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Human Capital Diversity and Comparability of Accounting Information of Quoted Manufacturing Companies in Nigeria

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Abstract:
Studies of the economic consequences of accounting information comparability mainly focus on the level of the individual firm prevalent in the quoted manufacturing companies in Nigeria which incidentally affect various human capital diversities. On the other hand, most financial reports do not indicate comparability that will improve the performance of the entity and components of human capital diversity. The study investigated the effect of human capital diversity on comparability of accounting information of quoted manufacturing companies in Nigeria.
The study employed survey research design. The population of the study was two thousand nine hundred and seventy employees of quoted manufacturing companies on the Nigerian Stock Exchange (NSE). Stratified and purposive sampling techniques were used and a total of six hundred and seventy (670) were distributed out of which 600 copies were properly filled and returned representing 89.55% success rate. The Cronbach Alpha reliability coefficient ranged between 0.710 and 0.972. The data were analysed using descriptive and inferential (multiple regression) I statistics. The study found that human capital diversity has significant effect on faithful representation of accounting information Adjusted $R^2 = 0.370$; ($F_{4, 449)} = 56.6$, $p < 0.05$). The study concluded that human capital diversity has significant effect on the faithful representation of accounting information of quoted manufacturing companies in Nigeria. The study recommended that the policy maker should encourage and create a conducive atmosphere for human assets to showcase their political influence, religious influence, social influence, and intellectual influence for organization to attain high quality reporting through comparability of financial reports.

Keywords: *Accounting information, comparability, human capital diversity, manufacturing companies, and non-financial information*

1. Introduction

Comparability is the level of standardization of accounting information that allows the financial statements of multiple organizations to be compared with each other and this is a fundamental requirement of financial reporting that is needed by the users of financial statements. Comparability facilitates benchmarking across firms which ensures that investors can access more relevant peer and overall industry information. It also lowers investors' firm specific information processing costs and thereby facilitates a more precise valuation of financial information.

Financial statements should always be compared to assist stakeholders in determining the performance of the organisation. The statement should possess the qualitative characteristics of accounting information which will help the stakeholders make necessary decisions based on the performance through comparison at every point in time (Farouk, Magaji & Eega, 2019). Comparability improves usefulness of financial statements because it allows users to carry out trend analysis, cross sectional analysis and common size analysis. Trend analysis helps to see whether a company's position and or performance has or have improved across time (Soyemi & Olawale, 2019). This means that information must be comparable to the financial information presented for other accounting periods, so that users can identify trends in the performance and financial position of the reporting entity.

In Nigeria, firm's financial reporting issues and different degrees of scandals were prominent in different sectors of the economy. In the year 2012, it was reported that 45 banks were involved in unethical practices which led to their liquidation between 1994 and 2012 (Egbo, 2012). Among the companies affected are Savannah Bank, Cadbury Nigeria Plc and Lever Brothers. In Nigeria, the corruption in Cadbury led to loss of confidence of the public and investors which affected the reputation of the company. As a result, the reputation of the company was severely damaged to the extent that most investors withdrew their investments. Also, in 2002, the license of Savannah bank was withdrawn due to fraudulent activities, mismanagement, corruption and other unethical practices by the bank officials' poor, liquidity and unavailability of adequate credits to deserving customers.

According to Egbo (2012), about 800 companies shut down between 2009 and 2011, due to the harsh operating business environment (Nigerian Chambers of Commerce, 2017). Financial reporting is influenced by Human Capital Diversity such as political influence, religious influence and social influence. Political Influence are factors that determine and sharpen the behavior of an organization due to internal variables (management, shareholders and pressure group) and external variables (loans from creditors, government interventions and other pressure groups) (Saeed, Belghitar & Clark, 2015). Rachmad and Sabarudin (2019) opined that religious influence is a factor within and outside the organization that determines and sharpens the moral and ethical behavior of human assets while social influence is an intentional or unintentional change that one person causes in the behavior of another person as a result of changes in levels of socialization, peer pressure, obedience, leadership, persuasion, sales and marketing.

Poor financial reporting will lead to missed business profitable opportunities. Such poor financial reporting can occur due to inefficiency of the management, low productivity, low profitability, lack of competition, high debt profit, increase of legal issues against the company and high cost of capital (Nworgu, 2018). Poor financial reporting has negative effects on the economy because it may raise significant problems in public management of economic resources. Economic resources are inputs to production of goods and services which could be land, labour, capital and technology (Alkali & Asma, 2015) According to Sabarudin and Akhmad (2020), business entity's success or failure depends on the human assets like employee's caliber, skills, efficiency, creativity, ability and dedication of their resources towards success in the organizations which are influenced by politics, religion and social factors.

The problem of financial reporting quality could be attributed to non-compliance to company's corporate governance, ethics, and a regulatory standard which is prevalent in the manufacturing companies quoted in Nigeria (Dilek, Ozglir, Rutkay & Ceren, 2019). Also, financial statements do not reflect many factors that affect financial condition because they cannot be stated in monetary terms such as business model, competitive advantage, reputation and prestige of manufacturing with the public, the credit rating of the manufacturing companies, the efficiency, loyalty and integrity of management and board of directors. It was observed that the roles of human capital diversity on financial reporting quality of manufacturing companies quoted in Nigeria has some problems to management (Nyor, 2016)

Financial statements should possess the qualitative characteristics of being compared to evaluate firm's financial position, past performance, level of cash flows and effectively plan for its future outcomes through the use of time series in measuring trends and even in the industry (Cheung, Evans & Wright, 2010). Financial information comparability requires identical events that have to be from two different situations and this is contained in the differences that are significant and have impact on elements being compared for further decision (Downen, 2014). This can be achieved if there are no changes in accounting policies and regulations regarding the estimates between two accounting periods for comparison (Gajevsky, 2015)

Comparability of financial information is a mean of improving the quality of reporting for relevant decision making process (Ahmed & Duellman, 2011). Comparability can be used by financial analyst in making and providing financial forecast to communicate its accounting results which are paramount to investing decision making (Eliu, Fang-Chun & Xiaodi, 2018). This implies that the financial position and performance is a product of accounting information for different periods which helps to carry out the comparison based on the financial resources allocations for those periods (Ciao-Wei, Collins, Kravet & Mergenthaler, 2018)

Financial statements comparability plays an informative role in assessing the company's position and performance which helps to indicate whether the business is more profitable in the market or not (Allen & Ramanna, 2013). This demonstrates that the higher is financial statements' comparability, the more effective are the decisions of the stakeholders (Klein, 2018). Therefore, the study examined human capital diversity and comparability of accounting information of quoted manufacturing companies in Nigeria.

The main objective of this research was to evaluate the effect of Human Capital Diversity on the Faithful representation of accounting information in quoted manufacturing companies in Nigeria.

Based on the research objective, the research question was formulated in the study;

How does Human Capital Diversity affect the faithful representation of information of accounting information in quoted manufacturing companies in Nigeria?

The hypothesis formulated was tested.

- H_0: There is no significant effect of Human Capital Diversity on the comparability of accounting information in quoted manufacturing companies in Nigeria

2. Review of Literature

2.1. Conceptual Review

2.1.1. Financial Reporting

Today, the need for producing quality financial report has received great concern across the world. The production of quality information is significant due to the reliance of the stakeholders on the financial reports in making economic and investment decisions (Ogbonnaya, 2020). According to Abubakar (2015), financial reporting quality should be adequately compared to determine its trend of performance over time.

2.1.2. Quality Characteristics of Accounting Information

The need for comparability should not be confused with mere uniformity and should not be allowed to become an impediment to the introduction of improved accounting standards (Bukenya, 2014). It is not appropriate for an enterprise event if the policy adopted is not in keeping with the qualitative characteristics of relevance and reliability. It is also inappropriate for an enterprise to leave its accounting policies unchanged when more relevant and reliable alternatives exist (Mahmoud, 2017). Since users wish to compare the financial position, performance and changes in financial position of an enterprise over time, it is important that the financial statements show corresponding information for the preceding periods (Youssef, 2017).

2.1.2.1 Comparability of Financial Information

Comparability of financial accounting information helps in making choices between many alternatives and substitutable cases in the decision making process by users. Users must be able to compare the financial statements of an enterprise through time in order to identify trends in its financial position and performance.

Users must also be able to compare the financial statements of different enterprises in order to evaluate their relative financial position, performance and changes in financial position (Ogbonnaya, 2020). Hence, the measurement and display of the financial effect of transactions and other events must be carried out in a consistent way throughout an enterprise and over time for that enterprise and in a consistent way for different enterprises (Soyemi & Olawale, 2019).

An important implication of comparability is that users will be informed of the accounting policies employed in the preparation of the financial statements, any changes in those policies and the effects of such changes. Users need to be able to identify differences between the accounting policies for transactions and other events used by the same enterprise from period to period and by different enterprises (Nyor, 2016). Compliance with Accounting standard, including disclosure of the accounting methods and policies used by the enterprise, helps to achieve comparability.

Comparability of financial information indicates that company's positions (past and present) can be analyzed using at least two years comparative information especially about the financial position and performance to measure the profitability level, and returns on investment (Obert, 2011). Comparison of financial information can also involve two or more companies where, one compares its level of profitability and financial position to others in the same industry or sector of investment using different periods of business (Gaynor, Andrea, Molly & Teri, 2016).

2.2. Theoretical Review

2.2.1. Goal Setting Theory

This theory, as proposed by Locke (1965), suggests that individual's goals, established by employee himself, play an important role in motivating him for superior performance. This is premised on the fact that each employee has personal aspiration and expectations from the work and he would strive hard to achieve that goal so as to be able to fulfil obligations to his immediate dependents.

The supporters of this theory posited that management should work towards the achievement of the set target and that every individual within the organization should contribute towards attaining this target. The goal of the organization is to provide financial returns or earnings and report them clearly to the owners and since business entities are in relationships contract with many people, the profitability is a key measure that satisfies the interest of each partner.

Thus, once business is profitable, it can affect so many people (including the employees) and creates value to them in their specific area of interests (Argandona, 2011). The employee's value is created through the cost incurred by the organization on their training and development because such programs eventually will improve the quality of service by the human capital (Watson, 2012).

The business entities should be able to provide reasonable level of satisfaction to their workers and the employees must endeavor to reciprocate through their commitment, loyalty and quality service (Hillman & Klein, 2001). The encouragements and satisfaction provided by these organizations have a way of motivating employees to give more than expected towards the attainment of organizational objectives (Bukenya, 2014).

Goal setting theory is adopted in this study because it is the main reason for business entity creation and existence which is profitability. This theory is applied through comparability of satisfaction between the entity and the workers to encourage or motivate employees to give their all in order to meet the aspirations of the organization. Any business entity that does not work in the interests and satisfaction of its employees is not effective and this is based on the fact that once employees are satisfied, the other stakeholders including the entity are satisfied automatically (Lyndon, 2018).

2.2.2. Resource Based Theory

According to Schuler and Macmillan (1984), human resource management greatly influences an organization's human and resources to gain competitive advantage. To a greater extent, employees' performance would depend on the resources available to them; hence, they are supported to perform by the company by making available the required resources. This is the reason why only employers can provide modern technologies that can boast of newly improved products.

The supporters of this theory posited that the human asset can improve the quality of reporting if the required resources are made available (Eisenhardk, 1989). Thus, Budiarso, Mandey and Karamony (2018), Nikkinen and Sahlstrom (2004), Suchman (1995), Williams and Ho-Wern (1996) mentioned that financial information provided by managers is the function of the employees of the organization and that they are the one that prepares quality financial statements that show the qualitative characteristics.

Ogneva (2012) mentioned that this theory posits that there must be control mechanisms in monitoring what employees do and report to their managers. Such strategies can mitigate against selfish and unpatriotic individual behaviours which may hamper the aspirations of the organization.

Zalina (2016) summarized limitations concerning resource based theory in four aspects: (a) an organization is made of people, who are different and whose interests are to be protected; (b) these many people know as human capital have interests, and that pursuing own interests does not mean rejecting company's interests; (c) an organization is not only based on contracts but also on relationships with the people and (d) the main goal of the organization should be actualizing all stakeholders (including employees) interests than maximizing owner's interest.

In this study goal setting and resource based theory are adopted since they measured and emphasized the relationship between the stakeholders (human capital inclusive) through the comparability of the accounting information between two periods or more.

2.3. Empirical Review

Comparability of financial accounting information helps in making choices between many alternatives and substitutable cases in the decision making process by stakeholders. This is influenced by the diversity of human capital such as political, religious, social and intellectual factors. Comparability of financial information indicates entity's events (past and present) can be evaluated using at least two years' comparative information especially about the financial position and performance to measure the profitability level, and returns on investments (Obert, 2017).

Comparability needs the intellectual capacity of the human asset which helps in evaluation of companies' acquisitions and merger and provides basis for future performance measurements (Ciao-Wei, Collins, Kravet & Mergenthaer, 2018). Klein (2018) considered financial statement comparability as intellectual capacity of the human capital that allows quality decision making to be taken by stakeholders. This indicates that before the informed decision is made, the intellectual influence of the human capital plays a pivotal role in achieving quality financial statement.

Comparability of financial information is a function of direct contribution of human asset in terms of intellectual influence on the annual report which is used by financial analyst in making and providing financial forecasts (Eliu, Fang-Chun & Xiaodi, 2018). Comparability of financial information is a key factor that leads to investor's decision making before they proceed to acquisition of firms or businesses. Thus, having the human asset with intellectual capability makes the comparability of financial statements reliable for the decision making of the financial resources' allocations of the users (Ciao-Wei, Collins, Kravet & Mergenthaler, 2018).

Comparability of financial information enhances the quality of such information to the users in decision making and in information provision by financial forecast (Ahmed, Abbod & Al-qadi, 2018). This indicates that the users rely heavily on this quality of the financial report in analyzing the performance of the company before investing decisions. Comparability shows the higher level of reliance and acceptability by the users of financial statements (ELiu, Fang-Chun & Xiadi, 2018)

Financial statement comparability done by the human asset plays an informative role in company's business investments' decision by helping to analyse the financial performance and position of the business and compare with returns whether such investments are more profitable or not (Klein 2018). Comparability of financial information helps to improve the quality of financial information in decision making and in information provision by financial forecasts.

This indicates that financial analysts rely heavily on this quality through intellectual capability of the human asset on the annual report in analyzing the past performance of companies in order to advise potential investors about the business and sector to invest in. Comparability shows the diversity of the human capital on the financial statements by helping the stakeholders make effective capital allocation on projects and future forecasts accurate (ELiu, Fang-Chun & Xiaodi, 2018).

3. Methodology

The study adopted survey research design through primary data to accomplish its objective. Questionnaire was used to collect data from respondents. The questionnaire centred on the statements that measure human capital diversity and comparability of accounting information from different stake holders and helped in collating the opinions of respondents in a logical and orderly manner.

The models specified in this study were in line with the specific objectives achieved. The study measured the effect of human capital diversity and faithful representation of accounting information of quoted manufacturing companies in Nigeria. This was done by considering the effect of all explanatory variables on each of dependent variables and was for quantitative measures

Y = Comparability of Accounting Information\= CAI (dependent variable)
X = Human Capital Diversity = HCD (independent variable)
Y= f(x)
Y= f(x_1)
Where,
x_1= Political Influence (POI)
x_2 = Religious Influence (REI)
x_3= Social Influence (SOI)
x_4= Intellectual Influence (ITI)
Functional Relationship
CAI = f (POI, REI, SOI, ITI) Equation
Functional Models
CAI= $\beta_0 + \beta_1$ POI + β_2 REI + β_3SOI + β_4ITI + ε ……………… Model

4. Data Analysis, Results and Discussion of Findings

4.1. Descriptive Statistics

The target respondents in the study are the employees of quoted manufacturing companies in Nigeria. The number of copies of questionnaire that were administered to the selected quoted manufacturing companies was six hundred and seventy (670). A total of 600 copies of questionnaire were properly filled and returned. This represented an overall successful response rate of 89.55% as shown on Table 4.1. The remaining 70 questionnaires were not returned and not useful for the purpose of this study. Bryman and Bell (2015) ascribed that a response rate of ≥50% is adequate for a descriptive study and inferential analysis. Therefore, 89.23% is adequate for the study.

Category	Frequency	Percentage (%)
Number of Questionnaires Distributed	670	100%
Number Retrieved and Fit for Analysis	600	89.55
Numbers Not Retrieved	70	10.45

Table 1: Response Rate of the Study
Source: Author's Computation (2021)

Respondents Characteristics	Frequency	Cumulative Frequency	Percentage (%)	Cumulative Percentage (%)
Gender				
Male	284	284	47.3	47.3
Female	316	600	52.7	100
Age:				
25 - 35 Years	300	300	50	50
36-45 Years	119	419	19.8	69.8
46-55 Years	85	504	14.2	84
56-65 Years	64	568	10.7	94.7
65 Years and above	32	600	5.3	100
Educational Qualification:				
HND/BSc	365	365	60.83	60.83
Master's Degree	157	522	26.17	87
PhD	68	590	11.33	98.33
Others	10	600	1.67	100
Years of Experience				
2-5 Years	300	300	50	50
6-10 Years	170	470	28.33	78.33
11-15 Years	66	536	11	89.33
16-20 Years	40	576	6.67	96
20 Years and above	24	600	4	100

Table 2: Descriptive Statistics of Respondents
Source: Author's Computation (2022)

4.1.1. Interpretation

Table 2 shows that 284 respondents representing 47.3% were males, while 316 respondents representing 52.7% were females. This indicates that both males and females participated in the survey. In addition, the results show that 300 respondents representing 50% were between the age of 25 and 35 years; 119 respondents representing 19.80% were between the age of 36 and 45 years, the age group between 46 and 55 years was composed of 85 respondents representing 14.2%; the age group between 56 and 65 years consisted of 64 respondents representing 10.7%, while 32 respondents which accounted for 5.3% of the population were 65 years old and above. In summary, majority of the respondents (84%) were ranging between 25 and 55 years which are in tandem with the expectation of this study that mature adults who are occupying positions of authority among the stakeholders of the Nigerian capital market would participate in the study.

Furthermore, there is evidence that 365 respondents representing 60.83% possess HND/B. Sc. Academic qualifications; 157 respondents representing 26.17% had Master's Degree. In the same vein, 68 respondents representing 11.33% possess Doctor of Philosophy Degree (PhD), while 10 respondents representing 1.67% did not indicate their education level. In summary, majority of the respondents (98.33%) had educational qualifications ranging from first degrees to doctorate degree. This high level of education on the part of the respondents would add credibility to the opinions supplied by them and this will accord with the a-priori expectation of this study that target respondents would be educated individuals occupying positions of authority and who would be capable of being entrusted to take vital investment decisions on behalf of their companies listed on the Nigerian Stock Exchange (NSE).

The table also indicates that 300 respondents representing 50% had related working experience between 2 and 5 years; 170 respondents representing 28.33% had related working experience between 6 and 10 years; 66 respondents representing 11% had working experience between 11 years and 15 years; 40 respondents representing 6.67% had working experience between 16 and 20 years, while 24 respondents representing 4% had working experience of 20 years and above. Years of working experience by the target respondents was regarded by the researcher as a key factor in selecting those respondents who would express their views on the desirability or otherwise of the adoption of financial reporting in Nigeria among entities listed in Nigeria. Consequently, this study, as revealed on Table 4.2, showed that working experiences of majority of the respondents on whom the instruments were administered (89.33%) ranged between 2 and 15 years. These years of cognate experience on the concept of financial and other forms of corporate reporting would add credibility to views expressed by them.

4.2. Hypothesis

- Research Objective: Investigate the effect of Human Capital Diversity on comparability of information in manufacturing companies quoted in Nigeria
- Research Question: In what way does Human Capital Diversity affect the comparability of information in manufacturing companies quoted in Nigeria?
- Research Hypothesis: Human Capital Diversity does not have significant effect on the comparability of information in manufacturing companies quoted in Nigeria

Dependent Variable: COM						
Variable	**Coefficient**	**SE**	**T- Test**	**Prob**	**Tolerance**	**VIF**
POI	.367	.042	7.054	.000	.628	1.858
REI	.244	.046	5.674	.000	.459	1.488
SOI	.231	.032	4.482	.000	.358	1.425
ITI	0.270	.029	4.437	.000	0.792	1.490
F-Statistics	56.7			0.00		
Adjusted R Square	0.37					

Table 3: Human Capital Diversity and Comparability of Financial Information

*Notes: The Dependent Variable Is Comparability of Information (COM), the Independent Variables Are Political Influence (POI), Religious Influence (REI), Social Influence (SOI) and Intellectual Influence (ITI). ** And *** Indicates Statistical Significance at 5 and 1 Per Cent Respectively*

4.2.1. Interpretation

COM = $\beta_0 + \beta_1$POI + β_2 REI + β_3SOI + β_4ITI + ε .... Model 3

COM = β_0 + 0.367POI +0.0244REI + 0.231SOI + 0.270ITI + ε .... Model 3

The regression estimate of the model above shows that political influence, religious influence, social influence and intellectual influence have positive effect on financial reporting. This is indicated by the signs of the coefficients, which are 0.367, 0.244, 0.231 and 0.270 for POI, REI, SOI and ITI. The coefficients with positive effect are consistent with a-priori expectations.

From Table 4.15, the sign of the coefficient of the independent variables shows that political influence has a positive effect on comparability of financial reporting quality, with a coefficient of 0.367, this positive effect is statistically significant as the t-statistic significance level shows 0.000 which is less than 0.05 the chosen level of significance for this study.

Table 4.15 also shows that religious influence has a positive effect on comparability of financial reporting quality, with a coefficient of 0.244; this positive effect is statistically significant as the t-statistic significance level shows 0.000 which is less than 0.05. Finally, intellectual influence has a positive effect on comparability of financial reporting quality also, with a coefficient of 0.270; this positive effect is statistically significant as the t-statistic significance level shows 0.000 which is less than 0.05, the chosen level of significance for this study. Social influence has a positive effect on comparability of financial reporting quality also, with a coefficient of 0.231; this positive effect is significant as the t-statistic significance level shows 0.00 which is less than 0.05.

The Adjusted R-square of the model is 37%, this suggests that variations in comparability of financial reporting quality of the sampled population can be attributed to all our independent variables put together (human capital diversity), while the remaining 63% variations in comparability of financial reporting quality are caused by other factors not included in this model.

However, the F-test showed a probability value of 0.00 which indicates that the effect of all explanatory variables on comparability of financial reporting quality is statistically significant because the probability value (0.00) is less than 5%, the level of significance adopted for this study.

Therefore, the model is statistically significant. Thus, the null hypothesis that human capital diversity has no significant effect on comparability of financial reporting quality is rejected.

The variance inflation factor (VIF) which shows the collinearity of the model for each exogenous variables shows that the variables have no multi-collinearity problem, this is because the VIF for all the variables are below a statistical value of 10.

- Decision: At a level of significance 0.05, the F-statistics is 56.7, while the p-value of the F-statistics is 0.00 which is less than 0.05 level of significance adopted. Therefore, the study rejected the null hypothesis which means that Human Capital Diversity has significant effect on comparability of information in quoted manufacturing companies in Nigeria

4.2.2. Discussion of Findings on Human Capital Diversity and Comparability of Financial Information

The third hypothesis of the study was on the effect of human capital diversity on comparability of financial information among Nigerian listed firms. The regression estimate of the model shows that political influence, religious influence, social influence and intellectual influencehas a positive effect on financial reporting quality while religious influence and intellectual influencehave a positive effect on comparability of financial information. This is indicated by the signs of the coefficients, which are 0.367, 0.244, 0.231 and 0.270 for POI, REL, SOI and ITI. The coefficients with positive effect are consistent with a-priori expectations.

This finding relates to the result reported by Al-Dmour *et al.* (2018) that the quality of financial report impacts positively on the demographic attributes of firms listed on the Jordanian Stock Exchange. Also, this result complements the findings of Al-Dmour, Abbod and Al-Balqa (2018) that the components of the quality of financial reporting are significantly influencing the non-financial business performance and the variations of the quality of financial reporting among these companies were significantly found to be related to their size and experience.

In the study of Ahmed and Duellman (2011), comparability of financial information was used to improve on the quality of reporting for relevant decision making process by financial analyst in making and providing financial forecast to communicate its accounting results. This was corroborated by the study of Eliu, Fang-Chun and Xiaodi, (2018) that investing decision making is synonymous with comparability of accounting information. This implies that the financial position and performance is a product of accounting information for different periods which helps to carry out the comparison based on the financial resources' allocations for those periods (Ciao-Wei, Collins, Kravet & Mergenthaler, 2018)

Financial statements comparability plays an informative role in assessing the company's position and performance which helps to indicate whether the business is more profitable in the market or not (Allen & Ramanna, 2013). This demonstrates that the higher is the financial statements' comparability, the more effective are the decisions of the stakeholders (Klein, 2018). Comparability of financial information enhances the quality of such information to the users in decision making and in information provision by financial forecast (Ahmed, Abbod & Al-qadi, 2018). This indicates that the users rely heavily on this quality of the financial report in analyzing the performance of the company before investing decisions. Comparability shows the higher level of reliance and acceptability by the users of financial statements (ELiu, Fang-Chun & Xiadi, 2018)

4.3. Implication of Findings

The findings of this study can be beneficial to different participants in the organization (the board, management, shareholders, and other stakeholders), corporate leaders and accountants, policymakers (SEC, FRCN, ICAN, ANAN and government agencies), and researchers as the study provides empirical evidence on the impact of human capital diversity on comparability of accounting information of quoted manufacturing companies in Nigeria. The implications are as stated below:

The findings of this study are relevant to regulatory bodies (like FRCN, SEC and CBN) as well as professional bodies (like ICAN and ANAN). The result of the study shows that the extent of quality of the current corporate disclosures in Nigeria is slightly above 100% as shown in Table 4.2.1, and this could be improved with inclusion of human asset in financial reporting in Nigeria. Accounting information is another concern that regulators must look at to promote stakeholder interest, as manufacturing companies do not strive to report for the sake of it but to encourage high quality reporting through the diversity of human capital which significantly and positively influenced the decision of the stakeholders.

Also, the finding serves as a basis and helps to appreciate the need for the inclusion and appreciation of the human assets through disclosures and regulations because there is evidence that the diversity of the human assets positively influenced the quality of reporting. The low Adjusted R^2 of 0.36 for human capital diversity on comparability of accounting information combined under study implies that all hands must be on deck by all (regulators, practitioners, and academics) to capture more variables that could ensure quality reporting. Thus specifically, the study presents credible evidence to researchers to investigate more on human capital diversity on comparability of accounting information in Nigeria.

The empirical evidence of the study suggested that the measures of human capital diversity (political, religious, social and intellectual influences) have significant influence on the faithful representation of accounting information of quoted manufacturing companies in Nigeria. This implies that the board of the manufacturing association of Nigeria (MAN) should identify with the importance of human capital diversity and adopt it as primary objective of the organization's leadership that can contribute significantly to the sustainability of the business.

The result also supports the fact that there is a significant difference between the values created by human asset through diversity on financial report prepared without proper treatment of the human asset. The implication of the findings to the management of these firms is that the treatment of human assets by the management could ensure effective and efficient management of human resources at their disposal to maximize stakeholders' wealth.

Empirically, the findings presented in Table 1 shows that human capital diversity has significant relationship with the faithful representation of accounting information. The implication of the findings is that improvement in human capital diversity has enhanced the quality financial report available to the other interested stakeholders and that has enabled a more efficient and productive allocation of capital. Thus, because of human capital diversity and faithful representation of accounting information, the protection of the stakeholders' interests is guaranteed.

Adjusted R^2 figures depict that there are more factors that could drive quality of financial reporting apart from variables used in the study. Thus, this study will have relevance to stakeholders and shareholders to be aware of the importance of the diversity of human capital.

The relevance of the findings to the corporate leaders and accountants is to assess their level of treatment of human capital. Through this study, corporate leaders would see the state of current treatment and application of human asset that could not effectively enhance the quality of reporting. Corporate leaders must embrace human resource management, while accountants could see that more is required of them beyond numbers. Thus, this study would enable corporate leaders and accountants to understand the depth of application and treatment of human assets and explore how human capital diversity will improve the quality of reporting.

5. Conclusion and Recommendations

The necessity for producing quality financial report has, thus, received great attention all over the world. Providing high quality financial reporting information is important because it will positively influence capital providers and other stakeholders in making investment decisions, credit and similar resource allocation with a view to enhancing overall market efficiency. It is on this premise that this study examined the effects of human capital diversity on financial reporting quality among quoted manufacturing companies in Nigeria.

From the findings of the study, it was concluded that human capital diversity through political and social influence significantly affects the faithful representation of accounting information in Nigeria. Also, the study also concludes that human capital diversity measures have significant influence on the comparability of accounting information in Nigeria.

The study examined the stakeholders' perception on effects of integrated reporting on comparability of accounting information among quoted manufacturing companies in Nigeria. From the results of the findings, the following recommendations are made:

- Comparability of accounting information should be taken as key factors that permit economic and financial decisions to be taken effectively and professional accountants should attach much attention to these qualities while preparing financial statements as required by International Financial Reporting Standards (IFRSs). Faithful representations are true fundamental qualities in financial reporting system and accurate financial statements and quality-based reports constitute the tools that financial analysts use in financial information interpretation. Qualitative financial statements should show financial elements and even the relationships between them so that a clear comparison can be done for informed decision making.
- Accounting reporting quality emphasizes that management of companies especially those that are quoted on capital markets should provide faithful information willingly and have to provide more qualitative accounting information accompanied by complete disclosures in order to evaluate and examine the future cash flows activities of the business in order to attract investors and procure more financial resources because financial reporting quality has a direct or indirect powerful effect and influence of cost and procurement of capital.

6. Contribution to Future Research

The study serves as a reference for further study on the diversity of the human asset in the area of quality financial reporting that promotes the image of the organization. This will go a long way in encouraging investors and other users of the financial reports in making economic decision.

7. References

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