HUMAN RESOURCE ACCOUNTING DISCLOSURE AND FINANCIAL REPORTING QUALITY IN NIGERIA

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Abstract
This paper examines the effect of Human Resource Accounting Disclosure (HRAD) on financial reporting quality in Nigeria. This effect of HRAD was examined on three specific metrics for measuring financial reporting quality namely; timeliness, relevance and understandability. Although employees are widely recognised as a major source of organisational value, human capital is still largely excluded from the financial statements of many Nigerian firms. This continuing practice limits transparency, weakens accountability and reduces the usefulness of financial reports for effective decision making. Drawing on Human Capital Theory which provides the foundational justification for Human Resource Accounting disclosures(HRAD) by framing employee training, education, and development as strategic investments rather than mere expenses. It also draws from the Stakeholder Theory which asserts that companies must disclose human resource accounting (HRA) information to meet the expectations of diverse groups employees, investors, and regulators, and also aligns with the agency theory which serves as a framework to reduce information asymmetry between managers (agents) and shareholders (principals).Primary data were obtained through copies of structured questionnaire administered to 292 professional accountants from selected organisations across Nigeria. The data were analysed using descriptive statistics and regression techniques to test the study hypotheses and explore the relationships among the variables. The results indicate that timeliness, relevance and understandability have significant positive effects on Human Resource Accounting practices, suggesting that clearer and more timely reporting systems promote better recognition and communication of human capital information. The findings further imply that strengthening financial reporting processes can enhance corporate transparency, build stakeholder confidence and support sustainable organisational performance. The paper contributes to the growing body of knowledge on Human Resource Accounting in developing economies and offers practical insights for regulators, standard setters and accounting practitioners seeking to improve the quality and credibility of financial reporting in Nigeria.

Keywords: Financial reporting quality,human resource accounting disclosure,relevance, timeliness, understandability.

1.0Introduction

Human Resource Accounting Disclosure (HRAD) involves the systematic identification, measurement, and communication of human capital information within financial reports to support informed decision making by internal and external stakeholders. It recognises employees' knowledge, skills, experience, competencies, and motivation as strategic organisational assets, extending beyond traditional physical and financial resources (Flamholtz & Hua, 2002). In today's knowledge driven economy, human capital manifested through employee innovation, productivity, and adaptability is a key driver of corporate performance and long term value creation.

Despite this recognition, traditional accounting systems in many developing economies, including Nigeria, inadequately capture the economic contribution of human resources, limiting the quality and decision usefulness of financial reports. The exclusion of human capital information undermines critical qualitative characteristics such as timeliness, relevance, and understandability (IASB, 2018) and may erode stakeholders' confidence in reported financial outcomes. Financial reporting in Nigeria remains largely focus ed on tangible assets, while intangible value drivers such as staff development, talent retention, and employee engagement receive minimal attention, constraining transparency and accountability.

The limited adoption of HRAD in Nigeria reflects conceptual ambiguities, regulatory gaps, and methodological challenges in measuring and reporting human capital. Empirical studies indicate that failing to account for human capital results in financial statements that inadequately reflect organisational realities (Iskandar 2019). Expenditures on recruitment, training, and employee development are often treated as period costs rather than strategic investments, limiting reporting quality. Conversely, evidence shows that HRAD enhances reporting precision and relevance (Oseni, Adeyemi & Fagbemi, (2021), 2021; Ijeoma & Aronu, 2017), yet the absence of clear guidance from Nigerian regulatory bodies restricts adoption. Global initiatives, including the Integrated Reporting Framework and the International Sustainability Standards Board, emphasise disclosure of human, social, and intellectual capital, highlighting the need for Nigeria to align with international best practices.

Against this background, this study examines the influence of HRAD on financial reporting quality in Nigeria, focusing on timeliness, relevance, and understandability. It assesses HRAD's contribution to timely reporting, its enhancement of statement relevance, its impact on disclosure clarity, and its broader implications for advancing accounting practice in the Nigerian context.

2.0 Literature Review

Majority of existing literature on Human Resource Accounting Disclosure (HRAD) and financial reporting quality have largely been based on the use of secondary data studies (Akinlade & Adegbie, 2020). Only few studies such as Rabiu (2022) have utilized primary data, but not based on the IASB framework. The current study examines how HRAD impact financial reporting quality by considering the IASB qualitative characteristics that measures quality of corporate reporting such as timeliness, relevance, understandability within the Nigerian context. Therefore, this literature review focuses on conceptual, theoretical, and empirical studies relevant to these constructs.

Human Resource Accounting Disclosure

Human Resource Accounting Disclosure (HRAD) enhances financial reporting quality by improving timeliness, relevance, and understandability, particularly in Nigeria. It integrates accounting, economics, and human resource management to measure and communicate the value of human capital, which has become increasingly vital as organisations shift from asset-heavy to knowledge-driven structures in competitive markets. Traditional accounting often overlooks human resources, despite their strategic importance, limiting the informational content of financial statements. Flamholtz (1974) described HRAD as accounting for people as organisational resources, including recruitment, training, and development costs, while Jindal (2021) highlights its role in capturing employees' potential contributions. Similarly, the American Accounting Association (1973) defines HRAD as the identification, measurement, and communication of human resource data, reinforcing its relevance for internal and external reporting.

HRAD emerged in the 1960s and 1970s, with Likert and Pyle (1971) and Flamholtz, Lev, and Schwartz advocating recognition of human capital alongside other assets. The rise of global competition and intellectual capital in subsequent decades increased interest in HRAD, with Petty and Guthrie (2000) noting that ignoring human resources distorts financial statements and investor decisions. Models such as cost-based, value-based, and present value of future earnings were developed, though adoption was limited by methodological challenges. In the twenty-first century, initiatives like the International Integrated Reporting Council (IIRC) and Al Mamun, Hasan, & Rahman, (2022) emphasise HRAD's alignment with sustainability and governance objectives. Advances in data analytics and human resource information systems have also facilitated HRAD implementation, particularly in digitalised organisational environments.

Application and Relevance of HRAD in Nigeria

In Nigeria, adoption of HRAD models remains limited. Most firms treat human resource expenditures as period costs rather than strategic investments. Nonetheless, select organisations in banking, telecommunications, and education have experimented with the Lev and Schwartz model for internal reporting and workforce planning (Okpala & Chidi, 2010). Flamholtz's model is less adopted due to complexity and limited data on employee contributions and turnover. Integrating these models into Nigerian financial reporting requires institutional support, capacity-building, and alignment with international standards. Jindal (2021) note that organisations adopting HRAD frameworks benefit from improved decision-making, enhanced investor confidence, and alignment between strategic goals and workforce capabilities. The Lev and Schwartz model offers simplicity, while the Flamholtz model provides a dynamic, probabilistic approach. Together, they allow Nigerian organisations to link human capital investment with financial accountability, improving transparency and strategic planning.

Financial Reporting Quality

Financial reporting quality reflects how accurately financial statements represent the true economic substance of operations, providing relevant, reliable, and timely information to investors, regulators, and management (IASB, 2018). Key qualities include relevance and faithful representation, ensuring completeness, accuracy, and unbiased reporting, while enhancing attributes such as comparability, verifiability, timeliness, and understandability improve decision usefulness (Dechow & Schrand (2010), Barth, Landsman & Lang. (2008)). Empirical measures include accrual quality, earnings management, and market-based indicators like value relevance

(Francis, LaFond, Olsson & Schipper, (2004)). In Nigeria, incorporating HRAD can strengthen these qualities by reflecting human capital value and enhancing stakeholder confidence.

Theoretical Framework

Human Capital Theory, developed by Schultz (1961) and Becker (1964), explains how investments in education, training, health, and personal development enhance productivity and create long term economic value. Viewed as intangible assets, these investments improve organisational efficiency, innovation, and profitability. In accounting, the theory supports recognising employees as value creating assets, justifying the inclusion of human resource information in financial statements (Flamholtz, 1999). In Nigeria, recruitment, training, and development costs are often recorded as expenses, underestimating their long term benefits (Odiaka & Olayemi, 2022). Human Resource Accounting Disclosure applies this theory to improve financial reporting quality, particularly timeliness, relevance, understandability, and faithful representation, in line with IASB standards and integrated reporting frameworks (IASB 2018, Eccles & Krzus, 2018). It is therefore relevant because it provides the foundational justification for Human Resource Accounting disclosures (HRAD) by framing employee training, education, and development as strategic investments rather than mere expenses.

Stakeholder Theory

Stakeholder Theory explains HRAD adoption by emphasising obligations to employees, investors, regulators, creditors, and society (Freeman, 1984; Miles, 2017; Mollah & Zaman, 2015). In Nigeria, where disclosure irregularities persist, the theory supports reporting that exceeds statutory compliance, recognising employees as strategic assets. Systematic identification, measurement, and disclosure of human capital investments meet stakeholder demands for decision-useful information and enhance relevance, faithful representation, and understandability (IASB, 2018; Odiaka & Olayemi (2022)). HRAD positions accountants as communicators of organisational value, fulfilling ethical obligations and supporting transparency (Okafor, Nwankwo, & Eze. (2021). In essence, stakeholder theory is relevant because companies must disclose human resource accounting (HRA) information to meet the expectations of diverse groups; employees, investors, and regulators.

Agency Theory

Agency Theory explains how HRAD mitigates principal-agent conflicts, where managers may act in self-interest, creating information asymmetry (Jensen & Meckling, 1976). In Nigeria, weak governance exacerbates these risks. HRAD increases transparency by capitalising on human resource expenditures such as recruitment, training, and retention, improving relevance and faithful representation (Okaro & Okafor, 2020). It facilitates oversight by boards, auditors, and investors, reducing agency costs and strengthening governance (Obara & Nangih, 2021). Systematic human capital disclosure allows accountants to produce reliable, value-oriented reports, bridging information gaps and enhancing decision usefulness. Therefore, agency theory is a strong foundation for this study because it serves as a framework to reduce information asymmetry between managers (agents) and shareholders (principals).

Human Resource Accounting Disclosure and Financial Reporting Quality Timeliness

Timeliness is a critical attribute of high quality financial reporting, reflecting how quickly financial information becomes available for decision making (IASB, 2018). In Human Resource Accounting Disclosure (HRAD), timely reporting of recruitment, training, and staff development portrays the current value of organisational resources. Evidence from Nigerian firms suggests that timely HRAD enhances the credibility and usefulness of financial statements. Oladipo and Akinyemi (2022) found that firms disclosing current human resource information produced more reliable reports, while Nwude and Udeh (2021) reported that prompt disclosure of employee costs improved market perception and reduced cost of capital. However, organisational inertia, limited skilled personnel, and the absence of standardised HRAD frameworks slow reporting practices (Adebayo and Olamide, 2020). Strong regulatory oversight and auditing, especially by Big Four firms, have been shown to improve timeliness and compliance (Uzonwanne & Obigwe, 2023). Overall, timely HRAD ensures stakeholders receive relevant and actionable information to support effective decisions.In view of the above, the current study therefore hypothesizes that:

H_{01}: Human resource accounting disclosure has no significant impact on the timeliness of financial reporting in Nigeria.

Relevance

Relevance refers to the ability of financial information to influence users decisions by providing insights into past, present, and future events. HRAD enhances relevance by capturing investments in human capital that drive productivity, profitability, and long term sustainability. Nigerian studies indicate that firms providing detailed HRAD are perceived to issue more useful financial statements (Ijeoma and Aronu, 2013; Ojo and Akinyemi, 2018). Okafor et al. (2020) further observed that recognising and amortising human resource investments strengthens the relationship between accounting results and market performance. Nevertheless, inconsistent application and the lack of clear reporting standards reduce the practical impact of HRAD (Adegbite and Fakile, 2019; Olowokure and Tijani, 2022). This highlights the need for regulatory guidance and professional capacity building to enhance the relevance of human capital information.
In view of the above, the current study therefore hypothesizes that:

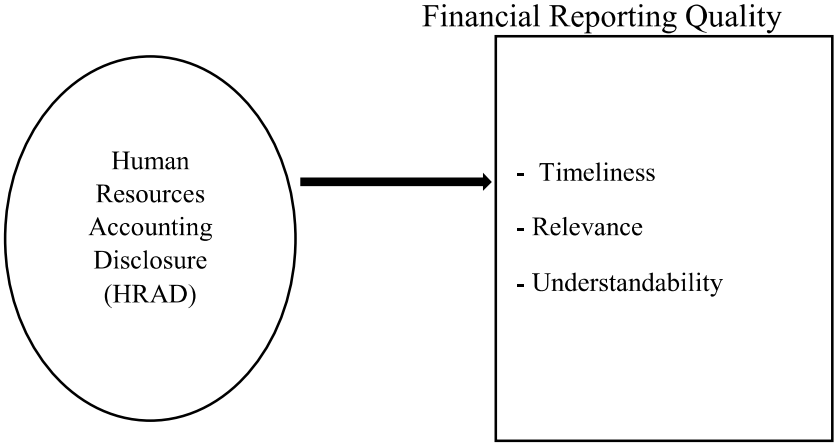
H_{02}: *Human resource accounting disclosure does not significantly impact on the relevance of financial statements in Nigeria.*

Understandability

Understandability concerns the clarity and ease with which financial information is interpreted by stakeholders (IASB, 2018). HRAD contributes by presenting human capital data in ways that users can readily comprehend. Nigerian evidence shows that structured HRAD, supported with narrative explanations and employee cost benefit analysis, improves users understanding of financial reports (Adewale and Olaniyan, 2022; Olabode and Fagboro, 2023). Yet, technical language, inconsistent metrics, and fragmented presentation often hinder clarity (Bello and Sulaimon, 2021). In addition, the absence of explicit guidelines from bodies such as the Financial Reporting Council leads to variations that limit comparability and understanding (Udo & Okafor, 2024). Therefore, standardised reporting formats, clearer presentation, and enhanced professional training are essential to make HRAD information accessible and decision useful.In view of the above, the current study therefore hypothesizes that:

H_0*: Human resource accounting disclosure has no significant impact on the understandability of financial reporting in Nigeria.*

Conceptual Framework of the study



Source: Author's Computation, 2026.

3.0 Research Methodology

This paper employed a survey research design to collect primary data from accountants in Nigeria, chosen for their critical role in financial reporting and the application of Human Resource Accounting (HRA) principles. A sample of 292 accountants was selected using convenience sampling, based on accessibility and willingness to participate. The choice of accountants is based on the fact that financial reporting is the responsibility of accountants, and the actual recognition of the contribution of human capital as an asset rather than expense is done by the accountants. Data were collected through a well-structured, closed-ended questionnaire comprising bio data and items measuring Human Resource Accounting, Timeliness, Relevance, and Understandability on a five-point Likert scale. The validity of the instrument was ensured through alignment with research objectives and expert review, while reliability was confirmed using Cronbach's Alpha, with coefficients ranging from 0.79 to 0.972, indicating acceptable to excellent internal consistency.

Model Specification

Timeliness as a function of HRAD

$Tms_{1i}=\beta_0+\beta_1$ HRA$Di + u_i$ ……..(1)

Relevance as a function of HRAD

$Rv_{2i}=\beta_0+\beta_1$ HRAD$i + u_i$ ……..(2)

Understandability as a function of HRAD

$Us_{3i}=\beta_0+\beta_1$ HRAD$i + u_i$ ……..(3)

Where Tms is Timeliness; Rv is Relevance; Us is Understandability; and those are the dependent variables, while HRAD is Human Resources Accounting Disclosure and it is the independent variable while and e is error term.

Measurement of Variables

Table 1:
Measurement of Variables

Variables	Operational Definition	Measurement	Sources
Human Resource Accounting Disclosure	The systematic recognition and reporting of the economic value of human capital through accounting practices that treat workforce-related costs as intangible assets influencing financial outcomes.	A checklist of 5 items on Likert scale (1 = Strongly Disagree to 5 = Strongly Agree);	Questionnaire
Timeliness	The prompt availability of financial information to decision-makers within statutory deadlines.	A checklist of 10 items on Likert scale (1 = Strongly Disagree to 5 = Strongly Agree);	Questionnaire)
Relevance	Refers to the extent to which financial information is useful for decision-making by providing predictive and confirmatory value.	A checklist of 10 items on Likert scale (1 = Strongly Disagree to 5 = Strongly Agree); average of item scores used to compute index.	Questionnaire
Understandability	Refers to the ease with which users can comprehend financial information.	A checklist of 10 items on Likert scale (1 = Strongly Disagree to 5 = Strongly Agree); average of item scores used to compute index.) average of item scores used to compute index.)	Questionnaire

Source: Author's Computation, 2026.

4.0 Analysis and Discussion of Results

Demographic Information

The survey instrument was administered to respondents were allowed sufficient time to complete the questionnaire. The demographic composition of respondents is presented in Table 2

Table 2:
The Summary of the Demographic Characteristics of Respondents' Personal Demography is presented below

Variable	Category	Frequency	Percent
Gender	Male	160	54.8
	Female	132	45.2
Age Range	18–25 years	31	10.6
	26–35 years	68	23.3
	36–45 years	79	27.1
	46–55 years	72	24.7
	56–65 years	42	14.4

Highest Educational Qualification	NCE/OND	101	34.6
	HND/B.Sc./B.A/B.Ed	105	36
	M.Sc./MBA	24	8.2
	Ph.D	29	9.9
	Others	33	11.3
Years of Accounting Work Experience	0–5 years	81	27.7
	6–10 years	59	20.2
	11–15 years	68	23.3
	16–20 years	49	16.8
	Above 20 years	35	12
Primary Area of Accounting Practice	Management Accounting	71	24.3
	Financial Reporting	59	20.2
	Audit and Assurance	53	18.2
	Taxation	64	21.9
	Others	45	15.4

Source: Author's Computation, 2026.

Table 3:
Descriptive Statistics

Variables	Min	Max	Mean	SD
Human Resource Accounting Disclosure	1	5	3.642466	1.173149
Timeliness	1	5	3.347603	1.336549
Relevance	1	5	3.35	1.329886
Understandability	1	5	3.207534	1.408904

Source: Author's Computation, 2026.

The descriptive statistics presented reveal the central tendency and dispersion of human resource accounting disclosure and qualitative characteristics-related variables. The average score for Human Resource Accounting Disclosure (M = 3.64, SD = 1.17) verifies the moderate level of disclosure, suggesting that organizations, on average, disclose an average amount of information about their human resource accounting processes. Timeliness (M = 3.35, SD = 1.34) and Relevance (M = 3.35, SD = 1.33) also exhibit moderate mean scores, indicating that while information is predominantly delivered in timely and relevant manners, there remains room for improvement. However, Understandability has the least mean score (M = 3.21, SD = 1.41) and thus indicates comparatively lower transparency or ease of comprehension in disclosures. The standard deviations of all the variables, ranging from 1.17 to 1.41, show a high degree of difference in perceptions among respondents, which represents different levels of information attributes and disclosure quality levels in organizations.

In other to answer the research objective, three null hypotheses were formulated and examined.

Table 4:
Model Fit Measures

			Overall Model Test			
Model	**R^2**	**Adjusted R^2**	**F**	**df1**	**df2**	**P**
1	0.287	0.284	116	1	290	<.001

Source: Jamovi version 2.26 output, 2026. Note. Models estimated using sample size of N=292

The analysis in table 4 demonstrates that Human Resource Accounting Disclosure significantly predicts the timeliness of financial reporting in Nigeria, with an R^2 of 0.287 and Adjusted R^2 of 0.284 indicating moderate explanatory power and model stability, while the F-statistic ($F = 116$, $p < .001$) confirms the model's overall significance (Adewale & Olaniyan, 2022; Bello & Sulaimon, 2021).

i. Human resource accounting disclosure does not have significant impact on timeliness of financial reporting

Table 5:
Model Coefficients- Timeliness of Financial Reporting

Predictor	**Estimate**	**SE**	**t**	**P**
Intercept	0.608	0.2600	2.34	0.020
Human resources Accounting	0.752	0.0697	10.79	<.001

Source: Jamovi version 2.26 output, 2026.

Table 5 reveals that Human Resource Accounting Disclosure exerts a strong and statistically significant positive impact on the timeliness of financial reporting, with a coefficient of 0.752 (SE = 0.0697, $t = 10.79$, $p < .001$), indicating that a one-unit increase in HRAD enhances timeliness by 0.752 units, while the significant intercept (0.608, SE = 0.260, $t = 2.34$, $p = .020$) confirms the model's validity and supports the rejection of the null hypothesis in line with (Adewale & Olaniyan, 2022; Bello & Sulaimon, 2021).

ii. Human resource accounting disclosure does not significantly impact on the relevance of financial statements in Nigeria

Table 6:
Model Fit Measures

			Overall Model Test			
Model	**R^2**	**Adjusted R^2**	**F**	**df1**	**df2**	**P**
2	0.263	0.260	103	1	290	<.001

Note. Models estimated using sample size of N=292

Table 6 demonstrates that Human Resource Accounting Disclosure (HRAD) significantly influences the relevance of financial repoerting with an R^2 of 0.263 indicating that 26.3% of the

variance in relevance is explained by HRAD. The close Adjusted R^2 of 0.260 confirms model reliability, while the F-statistic ($F = 103$, $df1 = 1$, $df2 = 290$, $p < .001$) establishes strong statistical significance, affirming that HRAD meaningfully enhances the relevance of Nigerian financial statements and rejecting the null hypothesis (Adewale & Olaniyan, 2022; Bello & Sulaimon, 2021).

Table 7:
Model Coefficients – Relevance of Financial reporting

Predictor	Estimate	SE	T	P
Intercept	0.743	0.2626	2.83	0.005
Human Resources Accounting	0.716	0.0704	10.17	<.001

Source: Jamovi version 2.26 output, 2026.

Table 7 shows that Human Resource Accounting Disclosure (HRAD) has a strong and significant positive effect on financial statement relevance, with an intercept of 0.743 ($p = .005$) and a coefficient of 0.716 ($t = 10.17$, $p < .001$), confirming that each unit increase in HRAD enhances relevance by 0.716 units and providing robust evidence to reject the null hypothesis (Adewale & Olaniyan, 2022; Bello & Sulaimon, 2021).

iii. Human resource accounting disclosure has no significant effect on the understandability of corporate financial reporting in Nigeria

Table 8:
Model Fit Measures

			Overall Model Test			
Model	R^2	Adjusted R^2	F	df1	df2	P
3	0.781	0.780	1035	1	290	<.001

Source: Jamovi version 2.26 output, 2026. Note. Models estimated using sample size of N=292

Table 8 demonstrates that Human Resource Accounting Disclosure (HRAD) explains 78.1% of the variation in the understandability of corporate financial reports ($R^2 = 0.781$, Adjusted $R^2 = 0.780$), with a highly significant model fit ($F = 1035$, $p < .001$), confirming that HRAD exerts a strong and statistically significant positive influence on financial report clarity in Nigeria (Adewale & Olaniyan, 2022; Bello & Sulaimon, 2021). This is so because, an omission of an important variable such as HRAD will make financial reporting incomplete thereby affecting the understandability by users.

Table 9:
Model Coefficients – Understandability of Financial Reporting

Predictor	Estimate	SE	t	P
Intercept	-1.81	0.1598	-11.3	<.001
Human resources _Accounting	1.38	0.0428	32.2	<.001

Source: Jamovi version 2.26 output, 2026.

Table 9 shows that Human Resource Accounting Disclosure(HRAD) has a highly significant positive effect on the understandability of corporate financial reports ($\beta = 1.38$, $t = 32.2$, $p < .001$), indicating that each unit increase in HRAD enhances report clarity by 1.38 units, while the negative intercept (-1.81, $p < .001$) implies that in the absence of HRAD, understandability would be notably low, thereby confirming HRAD as a key determinant of transparent financial communication in Nigeria (Adewale & Olaniyan, 2022; Bello & Sulaimon, 2021).

5.0 Conclusion and Recommendation

Findings of this paper provide compelling empirical evidence that Human Resource Accounting Disclosure (HRAD) exerts a significant influence on the timeliness, relevance, and understandability of financial reporting in Nigeria. Statistical analyses decisively rejected the null hypotheses, demonstrating strong positive and statistically significant associations between HRAD and each dimension of financial reporting quality. Specifically, the model accounted for approximately 29% of the variance in timeliness ($R^2 = 0.287$, $F = 116$, $p < 0.001$; $\beta = 0.752$, $p < 0.001$), underscoring the critical role of HRAD in facilitating prompt financial disclosure. Respondents emphasized the necessity of mechanisms that ensure cost-related adjustments are accurately and promptly reflected in financial statements, corroborating prior literature which identifies timeliness as a fundamental qualitative characteristic necessary for financial information to possess confirmatory and predictive utility (Iskandar, 2019; Trigo, Braam & Karmakar (2014).

Moreover, the paper provide robust empirical evidence that HRAD significantly enhances the decision usefulness of financial reporting by augmenting relevance. The systematic recognition and disclosure of investments in human capital encompassing recruitment, training, and employee development transforms these expenditures into strategic assets, thereby mitigating information asymmetry, increasing transparency, and reinforcing stakeholder confidence. These findings are consistent with theoretical and empirical scholarship emphasizing relevance as a core attribute that strengthens the predictive and confirmatory capacity of financial information analysis (IASB, 2018; Barth, M., Landsman, W., & Lang, M. (2008); Armstrong, Guay & Weber (2010); Iskandar, 2019).

The paper further establishes that HRAD significantly contributes to the understandability of financial reporting. By providing clear, systematic disclosure of human capital-related costs, HRAD enhances the interpretability of financial statements, thereby facilitating informed decision-making. This observation aligns with the International Accounting Standards Board's conceptual framework and prior empirical evidence linking HRAD to improved clarity and transparency in reporting (IASB, 2018; Gupta, 2021; Trigo et.al (2014).

Collectively, these results substantiate the assertion that HRAD is a critical determinant of financial reporting quality in Nigeria. Nonetheless, the practical realization of its benefits is constrained by weak regulatory enforcement, the absence of standardized reporting frameworks, and inconsistent adoption across firms. The study therefore underscores the imperative for policy reforms, harmonized accounting standards, and enhanced professional commitment to institutionalize HRAD, thereby fully harnessing its potential to improve transparency and decision-usefulness.There is already a body that regulates financial reporting activities in Nigeria, which is the Financial Reporting Council of Nigeria (FRCN), hence the feasibility of institutionalizing HRAD. From a methodological perspective, the paper demonstrates the efficacy

of employing a structured survey and regression framework targeting professional accountants. Theoretically, it integrates Human Capital, Stakeholder, and Agency theories, highlighting their applicability and limitations within emerging economy contexts. Empirically and conceptually, the study illuminates the weak institutionalization of HRAD in Nigeria and provides a foundation for subsequent investigations. Future research should prioritize the development of harmonized valuation frameworks, examine governance reporting linkages, and explore technological and institutional enablers that can strengthen the integration of HRAD into financial reporting practices. This result of this study may not be generalized because it is perception-based in nature and also because of the non-probabilistic sampling technique adopted in the study.

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