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Effect of Human Resource Accounting on Firms Value: A Study of Selected Firms Quoted on the Nigerian Stock Exchange

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ABSTRACT

This study evaluated the effect of Human Resource Accounting on Firm's value: A study of selected firm's quoted on the Nigerian stock exchange. The study adopted ex-post facto research design. The population of the study was 116 firms categorized as non-financial services sector. Purposive sampling technique was used and 76 firms were considered which had secondary data information that covered a period of 10years from 2010-2020. The regression analysis/hypothesis testing was done with the aid of linear structural relations LISREL 8.80 student edition. Data were sourced from annual reports and accounts and Nigerian stock exchange fact book 2020. Finding using market value measures for firm performance showed that Staff Training and Development cost has no significant positive effect on PEPS and Tobin's Q of the quoted non–financial service firms. Increment in number of staff has no significant positive effect on PEPS and Tobin's Q of quoted non–financial service firms . The study concluded that Human Resource Accounting affects corporate performance of non-financial service firms quoted on the Nigerian Stock Exchange. It is therefore recommended among others, that staff training and development has to be a regular program both on-the-job and off-the job tailored towards filling the identified skills and attitude gaps in the company.

KEYWORDS: *Human Resource Accounting, Firm's value, and Tobin's Q*

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INTRODUCTION

An organization with large physical resources may sometimes fail unless it has the right people or human resources, to manage its affairs. Since every organization is made up of people, acquiring their services, developing their skills and talents, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment are essential to accomplishing organizational goals and objectives (Aswattappa, 2005). According to Syed (2009), it comprises the energies, skills, talents and knowledge of people which are, or which potentially can be applied to the production of goods or rendering useful services.

Human resource is the only factor of production that controls all other factors of production. unless the human resource acts on other factors they cannot be productive. Therefore, the skills, ability, quality, perception, and character of the human resource are needed for the other physical assets to be effectively and efficiently utilized (Knauf, 2011cited by Okpako, Atube & Olufawoye, 2014). Management Scholars have argued that the quality of human resource differentiates successful organizations from others (Robbins, 2001 cited by Omodero & Ihendinihu, 2017).

All companies need strong and competitive human resource to succeed; the success of firms whether large, small/medium depends on the quality of human resource they have (Omodero, Alpheaus & Ihendinihu, 2016). The characteristic that differentiate successful organizations from their contemporaries in most sectors is the quality of the people they are able to get and retain (Robbins, 2001). Therefore, money spent on employees' training and development is one of the best investments that companies could make and such investments should be treated as a capital expenditure.

Statement of the Problem

Many studies have been carried out in the area of Human Resource Accounting as it affects the firm's value in the developed and developing economies for decades. The challenge is to ensure that firms have capability to find, assimilate, compensate and retain human resource in the shape of talented individuals they need who can drive a global organization that is both responsive to its customers and the burgeoning opportunities of technology (Armstrong, 2006).

Olayiwola (2016) studied the relevance of the human capital accounting information on the market value of quoted manufacturing companies in Nigeria from 2007-2014 using secondary data. The study established positive significant relevant human capital cost in the share price of the selected quoted manufacturing companies in Nigeria. Udeh (2021) examined the impact of Human Resource Accounting on firms value in Nigeria from 2010 -2015. The result revealed that human capital has no significant effect on earnings per share of listed firms in Nigeria. Nwarogu, Ojimadu and Okorie (2018) studied effect of Human Resource Accounting on firms' value in Nigeria using secondary data. Findings revealed that Human capital has no significant effect on the earnings per share of listed firms. These studies were on financial sectors and manufacturing companies using varied market value proxies. Very insignificant study to the best of the researchers knowledge were carried out on non- financial sector as a result, the effect on increment in number of staff and staff training and development cost on Firm's value of non-financial sector needs to be determined. Hence this study attempts to evaluate the effect of Human Resource Accounting of Firm's value of quoted firms not categorized as financial sector on the Nigerian Stock Exchange.

Purpose of the Study

The main purpose of this study is to establish the extent to which Human Resource Accounting (HRA) affect Firm's value of Quoted Firms in Nigeria. Specifically, the study seeks to:

1. Determine the effect of Staff Training and Development Costs on Price to Earnings per share (PEPS)
2. Investigate the effect of Staff Training and Development Costs on Tobin Q(TOBQ).
3. Ascertain the effect of Increment in number of staff on Price to Earnings per share (PEPS)
4. Access the effect of Increment in number of staff on Tobin Q(TOBQ).

Research Hypotheses

The following null hypotheses were formulated from the research objectives above:

Ho1: Staff Training and Development costs does not significantly and positively affect price to earnings per share

Ho_2: Staff Training and Development costs do not significantly and positively affect Tobin's Q

Ho3: Increment in number of staff does not significantly and positively affect Price to Earnings Per Share

Ho4: Increment in number of staff does not significantly and positively affect Tobin's Q

Review of Related Literature

Conceptual Review

Concepts of Human Resource Accounting (HRA)

Human Resource Accounting means accounting for people as the organizational resources. It is the measurement of the cost and value of people to organizations. It involves measuring costs incurred by private firms and public sectors to recruit, select, hire, train and develop employees and judge their economic value to the organization. The system may serve both the internal and external users, providing management (internal users) with relevant data on which to base recruiting, training and other development decisions and supplying investors, lenders and other external users of financial statement with information concerning the investment in and utilization of human resources in the organization.

The concept of human resource accounting can be understood if one goes through some of the important definitions given by the competent authors in the accounting field. In traditional accounting concepts, every human resource related expenditure is treated as cost which reduces profit. However, Bullen and Eyler (2010), stated that Human resource Accounting involves accounting for expenditures which are related to human resources as assets. Ravindra Tiwari (2012) has pointed out, "Human Resource Accounting as an attempt to identify, quantify and report investment made in Human resources of an organization that is not presently accounted for under conventional accounting practice".

Human resource accounting has to do with knowing the cost invested on employees for their recruitment, training, payment of salaries & other benefits and in return knowing what they contribute to organization towards its profitability. Training is one of the main function that directly contribute to the development of employees. Research also suggests that the organizations investing considerably in training justify their investment by the contribution training makes to improve individual and firm performance (McElroy, 2001; Khan, 2010; Batool and Batool, 2012). A strategy for improving workforce

productivity that is, staff training and development to drive higher value for the firms has become an important focus.

Staff Training and Development

Training is a structured way in which organizations provide development and improve the quality of new and existing employees. Training is viewed as a systematic approach of learning and development that improve individual, group and organization (Goldstein& Ford, 2002) in Khawaja & Nadeem (2013). Thus it is the series of activities embarked upon by organization that leads to knowledge or skills acquisition for growing purposes, thereby, contributing to the wellbeing and performance of human capital, organization, as well as the society at large. According to Manju & Suresh (2011), training serves as an act of intervention to improve organization's goods and services quality in stiff the competition by improvements in technical skills of employees. Development refers to activities leading to the acquisition of new knowledge or skills for purposes of growing. Organizations provide employees with development programmes in order to enhance their capabilities. Employee development is gaining an increasingly critical and strategic imperative in organizations in the current business environment (Sheri-lynne 2007) in Abdul Hameed (2011). Thus organizations need to invest in continuous employee development in order to maintain employees as well as the organization success (Khawaja & Nadeem 2013)

Firm's value

A firm's value, also known as Firm Value (FV), Enterprise Value (EV) is an economic concept that reflects the value of a business. It is the value that a business is worthy of at a particular date. Theoretically, it is an amount that one needs to pay to buy/take over a business entity. Like an asset, the value of a firm can be determined on the basis of either book value or market value. But generally, it refers to the market value of a company. EV is a more comprehensive substitute for market capitalization and can be calculated by following more than one approach.

It represents the firm's past, present and future performance. The share price is often associated with the firm's value because the stock price reflects the willingness of investors to buy the firm's shares. The financial ratio that is often used to measure the value of a firm is price -to-book (P/B) and price-to-earnings (P/E). Price-to-book (P/B) measures the value of a firm's assets and compares them to stock prices. If the share price is lower than the value of the assets, the firm is undervalued, assuming the firm is not in financial trouble. Price-to-earnings (P/E) compares the firm's stock price and earnings-per share to determine whether the stock price reflects all earnings.

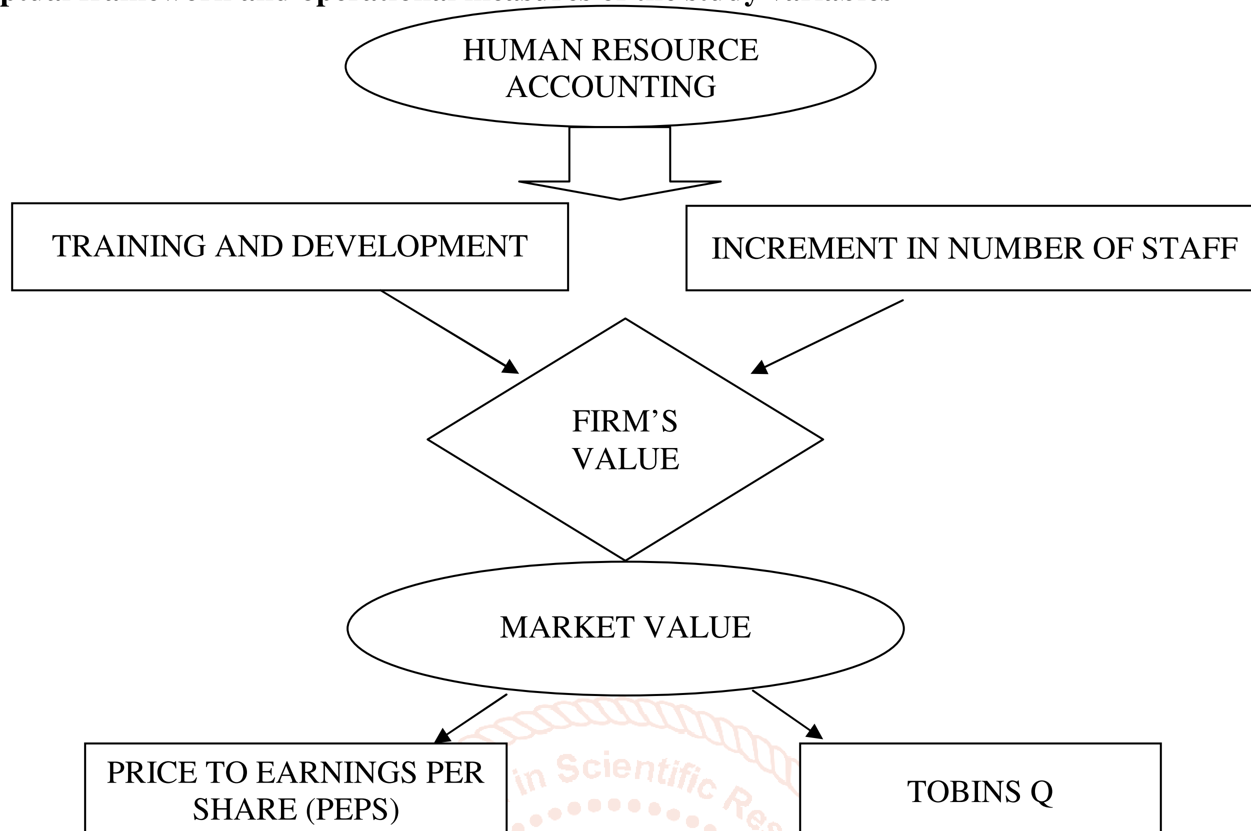
The value of a firm calculated based on stock prices only gives information about the total stock market price of a firm and does not consider debt, cash and cash equivalents, and other key factors related to the value of the firm. Enterprise value (EV) has emerged as another alternative for measuring firm value. EV is calculated by adding up the firm's stock market capitalization, short-term debt, and long-term debt, less cash owned by the firm. Loughran & Wellman (2011) developed the previous literature by introducing a more complete and stronger value-based ratio for use by practitioners, namely Enterprise Multiple (EM). EM is calculated by dividing EV with operating income before interest, taxes, depreciation, and amortization (EBITDA) (Loughran & Wellman, 2011).

Measurement of Firm's Value

For the purpose of this study, the following determinants (dimensions) and proxies were used:

A. Price to Earnings per share(PEPS)
B. Tobin's Q (TOBQ)

Conceptual framework and operational measures of the study variables



Source: Researchers conceptualization (2021) based on various literatures reviewed

Interpretation of the above diagram

Human Resource Accounting is the independent variable and will be proxied by Staff Training and Development (STD) and Increment in number of staff (INS). Firm's value is the dependent variable and will be proxied by Price to earnings Earnings per share (PEPS) and Tobins Q (TOBQ).

Tobin's Q

James Tobin had hypothesized that the combined market value of all the companies on the stock market should be equal to their replacement costs. An undervalued company, one with a low Q (between 0 and 1), would be attractive to corporate raiders or potential purchasers, as they may want to purchase the firm instead of creating a similar company. The interest in the company would likely to be increased which would then cause increase its stock price, which would, in turn, increase its Tobin's Q. As for overvalued companies, those with a high Q (greater than 1), they may see increased competition. A high Q implies that a firm is earning a rate higher than its replacement cost. This caused individuals or other companies to create similar types of businesses to capture some of the profits. The existing firm's market shares would be reduced then lower its market price and cause its Tobin's Q to fall (Hayes, 2019).

Price To Earnings Per Share (PEPS)

Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability. It is common for a company to report EPS that is adjusted for extraordinary items and potential share dilution. The higher a company's EPS, the more profitable it is considered. The earnings per share value are calculated as the net income (also known as profits or earnings) divided by the available shares. The numerator of the equation is also more relevant if it is adjusted for continuing operations. It expresses the relationship between profits earned by a firm and the equity stock during a period of time.

$$EPS = \frac{\text{Net Income-preferred dividends}}{\text{End of period common shares outstanding}}$$

Or

$$EPS = \frac{\text{Profit after Taxes}}{\text{Number of equity stock outstanding}}$$

Theoretical Framework

This study is anchored on the following theories:

Resource Dependence

Resource dependence provides explanations on how firms can create value by managing their resources including human capital strategically, this has an external focus. For companies that are particularly dependent on employee, financier and others for survival and growth, there is strong incentive to disclose human capital information as it will not only increase the opportunity to attract and retain human

resources. Hence firms should disclose information on human capital such as experience, qualifications and training, since these help firms to create value in the capital market.

The Human Capital theory was proposed by Schultz (1961) and extensively developed by Becker (1964). Human capital theory contends 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. This 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 position of this study as stated in Adebawojo, Enyi and Adebawo (2015), is that education or training and development would not only increase employee personal income, it would also serve as a means of achieving corporate competitive advantage which reflects ultimately in organizational performance; and if asset is considered as any expense which benefit is derived beyond one financial year, then it follows that expenses incurred in training and developing the human resources of an organization qualifies to be so called and treated in its books since the benefits from such costs usually last for many financial periods (Enyi & Adebawojo, 2014). Flamholtz and Lacey (1981) as noted by Baney and Wright (1997), opined that human capital theory distinguished between general skills and firm specific skills of human resources. General skills are skills possessed by individuals which provide value to a firm and are transferable across a variety of firms.

Review of Empirical Study

Udeh (2021) examined the impact of Human Resource Accounting on firms value in Nigeria. The study adopted ex-post facto research design and the population of this study comprised of the 21 Deposit money banks that were listed on the Nigeria stock exchange during the period 2010 to 2015. It considered multiple regression analysis as a tool for data analysis with the aid of SPSS V. 20. Based on the findings of this studies the test of the three research hypothesis earlier formulated in the study, the researcher has come to conclusion in respect of the each hypothesis that human capital has no significant effect on earning per shares of listed firms. Nwarogu, Ojimadu and Okorie (2018) studied effect of Human Resource Accounting on firms' value in Nigeria. The study used ex-post factor research design and the secondary data gathered were analyzed using regression analysis. In line with the stated objectives, the findings reviewed that both times rate of return and current cost has a significant effect on the earnings per share of listed firms while Human capital has no significant effect on the earnings per share of listed firms. It was therefore recommended that Accounting standard board should incorporate their accounting standard for the valuation .Olayiwola (2016) studied the relevance of the human capital accounting information on the market value of quoted manufacturing companies in Nigeria. The study used secondary data from 2007 to 2014 collected from selected Annual Report and Accounts of 50 quoted manufacturing companies, and Fact books published by the Nigerian Stock Exchange. Pooled OLS and Fixed Effect Model(FEM) were used in the analysis. The findings of the study established positive significant relevant human capital cost in the share price of the selected quoted manufacturing companies in Nigeria. The findings also further indicated that capitalization of the investment on the human capital has the tendency of enhancing the shareholders' wealth as well as improving the positive image of the quoted manufacturing companies in Nigeria. Sapra and Jain (2019) examined the impact of human resource accounting on firm's value .The purpose of the study is to examine the impact of human resource variables viz. Compensation to employees, Staff welfare and training expenses and Profit after tax per 1000 employees on firm's value. The proxies used for firm's value are Market Capitalization and Total Assets. The data for BSE-500 companies for the year 2018 required to evaluate the objectives of the study has been collected from CMIE Prowess Database. Out of 500 companies listed on BSE, finally 310 companies have been chosen for study due to non-availability of data on the variables used in the models. In order to achieve the objectives of study, Multiple Regression Model have been used. The study found that compensation to employees does not have a significant impact on Market Capitalization while Staff welfare and training expenses and Profit after tax per 1000 employee have a positive and significant impact on Market Capitalization. The present study also revealed that compensation to employees have a negative and significant impact on Total Assets while Staff welfare and training expenses and Profit after tax per 1000 employee have a positive and significant impact on Total Assets. Inua and Oziegbe (2018) examined the effect of human resource accounting on the performance of quoted banks in Nigeria. The study examined the annual reports of 18 quoted commercial banks from 2009 -2017 financial years and the research design adopted was ex-post facto research design. The effect of certain human resource accounting attributes such as staff cost, director remuneration, number of staff and firm size was examined using regression analysis.

The results confirm that there is a significant relationship between staff cost, staff strength, and firm size and financial performance. Director remuneration had no significant relationship on financial performance. They recommended that a better system of communicating employee benefits to the employee of the organization should be adopted also unfair performance appraisal should be discouraged since it diminishes employees' motivation. The adoption of Human Resource Accounting (increase in staff compensation, increment in staff, and staff retirement benefits) on the Profitability of Corporate Organizations was determined by Ezejiofor, John-Akamelu, and Iyidiobi (2017). This study used an exploratory research design and time series data. The study's data came from a group of ten (10) Nigerian commercial banks. With the help of SPSS version 20.0, the data was analyzed and assessed using the t-test statistical tool. According to the findings, a rise in staff remuneration has a beneficial impact on organizational profitability, and the degree of staff increment has an impact on organizational productivity. Ofurum and Adeola(2018) examined the relationship between HRA and Profitability of quoted firms in Nigeria. The study used ex post facto research design. The population of study comprised of 30 quoted firms in Nigerian Stock Exchange. The study used secondary data from audited financial reports of nine (9) service firms quoted on the Nigerian Stock Exchange (NSE) from 2011-2015. The study used staff remuneration as proxy for HRA while net operating profit and return on capital employed were used as proxies for profitability. The data collected was analyzed using ordinary least square (OLS), regression and Pearson Product moment correlation coefficient "r", with the aid of SPSS version 20. The findings revealed that there is no significant relationship between HRA and the profitability of quoted firm. Based on the findings, it was recommended that staff should be well compensated in terms of reward and remuneration so as to attract best brain in them, management should make retirement benefits attractive so as to attract best brain to their respective firms and establishment and there should be a well coordinated program for staff development if the firms profitability and performance are desired to increase positively. Ezejiofor, Nwakoby, and Okoye (2015) investigated the impact of Human Resource Management on the performance of businesses. The data was examined using a five-point Liker's scale in this study, which used a survey research approach. Simple regression analysis was used to examine the hypotheses. Human Resource Management has an impact on the performance of a corporate organization, according to the findings of this study. This has to do with competent management as a motivator, as well as training and growth. Agbiogwu, Ihendinihu and Azubike (2016) investigated the effects of human resources cost on the profitability of banks in Nigeria from 2010 – 2014 using First Bank Nigeria, Plc and Zenith bank Nig. Plc. The study adopted content method of analysis and linear regression model to test the stated hypotheses. Findings revealed that staff cost significantly affect Earnings per share, Net profit margin, and Return on capital employed of banks. The researcher recommended among other things that there should be a uniformed standard for identification and measurement of human capital assets. Rehman, Rehman, Rehuman, & Zaliad (2011) studied intellectual capital performance and its impact on corporate performance: an empirical evidence from modaraba sector of pakistan.

The aim of this study is to examine the Intellectual Performance (IC) of 12 Modaraba companies and its impact on corporate performance. This study examines the performance of three main components of VAIC(value added intellectual coefficient) i.e. Human Capital Efficiency (HCE), Structural Capital Efficiency (SCE) and Capital Employed Efficiency (CEE) and its impact on corporate performance by employing the predictive analysis. The empirical results reveal that one of the important components to strengthen the IC performance is Human Capital Efficiency (HCE) which means investing more to boost the employees productive would increase the human efficiency of employees. The results show that HCE has significant relation at (P>0.1) with financial performance (ROE and EPS), SCE at (P >0.1) and (P>0.05) with financial performance (ROE) and (EPS) respectively. Whereas CEE has substantive effect with ROE and ROI at (P>0.05) and with (EPS) at (P>0.1) respectively. They confirmed that Human Capital efficiency has significant relationship with financial performance‟s Returns on Capital Employed (ROE) and Earnings Per Share (EPS). Their study specifically revealed that, one of the important components to strengthen the intellectual capital performance is Human Capital Efficiency. This means that, investing more to boost the employees‟ productivity would increase the human capital efficiency of employees. This could imply that performance of an organization depends on its human capital.

METHODOLOGY

Research Design

This research work adopted the Ex-post-facto research design.

Population of study

The population of the study consisted of one hundred and sixteen (116) firms not categorized as financial sector quoted on the floor of the Nigerian Stock Exchange (NSE) in the period 2010-2020 (as at December 2020).

Sample size and Sampling Procedure

One common problem identified with prior studies especially as it pertains to the information contained in most database and records of firms especially in developing countries for which Nigeria is not an exception, is the problem of missing data which tend to be a recurring decimal (Angahar & Malizu, 2015). With the above in mind, efforts were made in this study to cater for problems associated with missing data stream so that the data that were used in this study were consistent over the study period for all firms. Hence, the purposive sampling technique was however adopted in this study by first, establishing the following selection criteria:

1. The company must be a listed firm in the Nigerian Stock Exchange as at 31st December, 2020.
2. The company must be in operation throughout the study period and must have up to date accounts, appropriately filed with the Securities and Exchange Commission (SEC) throughout the study period (2010 – 2020).
3. The company must have consistent data set for the relevant variables used in this study, and such data must be available all through the period covered by the study.

The selection of the firms that were included in the sample of this study was based on the above criteria. However, sixty-six (76) listed firms met the criteria and were selected and included in the sample of this study

Sources of Data

The researcher adopted secondary source of data, the annual published financial statements of the companies under study and necessary computations there-from.

Method of Data Analyses

The statistical technique employed in analyzing the data is the Regression Analysis with the aid of Linear Structural Relations (LISREL) 8.80 while the Statistical Package for Social Sciences (SPSS) Version 25.0 was used for the preliminary analysis. 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 analysis will be guided by the specified model in each hypothesis.

Model Specification

The model used for this study was the researchers conception . It was neither adopted nor adapted.

Mathematically; FV = f (STDC, INS) ie Firm's value is a function of staff training and development cost and also increment in the number of staff

In Stochastic form; $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \mu_{it}$

The model contains the dependent variable denoted by Y, which represents the dependent variable, firm's value (FV) and the independent variables X_1 and X_2 (STDC and NIS) which are components of HRA.

Generally:

$P = \beta_0 + \beta_1STDC_{it} + \beta_2INS_{it} + \mu_{it}$

Specifically:

Market Value $= \beta_0 + \beta_1STDC_{it} + \beta_2INS_{it} + \mu_{it}$

PEPS $= \beta_0 + \beta_1STDC_{it} + \mu_{it}$ ---------------------------------- **(H01)**

TOBQ $= \beta_0 + \beta_1STDC_{it} + \mu_{it}$ ---------------------------------- **(H02)**

Market Value $= \beta_0 + \beta_1INS_{it} + \beta_2STDC_{it} + \mu_{it}$

PEPS $= \beta_0 + \beta_1INS_{it} + \mu_{it}$ ---------------------------------- **(H03)**

TOBQ $= \beta_0 + \beta_1INS_{it} + \mu_{it}$ ---------------------------------- **(H04)**

μ_{it} is the error term capturing other explanatory variables not explicitly included in the model.

β_0 is the intercept of the regression.

β_1, are the coefficients of the regression used in determining the significance of the effect of each of the independent or explanatory variables Staff Training and development Cost (STDC) and Increment in number of Staff (INS), on the dependent variable (firm's value) measured by, Price to earnings per share (PEPS) and TOBINS Q (TOBQ)

Hypotheses Testing

Simple regression analysis was employed in testing and analyzing the hypotheses formulated for this study as earlier stated in chapter one of this project. Simple regression or bivariate regression simply involves predicting a dependent variable from a single predictor (see Pituch& Stevens, 2016).

Ho1: Staff Training and Development costs does not significantly and positively affect earnings per share.

Estimated Equations

PEPS_PRI = 19.603 - 0.309*STAFFTRA + Error, R^2 = 0.00651

Standerr (2.795) (0.142)

Z-values 7.015 -2.175

P-values 0.000 0.030

Error Variance = 3027.289

From the simple/bivariate analysis output, R^2= 0.00651 which implies that staff training and development costs account for 0.65 per cent of variations in PEPS_PRI. The coefficient (β) = -0.309, z-value = -2.175 while the p-value of 0.030 is below the 5 per cent margin of error. Based on this **we reject the null hypothesis and conclude that Staff Training and Development cost has no significant positive effect on price earnings per share (PEPS_PRI).**

Ho_2: Staff Training and Development costs does not significantly and positively affect Tobin's Q.

Estimated Equations

TOBQ__TO = 1.480 - 0.000424*STAFFTRA + Error, R^2 = 0.0000196

Standerr (0.0701) (0.00356)

Z-values 21.112 -0.119

P-values 0.000 0.905

Error Variance = 1.904

From the regression analysis output for Hypothesis 2, R^2= 0.0000196 which implies that staff training and development costs account for only about 0.002 per cent of variations in TOBQ_TO. The coefficient (β) = -0.000424, z-value = -0.119 while the p-value of 0.905 is well above the 5 per cent margin of error. Based on this **we accept the null hypothesis 2 and conclude that Staff Training and Development cost has no significant positive effect on TOBQ_TO**.

Ho3: Increment in number of staff does not significantly and positively affect Earnings per Share.

Estimated Equations

PEPS_PRI = 17.099 - 0.656*INCREMENT + Error, R^2 = 0.0000564

Standerr (8.352) (3.252)

Z-values 2.047 -0.202

P-values 0.041 0.840

Error Variance = 3046.943

The regression analysis output for Hypothesis 3 shows that, R^2 = 0.0000564 which implies that increment in number of staff account for about 0.0056 per cent of variations in price to earnings per share PEPS_PRE. The coefficient (β) = -0.656, z-value = -0.202 while the p-value of 0.840 is far above the 5 per cent margin of error. Based on this **we accept the null hypothesis 3 and conclude that increment in number of staff has no significant positive effect on price earning per share PEPS_PRI.**

Ho4: Increment in number of staff does not significantly and positively affect Tobin Q

Estimated Equations

TOBQ__TO = 1.284 + 0.0764*INCREAME + Error, R^2 = 0.00122

Standerr (0.209) (0.0812)

Z-values 6.152 0.940

P-values 0.000 0.347

Error Variance = 1.902

The regression analysis output for Hypothesis 4 shows that, R^2 = 0.00122 which implies that increment in number of staff account for about 0.122 per cent of variations in Tobin Q (TOBQ_TO). The coefficient (β) = 0.0764, z-value = 0.940 while the p-value of 0.347 is far above the 5 per cent margin of error. Based on this **we accept the null hypothesis 4 and conclude that increment in number of staff has no significant positive effect on Tobin_Q (TOBQ_TO).**

Discussion of Findings

The main purpose of this study is to establish the extent to which Human Resource Accounting affects value of Quoted Firms in Nigeria.

From the simple/bivariate analysis output of hypothesis 1, the coefficient (β) = -0.309, z-value = -2.175 while the p-value of 0.030 is below the 5 per cent margin of error and led to conclusion that Staff Training and Development cost has significant negative effect on price earnings per share (PEPS_PRI). Meanwhile, from the regression analysis output for Hypothesis 2, the coefficient (β) = -0.000424, z-value = -0.119 while the p-value of 0.905 is well above the 5 per cent margin of error, hypothesis 2 and conclude that Staff Training and Development cost has a negative insignificant effect on TOBQ_TO. This means that 1% increase in Staff Training and Development cost will lead to 0.4% decrease in profitability of the company.

This result is in conformity with the findings of Akinlade and Adegbie (2020), reported that Human Resource Accounting does not have significant effect on financial reporting quality in oil and gas companies in Nigeria. Also the study of **Sapra and Jain (2019)found that compensation to employees does not have a significant impact on Market Capitalization which also revealed that compensation to employees have a negative and significant impact on Total Assets.**

The regression analysis output for Hypothesis 3 shows that coefficient (β) = -0.656, z-value = -0.202 while the p-value of 0.840 is far above the 5 per cent margin of error. Based on this we accept the null hypothesis 3 and conclude that increment in number of staff have no significant positive effect on price earning per share PEPS_PRI. Meanwhile, the regression analysis output for Hypothesis 4 shows that, coefficient (β) = 0.0764, z-value = 0.940 while the p-value of 0.347 is far above the 5 per cent margin of error. Based on this we accept the null hypothesis 4 and conclude that increment in number of staff have no significant positive effect on Tobin_Q (TOBQ_TO). This study of Chathurika and De Silva(2019); Akinlade and Adegbie (2020), confirmed the findings as they reported that Human Resource Accounting does not have significant effect on financial reporting quality in oil and gas companies in Nigeria.

Conclusion and Recommendations

Since the late 1960s, human resource accounting has been the subject of a lot of academic research. The phrase "human resource" refers to the group of people who make up an organization's or commercial entity's workforce. This study ascertained the extent to which staff training and development cost and increment in number of staff affect **Firm's value of quoted firms in Nigeria.**

Regression analysis was employed to analyzed the data, from the analysis output, Staff Training and Development cost has a significant negative effect on price earnings per share (PEPS_PRI) and TOBQ_TO of the quoted Nigerian companies.

However, the increment in number of staff was found to have a negative insignificant effect on Price to earnings per share (PEPS_PRI) and Tobin_Q quoted Nigerian companies.

Therefore, the performance of an Organization is influenced by the performance of the individuals who make up the organization in terms of wage increases, retirement benefits, and the number of employees employed. That is, an organization does not exist in a vacuum; it is made up of individuals (workers) who collaborate to achieve its goals. The purpose of organization is to achieve a specific aim. People must be trained and developed in order to achieve the goal. From the findings of the study, the following recommendations were highlighted below;

1. Companies should examine the contributions and positions of price to earning per share in the company before considering whether to employ more staff or not since increment in staff has an adverse effect on company's financial performance.

There should be regular program on Staff Training and Development in companies as this will reduce labor turnover thereby attract more earnings.

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