table 4.1: Regression Analysis

	Regression with Driscoll-Kraay standard errors				Regression with Driscoll-Kraay standard errors			
Variable	Coeff	Std. Err	T-Stat	Prob	Coeff	Std. Err	T-Stat	Prob
LSW	0.643	0.192	3.350	0.005	0.577	0.180	3.210	0.006
LTDC	0.144	0.137	1.050	0.312	0.137	0.158	0.870	0.400
BI	-	-	-	-	-0.039	0.030	-1.290	0.217
ACI	-	-	-	-	-0.032	0.045	-0.710	0.491
Constant	-7.306	1.975	-3.700	0.002	-1.513	2.542	-0.600	0.561
Adjusted R-squared	0.237 Prob > F = 0.0000				0.255 Prob > F = 0.0000			
Hausman Test	Chi2(2) = 32.52, Prob > Chi2 = 0.0000				Chi2(4) = 54.41, Prob > Chi2 = 0.0000			
Testparm Test	chibar2(01) = 540.51, Prob > chibar2 = 0.0000				chibar2(01) = 564.90, Prob > chibar2 = 0.0000			
Heteroskedasticity Test	Chi2(1) = 1.6e+31, Prob > Chi2 = 0.0000				Chi2(1) = 23999.57, Prob > Chi2 = 0.0000			
Serial Correlation Test	F(1, 24) = 8.277, Prob > F = 0.0083				F(1, 24) = 10.025, Prob > F = 0.0042			
Dependent Variable: FV					@5% significance level			

Source: Researcher's Computation (2025)

Interpretation

The regression estimates for Models one and two examine the effect of human resource accounting, measured by the logarithm of salaries and wages (LSW) and the logarithm of training and development cost (LTDC), on Firm Value (FV), the dependent variable. Model Two also includes control variables for board independence (BI) and audit committee independence (ACI).

Model One:

$$FV_{it} = \beta_0 + \beta_1 LSW_{it} + \beta_2 TDC_{it} + u_{it}$$

Restated as:

$$FV_{it} = -7.306 + 0.643 LSW_{it} + 0.144 LTDC_{it} \dots\dots\dots \text{Eq. 1}$$

The coefficient for LSW is 0.643, with a standard error of 0.192 and a t-statistic of 3.350, resulting in a p-value of 0.005. This indicates a statistically significant positive relationship between LSW and Firm Value at the 5% significance level. Specifically, a one-unit increase in LSW is associated with a 0.643 increase in Firm Value, holding other variables constant. This suggests that higher investment in salaries and wages positively contributes to the firm's value. The coefficient for LTDC is 0.144, with a standard error of 0.137 and a t-statistic of 1.050, yielding a p-value of 0.312.

This result indicates a positive and insignificant relationship between LTDC and Firm Value at the 5% significance level. A one-unit increase in LTDC corresponds to a 0.144 increase in Firm Value, suggesting that training and development expenditures contribute not too much to the firm's value.

The F-statistic for Model one is significant, with a Prob > Chi2 of 0.000, indicating that the model as a whole is statistically significant. This means that at least one of the independent variables (LSW or LTDC) has a significant effect on Firm Value. The low p-value provides strong evidence to reject the null hypothesis that all coefficients are zero.

The R-squared value of 0.237 indicates that approximately 24% of the variability in Firm Value is explained by the independent variables in the model while the remaining 76% is attributable to other factors not captured in the model.

Model Two:

$$FV_{it} = \beta_0 + \beta_1 LSW_{it} + \beta_2 LTDC_{it} + \beta_3 BI_{it} + \beta_4 ACI_{it} + u_{it}$$

Restated as:

$$FV_{it} = -1.513 + 0.577 LSW_{it} + 0.137 LTDC_{it} - 0.039 BI_{it} - 0.032 ACI_{it} \dots\dots\dots \text{Eq. 2}$$

In Model Two, the coefficient for LSW is 0.577, with a standard error of 0.180 and a t-statistic of 3.210, leading to a p-value of 0.006. This significant positive coefficient suggests that a one-unit increase in LSW is associated with a 0.577 increase in Firm Value, indicating that employee compensation positively influences firm value, even after accounting for additional controls.

The coefficient for LTDC in Model Ten is 0.137, with a standard error of 0.158, a t-statistic of 0.870, and a p-value of 0.400. This result suggests that LTDC has a positive and statistically insignificant relationship with Firm Value at the 5% level, implying that the effect of training and development costs on firm value is not strong enough to be considered statistically significant in this model.

The coefficient for the control variable BI is -0.039, with a standard error of 0.030, a t-statistic of -1.290, and a p-value of 0.217. This insignificant negative relationship suggests that greater board independence is associated with a decrease in Firm Value, indicating that highly independent boards have a less effect on firm value.

ACI has a coefficient of -0.032, with a standard error of 0.045, a t-statistic of -0.710 and a p-value of 0.491. This insignificant negative relationship suggests that increased audit committee independence is associated with a decrease in Firm Value possibly indicating a cautious or conservative influence on firm value.

The F-statistic for Model Two is significant, with a Prob > Chi2 of 0.000, indicating that the overall model, incorporating control variables, has a statistically significant effect on Firm Value. This implies that at least one of the independent variables (LSW, LTDC, BI, or ACI) is significantly associated with Firm Value.

The R-squared value of 0.255 indicates that approximately 26% of the variability in Firm Value is explained by the independent and control variables in Model Two, a slight increase from Model Nine due to the inclusion of board and audit committee independence. The balance of 74% represents other factors not considered in this study.

Summary and Decision

In summary, the results suggest that human resource accounting measures, particularly the logarithm of salaries and wages (LSW) has a significant positive effect on Firm Value in both models. In Model Two, board independence and audit committee independence shows a significant negative associations with Firm Value indicating that higher levels of independence in these areas might limit firm value. The F-statistics for both models indicate that the overall models are statistically significant, while the R-squared values suggest that other variables not included in the models may explain additional variability in Firm Value.

Based on the significance of the F-statistics and the individual coefficients, the null hypothesis for both models, stating that "Human resource accounting has no significant effect on firm value of listed companies in Nigeria," is rejected. The results lead to the conclusion that human resource accounting significantly impacts the firm value of listed companies in Nigeria, with a particular emphasis on the effect of salaries and wages.

Decision

Hypothesis 1: At a level of significance 0.05 and degree of freedom 14,371, the F-statistics is 540.51, while the p-value of F-statistics is 0.00 which is less than the adopted p-value. Therefore the study rejected the null hypothesis which implied that Human Resource Accounting have a significant effect on firm value of quoted manufacturing firms in Nigeria

Hypothesis 2: At a level of significance 0.05 and degree of freedom 14, 369, the F-statistics is 564.90, while the p-value of F-statistics is 0.00 which is less than the adopted p-value. Therefore the study rejected the null hypothesis which implied that corporate governance had a significant moderating effect on Human resource accounting and firm value of quoted manufacturing firms in Nigeria.

Discussion of Findings

It's investigated the effect of human resource accounting on firm value as well as the controlling effect of corporate governance. From the results it was seen that salaries and wages were good predictors of human resource accounting. The result was also corroborated by the addition of a control variable; corporate governance (board independence and audit committee independence which was seen as good predictors as to affecting the firm value of manufacturing firms.

The result of the study was in accordance with the a priori expectation of the study which led to the rejection of the null hypotheses and accepting the alternate thereby exhibiting a significant effect. The result of the study however was in conformity with the following studies (Abdullahi et al., 2020; Shakhawan, 2020; Inua & Oziegbe, 2018; Okon et al., 2021; Kusumastuti, 2021). The above studies on human resource accounting on performance all showed a positive significant effect on performance of manufacturing firms.

However, the results of the study at the same time also negate the results of prior studies who found a negative relationship between the variables. These studies include Olaoye and Afolalu (2020); Khan (2020). This can be attributed to the treatment of human assets in the financial statements and the quality of human personnel engaged for operations which is determined by the human resources department which is capable of affecting performance negatively.

CONCLUSION AND RECOMMENDATIONS

This study establishes that human resource accounting significantly enhances firm value in Nigeria's manufacturing sector. However, the presence of strong corporate governance mechanisms amplifies this effect, leading to improved financial health, investor confidence, and corporate sustainability. The study recommend the government and regulatory bodies should enforce strict corporate governance practices, particularly in board independence and audit committee effectively and management of the businesses should ensure that they are operating at an optimum level by making sure that there are efficient resources deployed for operations and quality personnel which will bring about high firm value.

CONTRIBUTION TO KNOWLEDGE/FUTURE RESEARCH

The paper has contributed in the following areas:

- **Concept:** By using the ideas that have been generated for the study and the conceptual model that links the variables and their relationships, the study contributed to concepts.
- **Theory:** The results of the study further laid credence to the theoretical framework of the study which is signaling theory. The study discovered that the management of the manufacturing companies should integrate the practice of stakeholders and human capital theories into the operations of the companies in order to enhance the value of the firm.
- **Empirics:** The study's output, which emanated from the model that has been developed to link the formulated hypotheses, has been able to forecast and predict future developments regarding the potential influence of human resource accounting-moderated by corporate governance to -affect the firm value of Nigerian manufacturing firms. This study has contributed to literature for generational transfer of information for future research.

- **Accounting Profession:** The accounting profession is predicted to grow as a result of the study's findings, which highlight the importance of human resources in a firm's development and growth. It is also expected that the profession will take action to enhance its current human resource assets. The models developed for this study are predictive and will support accountants for accurate forecast of all the measures of firm value for growth and expansion of the manufacturing companies.

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