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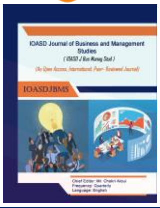

Conventional Accounting Model and Financial Performance of Foods and Beverages Manufacturing Firms in Nigeria

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ABSTRACT

This study assesses the relationship between conventional accounting model and financial performance of food and beverage firms in Nigeria. Four specific objectives were formulated to determine the extent to which conventional accounting model influences financial performance of food and beverage firms in Nigeria. Research questions and hypothesis were also formulated, and to test the hypotheses a sample of twenty-eight (28) food and beverage firms were selected in Rivers State using Pearson correlation method. The study applied cross sectional survey design and made use of primary data sourced. The analysis of the test shows that there is a positive and significant relationship between conventional accounting model and return on asset of food and beverage manufacturing firms in Nigeria. It revealed a positive and significant relationship between conventional accounting model and return on capital employed of food and beverage manufacturing firms in Nigeria. Hence the study concluded that conventional accounting model plays a significant positive role in improving the financial performance of food and beverage manufacturing firms in Nigeria. The study recommends that food and beverage manufacturing firms should continue to adopt conventional accounting model as an important tool for sustaining overall efforts to remain cost competitive while meeting standards and specifications demanded by customers. And also, management of the food and beverage manufacturing firms should make use of these various human resource techniques because they will aid them regardless of whether the ongoing business is in peril or is distressed, which will then have an impact on the profits per share, return on asset, and return on capital employed, three factors that are of the utmost importance.

Keywords: Conventional accounting model, financial performance, returns on assets and return on capital employed.

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INTRODUCTION

This study has been going on by endless scholars, writers from country to country but upon this, there have not been any mutual understanding among different writers as regards to the relationship between human capital accounting and financial performance of firms. It is on this note that one need to first of all understand the importance of financial performance to a firm's human resource unit because one of the key contributory factors to a firm financial performance is the human capital accounting which is part of human resource of an organization (Abraham & Imo, 2023).

In today's highly competitive business environment, the success of food and beverage manufacturing firms in Nigeria largely depends on the caliber of human capital accounting which are invariably part of human resource unit; as a result, it is acknowledged as a crucial asset, value creator, and a critical source of competitive advantage so as to enhance financial performance. Human capital accounting itself is receiving greater attention internationally as a result of the declining economic activity globally and the saturation of the job market. Despite this, the financial performance of most firms seems to have been affected as a result of poor human capital accounting approach especially among food and beverage companies. (Mukolo, Ideh, & Ideh, 2022), explains that companies rely on competent and committed employees to achieve at their best, yet their contribution to financial performance is frequently minimized in a shaky one-sentence remark expressed in the board chairman's statement in the majority of annual reports. This is why most firms' annual reports mention that their biggest asset is their workforce (Okoye, Xiaoxian, & Yongsheng, 2022).

This study again, obviously the influence of Human capital accounting on financial performance of firms plays a significant role of coordinating all organizations' activities, towards the achievement of firm's goals and objective and coupled with machines, materials and money little or nothing could be achieved without human capital accounting contributions (Oladeyi, & Olokoye, 2014). This confirms the extent of importance of human capital accounting in enhancing firm's financial performance.

Meanwhile, all over the universe, all companies (be it small, medium, or large companies) need a strong, efficient, highly competitive and future-centric human capital accounting to succeed and also continue as a going entity for the sole aim of enhancing financial performance of firms. Business organization's success or failure depends on the quality of human capital accounting in terms of staff training cost, staff acquisition cost, staff compensation cost, welfare cost, ability and dedication of their resources towards enhancing financial performance of firms. Basically, a company's human resources are employees of various grades employed in production or manufacturing in a company. They are categorized into unskilled, semi-skilled, managerial and technical skilled in an organization.

The importance of human capital accounting in respect to the success of firms is also confirmed in Afinindy, Salim, & Ratnawat, (2021). They stated that human capital accounting is a key factor in the determination of measurable growth of any firm's financial performance. Oke (2010), highlighting the importance of human asset, stated that successful and effective organizations understood that their success is directly related to the quality of their human capital accounting. However, the quality of human capital or human asset that Oke (2010) referred to, depends on the knowledge or the intellectual capability that the employees or managers of firms or organizations possessed. Thus, there is an indication that the importance of human intellectual capability is indispensable in the assessment of corporate performance.

There is no doubt that company's need strong and competitive human capital accounting to succeed; the success of firms whether large, medium or small, depends on the quality and value of human capital accounting they have that will enhance an effective financial performance. According to Robbins (2001), a major feature that differentiates successful organizations from their contemporaries in almost all economic sectors is the quality of the people they are able to get and retain in terms of the capability of human capital accounting.

Although there is a broad assumption by other scholars that human capital accounting has positive effects on firms' financial performance, and this entails that the notion of financial performance for human capital accounting remains largely untested due to the fact that most scholars has been looking at money deposit banks Okoye, et al (2022). Therefore, this research intends to fill the knowledge gap in the literature by critically evaluating the relationship between human conservative accounting modeland financial performance of food and beverage manufacturing firms in Nigeria.To further guide this study, the following research questions were raised:

1. How does conventional accounting model influence return on asset of food and beverage manufacturing firms in Nigeria?
2. To what extent does conventional accounting model influence return on capital

Research Hypotheses

The hypotheses for this study are stated in null form:

Ho1: Conventional accounting model does not significantly influence return on asset of food and beverage manufacturing firms in Nigeria.

Ho2: Conventional accounting model does not significantly influence return on capital employed of food and beverage manufacturing firms in Nigeria.

LITERATURE REVIEW

Theoretical Review

The theory of this study is anchored on human capital theory and the resource base view theory.

Human Capital Theory:

This study is based on Adam Smith's (1776) Human Capital Theory. The Human capital theory can be traced to Friedman's neoclassical ideas of 1976 as well as the influential Chicago School approach to economics. Human capital theory's core elements were developed by contributors such as Shultz, (1971). Shultz (1971) extends the discussion in economics to human behaviour. Friedman (1976) argues that investment in education and training are the most relevant contributions that can be expended on any person.

The main proposition of human capital theory according to Friedman, is that the more education acquired the more pecuniary and or non-pecuniary returns. Such returns may be present at distinct levels of (a) individual (i.e., performance), (b) organization (i.e., productivity/profit), and (c) national (i.e., quality products and services). The key emphasis according to Shultz, (1971) is that if the human resource is heavily invested in terms of training, retraining, and management development, the probability of achieving the best from such an individual is very high. From another perspective, the human capital theory also postulates that some labour is more productive than others as a result of more resources that have been invested into their training. One of the key tenets of the human capital theory is that like any other business investment, an investment in skill-building would be more profitable and likely to take a longer period over which the returns from such investment can be accrued (Mueller, 1982). Studies have shown that investments in human capital including training, retraining, and development positively influenced organizational performance. As result, training and development will continue to be a valued component in the modern-day management of human resources (Kraiger, Mc Linden & Casper, 2004) as cited in Okoye *et al*. (2022).

CONCEPTUAL REVIEW

Concept of Human Capital Accounting

At first Human Capital is recognized as the largest and the most important intangible asset in an organization. Ultimately, it provides the goods or services which customers require or the solution to their problems. It includes the collective knowledge, competency, experience, skills and talents of people within an organization, it also includes an organization's creative capacity and its ability to be innovative. Although investment in human capital is growing, there is still no standard measure of its effectiveness in companies" balance sheet (Abraham, Odobi, & Enwuchola, 2022). It is very difficult to define human capital precisely because it depends on the nature of the job and firm as well as the situational factors that relate to the job (Appuhami, 2007). The root of human capital can be found in the Smith's economics theories, where he defined contribution of human capital as important to the organization performance and to the economic growth of the country as well.

Several studies like (Diez, Magda, Begona, &Alicia, 2010) consider human capital as the stock of skills and knowledge embodied in the ability to perform labour so as to produce economic values. Hence, it can be described as the skills and knowledge gained by a worker through education and experience. Aston (2005) corroborating the above definition posits that human capital consists of personal attributes such as knowledge, skills and expertise. Ekwe, (2013) has suggested that human capital can be recognized as an accretion of general knowledge acquired by employees during their work tenure, leadership skills, the ability to take risks while performing the job and making decision and the ability to solve problems.

The term human capital refers to the economic value of a worker's experience and skills. Human capital includes assets like education, training, intelligence, skills, health, and other things employers value such as loyalty and punctuality. As such, it is an intangible asset or quality that isn't (and can't be) listed on a company's balance sheet. Human capital is perceived to increase productivity and thus profitability. The more investment a company makes in its employees, the higher the chances of its productivity and success. 'Human development may be defined as an expansion of human capabilities, a widening of choices, 'an enhancement of freedom, and a fulfillment of human rights. In the beginning, the notion of human development incorporates the need for income expansion. However, income growth should consider the expansion of human capabilities. Hence development cannot be equated solely to income expansion (Okoye, Xiaoxian & Yongsheng, 2022).

The concept of human capital accounting refers to the abilities and skills of human resources of a country (Yusuf, 2013). The concept of human capital also refers to the acquired and useful abilities of all the inhabitants or members of the society in another perspective, human capital accounting, as the name suggests, represents the productive capacity of the people. Just like land or machinery, workers are an essential requirement for production, as such, human capital denotes the skill of the labour force, how well and efficiently workers can transform raw materials and capital into goods and services. Human capitals are all embracing, that is, it is inclusive of persons who works now, or are likely to be productively employed sooner or later (Folloni &Vittadini, 2010 as cited in Oluwatobi & Ogunrinola, 2011).

Conventional Accounting Model:

Conventional Accounting model is a traditional method of recording accounting information. Double entry Book Keeping System is the most perfect, scientific and complete system of recording the business transaction (Sudhir, 2016).

Conventional accounting model are widely known and practiced even in dominant Muslim societies while Islamic Accounting and Accounting from Islamic perspective (AIP) is not even a commonly known discipline in the Islamic societies. Though some Islamic organizations would like to claim that their accounting practices follow the Islamic principles, such claims are without an explicit recognition of AIP as an established set of principles driving the everyday life of such organizations (Ahmed, 2012). Advantages of a Conventional Accounting Model

1. System Errors

One major advantage of a traditional accounting information system is avoiding data system errors and file corruption. Most users don't fully understand how computer systems store data which is why opening the wrong file or encountering errors can ruin current data accountant's need to properly perform their job functions. With a traditional accounting system, a single file is used for each account eliminating any confusion users might have with a system that offers similar versions of the data.

2. Error Improvement

When it comes to a conventional accounting model, offers the ability for double-entry, which provides a way for users to eliminate data entry errors. With a conventional accounting model, each transaction is entered as a debit, as well as a credit in two separate accounts. This not only helps users eliminate data entry errors but also helps companies save time and money against devastating business mistakes.

3. Always Available

Another huge benefit of a conventional accounting model is that when the power or internet goes out, this won't prevent users from accessing and working on account data. For any company that needs to be able to access their account data, no matter what's going on with the local power or internet, a conventional accounting model will fit their needs best (Humman, 2014).

Disadvantages of a Conventional Accounting System

1. Data Entry Errors

While a conventional accounting model seeks to improve data entry errors with its multiple entry processes, data entry errors are still much more likely with a manual system. With a conventional accounting model, users are forced to enter data twice which is labor-intensive and time-consuming. With an automated accounting system, though, users do not need to spend so much time entering data and the system can help them find and eliminate errors before they become a major issue for the company.

2. Loss of Hard Copies

Every business knows that it's important to keep a hard copy of all important data, in case a system error occurs and all data is deleted from the system. With a conventional accounting model, companies must keep a physical copy of the data, which can easily be stolen or destroyed in a fire or flood. With an automated accounting system, though, users can store hard copies of their data in the cloud which cuts down on time and cost of having to store physical copies off-site in destruction-free facilities.

3. Cost

A major disadvantage of a conventional accounting model is how expensive it can be. Completing accounting tasks with a conventional accounting model takes lots of time and is labor-intensive. An automated accounting system not only saves users time that could be spent on making the business more successful but also saves the company money. While a conventional accounting system is less expensive as far as up-front cost is concerned, in the long run, an automated accounting system is much less expensive and time-consuming while at the same time being much safer to store critical business data.

Concept of Financial Performance

There are different concepts of financial performance as explained by different authors or scholars. Gimba and Anyanwu (2022) stated that financial performance is described by Ameyaw, Peprah and Anowuo (2019), as the interaction between a company's resources, structure, culture, and environment. It is the ultimate goal of corporate managers as it serves as a benchmark for evaluating individual and organizational performance, and it is also beneficial for shareholders to evaluate the performance of an organization.

Financial performance in broader sense refers to the degree to which financial objectives being or has been accomplished and is an important aspect of financial risk management. It is the process of measuring the results of a firm`s policies and operations in monetary terms. Financial performance encompasses the end result and the attainment through the contributory endeavours of the employees in line with organizational goals (Akam & Ikegwuru, 2023). It is used to measure firm`s overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. Some wish to grow faster and achieve some long- range growth objectives, others seem to have to prefer quiet life, minimizing risk and conveying the image of a sound bank, but modest rewards to their shareholders (Lambe *et al*, 2022).

Financial performance refers to a firm's ability to achieve planned financial results as measured against its intended outputs. Financial performance is a measure of how efficient a firm uses its assets to generate revenue from its operating activities. It can be said to be a term that is used to measure the financial health and growth of a firm over a period of time (Dsunday & Ejabu, 2020). It can also be used to compare different firms in the same industry. There are different measures of financial performance and since there are many stakeholders in a company, each group has its own interest in tracking the financial performance of that company. The trade creditors will be interested in the liquidity of the company, the bond holders will be interested in the solvency of the company, the shareholders will be interested knowing how well their investment will yield return and the management will be interested in knowing how well the firm performs in the market (Aamir & Sajid, 2012). Financial performance is usually measured using financial ratios, such as return on equity (ROE), return on assets (ROA), return on capital employed, operating margin, return on sales etc (Lambe *et al*., 2022).

Measures of Financial Performance

The measure of financial performance in this study is discussed below as:

Return on Asset:

Specifically, ROA tells an investor the amount a firm generates from its assets (invested capital) (Akinjare *et al*. 2019). To managements, it gives them an idea as to how they are able to use the resources of the firm to generate high returns. Mathematically, ROA is expressed as: Net Income / Total Assets (Manukaji *et al*., 2019). Haniffa and Huduib (2006) described return on assets as a profitability indicator that measures how profitable a firm is relative to its total assets. Return on assets which is usually stated as a percentage gives an idea as to how efficiently firm management is utilizing the total assets at its disposal to generate earnings for the firm. Nixon and Stoeberl, (2011) stated that profitability measure is the ultimate test of managements operating effectiveness and success of a firm. Return on asset is one of the best measurements of efficiency in order to assess the firm's performance. It had been widely used as a measurement of profitability and it reflects the ability of management to generate income on a given amount of total assets. It is one of the popular profitability measures, which is a ratio between earnings after tax and total assets. Klapper and Love (2002) also stated that return on assets, is an accounting ratio that indicates how firm management is using the total assets (or resources) at its disposal to generate income for the firm.

Siminica, Circiumaru and Simion (2012) opined that firm managers are concerned with the efficiency of asset utilization in an effort to improve the performance of their firms. This is in the light of the rising pressure exercised by shareholders and the limited funds available make the firms to search the best ways to increase the efficiency of the firm assets, in order to maintain competitiveness. Return on asset is the ratio that gives the managers and firm owners an idea as to the extent that the managers have gone in achieving efficiency in assets utilization. Return on assets which is also known as return on investments (ROI), acts as a directional signal of company profitability in relation to its total assets. It discloses how efficient the management is in making use of resources to its full capacity and potential, to generate profit. Return on assets is indicated as a percentage and is calculated by dividing an organization's annual earnings by its total assets.

$$\text{Return on assets } = \frac{\text{Profit before tax}}{\text{Total assets}} \times 100\%$$

Return on Capital Employed:

The term return on capital employed (ROCE) refers to a financial ratio that can be used to assess a company's profitability and capital efficiency. In other words, this ratio can help to understand how well a company is generating profits from its capital as it is put to use. Return on capital employed (ROCE) is a financial ratio companies use to gauge their performance. ROCE is an indicator of a company's efficiency because it measures the company's profitability after factoring in the capital used to achieve that profitability. Return on capital employed points out the competence and profitability of a firm's capital investment (Ikegwuru & Lenyie, 2021). Paying off debt will reduce liabilities and in turn increase the ROCE as will restructuring the existing debt or refinancing at lower interest rates or better repayment terms. When a company incurs a loss, hence no net income, return on equity is negative. A negative ROE is not necessarily bad, mainly when costs are a result of improving the business, such as through restructuring (Mukolo *et al.*, 2022).

Empirical Review

Several empirical works that relates to this study are seen and discussed below.

Aremu *et al.* (2023) examined the effect of human resources accounting on the profitability of consumer goods companies in Nigeria. Human resources accounting was measured using employee benefit while profitability was measured using return on equity and net profit margin while age of the company as used as a control variable. Secondary data was sourced from financial statements of ten (10) consumer goods in Nigeria listed on the Nigeria stock exchange. Unit root was conducted and the study observed that the variables have no unit root. Descriptive statistics and trend analysis were conducted respectively. Hausman test was conducted so as to ascertain the best estimation technique and the result led to the use of fixed effect estimation technique. From the analysis, it was observed that employee benefit has insignificant positive effect on return on equity and net profit margin. The study therefore recommended that there should be a well packaged employee benefits that would motivate employees to put in their best towards enhancing the profitability of their firms.

Gimba and Anyanwu (2022) did examine the effect of human capital investment on return on investment of listed deposit money banks in Nigeria covering 2010-2019 (10 years). The independent variables were proxied by staff cost, number of staff and employee compensation to sales, while the financial performance was proxied by return on investment. Secondary data for this study was extracted from the sampled twelve (12) listed deposit money banks annual financial reports for the period studied. Using the panel regression technique, it was found staff cost, employee compensation to sales and number of staff had insignificant effect on return on investment. It was therefore recommended that banks should institute effective investment plans on various aspects of staff training, retraining, seminars and workshops. Also, management should intensify initiatives, greater understanding and the balance of cost of maintaining the staff in the long run so that employee performance can be improved in the banking sector. Thus, the management should also find initiatives for greater understanding and a balance of cost of maintaining the staff in the sector.

Lambe *et al.* (2022) in recent times and with the development of internet, electronic commerce has been recognized as an instrument for organizing the business model. In applying the e-commerce, the large firms generally face lower financial and infrastructural barriers, while the small to medium enterprises are faced with resource limitations, particularly the financial resources in applying this tool. This study seeks to examine the effect of e-commerce on financial performance of listed food and beverage firms in Nigeria. E-commerce was proxied by business-to-business and business-to-client while financial performance was proxied by return on sales. To achieve these objectives, the study employed sixteen (16) listed food and beverages firms that had consistently published their audited annual financial reports from 2011 to 2021, and analyzed the data using panel multiple regression technique. The study reveals that Business to Business (B2B) e-commerce have positive and insignificant effect on Return on sales (financial performance) while Business to Client (B2C) e-commerce also have positive and insignificant effect on financial performance. The study concluded that substitution effect may exist between the sales by physical channels and e-commerce sales. The study recommends that a strong commitment, which involves both B2B and B2C e-commerce, is needed to obtain financial performance in the short term. Also, companies should jointly adopt B2B and B2C e-commerce to boost performance levels higher than those of their non-adopting counterparts.

Okoye, *et al.* (2022) didexamined the effect of Human Capital Development on the Performance of Small and Medium-Scale Enterprises in the Southeast Region of Nigeria. Specifically, ascertain the effect of employed training and evaluate the effect of skills acquisition on the organizational performance of Small and Medium-Scale Enterprises in the South-east Region of Nigeria. The study used a survey research design. Semi-structured interviews were employed to collect data on the issues of HCD in SMEs to understand the problems that affect their performance. The study adopts primary data. The data were presented in frequency, percentages, and mean tables and analyzed using the t-test statistical tool. The result shows that, the z-test with a z-statistic value of 31.23 and associated probability value of 0.0000 < 0.05 shows that employed training has a significant positive effect on organizational performance while the z-test with a z-statistic value of 30.27 and associated probability value of 0.0000 < 0.05 shows that skills acquisition has a significant positive effect on the organizational performance. We conclude that SMEs in Nigeria can attain significant improvement in both their financial and non-financial performance if adequate resources are invested in developing their human capital; especially through training, and skills. We recommended that the direction for HCD and organizational performance should consider measuring some additional constructs apart from training, and skills.

METHODOLOGY

Research Design

The research design adopted for the study on the relationship between conventional accounting model and financial performance of listed food and beverage manufacturing firms in Nigeria is survey research design. In general, a research design serves as the foundation that outlines how data will be analyzed and collected in a study. The population of the study focuses on 28 food and beverage companies located in Rivers State, Nigeria (see. directory.org.ng/ food beverages). For the purpose of data collection, two management staff, one each, from the human resource department and accounting department were selected in each of the food and beverage companies located in Rivers, hence, the total population size was 56, which was also adopted as the sample size for the study.

Primary data was collected using a self-administered questionnaire that featured closed- ended questions on a five-point Likert scale ranging from strongly disagree to strongly agree. The research questionnaire was validated using the content validity technique while reliability was tested with the use of Cronbach's Alpha Correlation Coefficient with coefficients of all the study variables greater than 70%, as the threshold. The study applied both descriptive and inferential statistical analysis; the hypotheses were tested using the Pearson Product Moment Correlation Coefficient with aid of the Statistical Package for Social Sciences (SPSS).

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

The summary of the questionnaire analysis is presented in table 4.1 below:

Table 1: Response Rate of Questionnaire Administered

Questionnaire	Number of questionnaires	Percentage
Number of Questionnaire Administered	56	100.00
Number of Questionnaire Returned	52	92.9
Number of Questionnaire Not Returned	4	7.1
Number of Valid Questionnaire	2	3.6
Number of Valid Questionnaire	50	89.3

Source: *Field Survey, 2023.*

The summary of the questionnaire administered as revealed by Table 1 shows that 56 copies of questionnaire were administered to the respondents while 50 copies of the administered questionnaire representing 89.3% were the valid copies of questionnaire returned.

Univariate Analysis

This section focuses on the univariate analysis of the data on the dimensions of the independent variable (human capital accounting) as well as analysis of the data on measures of dependent variable (financial performance).

Table 2: Descriptive Statistics for Conventional Accounting Model

	N	Minimum	Maximum	Mean	Std. Deviation
Conventional Accounting Model	50	1.00	5.00	3.9732	1.28766
Valid N (listwise)	50				

Source: *Research Data 2023, (SPSS output version 25.0)*

Table 2 above illustrates the descriptive statistics for conventional accounting model, which has a mean score and standard deviation of 3.9732 and 1.28766 respectively, which implies that most of the respondents were in the agree range of the measurement scale.

Table 3: Descriptive Statistics for Financial Performance

	N	Minimum	Maximum	Mean	Std. Deviation
Return on Assets	50	1.00	5.00	3.7277	1.24962
Return on Capital Employed	50	1.00	5.00	3.8155	1.22231
Valid N (listwise)	50				

Source: *Research Data 2023, (SPSS output version 25.0)*

The data in table 3 illustrates the descriptive statistics summary for financial performance, which are return on assets and return on capital employed with mean score of 3.7277 and 3.8155 and standard deviation of 1.24962 and 1.22231. This implies that there is high financial performance of the food and beverage companies located in Rivers.

Testing of Research Hypotheses

The testing of hypothesis is concerned with the acceptance or rejection of an assumption made about an unknown characteristics. Our hypotheses testing in this study were carried out using Spearman Rank Correlation. The decision rule for accepting any of our null or alternate hypotheses is stated as follows: **Decision Rule:** If the significant value (P-value) is less than 0.05, reject the null hypothesis at 5% level of significance. On the other hand, If the significant value (P-value) is greater than the 0.05, accept the null hypothesis at 5% level of significance.

Test of Hypothesis One

H_{01}: There is no significant relationship between conventional accounting model and return on asset of food and beverage manufacturing firms in Nigeria.

Table 4: Spearman Rank Correlation Analysis of Conventional Accounting Model and Return on Asset

			Conventional Accounting Model	**Return on Asset**
Spearman's rho	**Conventional Accounting Model**	Correlation Coefficient	1.000	.712**
		Sig. (2-tailed)	.	.000
		N	**50**	**50**
	Return on Asset	Correlation Coefficient	.712**	1.000
		Sig. (2-tailed)	.000	.
		N	**50**	**50**
****. Correlation is significant at the 0.05 level (2-tailed).**				

Source: *Field Survey, 2023.*

The result of Spearman Rank Correlation in table 4 shows that the relationship between conventional accounting model and return on asset is positive, strong and statistically significant ($r=0.712$, $p \leq 0.000$). Furthermore, the significant relationship between conventional accounting model and return on asset is established as the P-value (0.000) is less than alpha value of 0.05. Thus, the null hypotheses one is rejected and the conclusion is that there is a significant relationship between conventional accounting model and return on asset of food and beverage manufacturing firms in Nigeria.

Test of Hypothesis Two

H_{02}: There is no significant relationship between conventional accounting model and return on capital employed of food and beverage manufacturing firms in Nigeria.

Table 5: Spearman Rank Correlation Analysis of Conventional Accounting Model and Return on Capital Employed

			Conventional Accounting Model	Return on Capital Employed
Spearman's rho	**Conventional Accounting Model**	Correlation Coefficient	1.000	.672**
		Sig. (2-tailed)	.	.000
		N	**50**	**50**
	Return on Capital Employed	Correlation Coefficient	.672**	1.000
		Sig. (2-tailed)	.000	.
		N	**50**	**50**

****. Correlation is significant at the 0.05 level (2-tailed).**

Source: *Field Survey, 2023.*

The result of Spearman Rank Correlation in table 5 shows that the relationship between conventional accounting model and return on capital employed is positive, strong and statistically significant ($r=0.672$, $p \leq 0.000$). Furthermore, the significant relationship between conventional accounting model and return on capital employed is established as the P-value (0.000) is less than alpha value of 0.05. Thus, the null hypotheses two is rejected and the conclusion is that there is a significant relationship between conventional accounting model and return on capital employed of food and beverage manufacturing firms in Nigeria.

DISCUSSION OF FINDINGS

The study empirically evaluated the effect of human capital accounting on financial performance of food and beverage manufacturing firms in Nigeria. The findings revealed that a positive and significant relationship exists between conventional accounting model and return on asset of food and beverage manufacturing firms in Nigeria. This finding is related to that of Ezejiofor, John-Akamelu and Iyidiobi (2017) who found that conventional accounting model plays a significant positive role in improving return on asset of some commercial banks in Nigeria. The findings of the study also revealed that a positive and significant relationship exists between conventional accounting model and return on capital employed of food and beverage manufacturing firms in Nigeria. This finding is related to the finding of Mohammad, Mahi and Nazamul (2017) who established that conventional accounting model has a positive and significant effect on return on equity and earnings per share of Bangladesh's banking sector.

CONCLUSION AND RECOMMENDATIONS

The study empirically examined relationship between conventional accounting model and financial performance of food and beverage manufacturing firms in Nigeria. The theoretical finding of the study showed that conventional accounting model is an important tool that can bring about improvement in financial performance. The empirical findings of this study emanated from the data analysis showed that conventional accounting model has positive and significant relationship with return on asset and return on capital employed of food and beverage manufacturing firms in Nigeria. Based on the findings, the study concludes that conventional accounting model plays a significant positive role in improving the financial performance of food and beverage manufacturing firms in Nigeria.

Based on the findings and conclusions of the study, the following recommendations are hereby presented: Food and beverage manufacturing firms should continue to adopt conventional accounting model as an important tool for sustaining overall efforts to remain cost competitive while meeting standards and specifications demanded by customers. And also, Conventional accounting model should be wisely applied in order to overcome the various limitation of human capital, and management of the food and beverage manufacturing firms should make use of these various human resource techniques because they will aid them regardless of whether the ongoing business is in peril or is distressed, which will then have an impact on the profits per share, return on asset, and return on capital employed, three factors that are of the utmost importance.

LIMITATIONS OF THE STUDY

This study was a cross-sectional study that represents a snapshot of food and beverage firms in Rivers State at one point in time as this could impact on the ability to generalize the findings obtained. Again, another limitation that arose was “common method bias” since all the variables in this research framework were measured by one common method, the questionnaire. Common method bias distorts the true relationship between variables (Hair, Black, Babin, Anderson & Tatham, 2005) and may thus lead to an incorrect conclusion about the result. Also, this study was limited by the use of a quantitative research methodology which might not provide in-depth understanding of the feelings of the respondents as opposed to case studies which utilizes a more in-depth qualitative approach that could bring a richer exploration of the phenomena under investigation. Lastly, the respondents initially were reluctant to fill the questionnaire but with persistent visits, they responded to the copies of questionnaire administered to them.

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