



## ANALYSIS OF EMPLOYEES PERCEPTION ON HUMAN RESOURCE ACCOUNTING DISCLOSURES

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### ABSTRACT

Since, Human Resource is an important factor for any company. It plays an important role alongwith other physical assets. That's why such live resource should also be incorporate in accounting reports for disclosure of human resource. Hence, responses from 175 employees have been collected for their beliefs of disclosure of human resource accounting details. This paper attempts to find out the respondents perception for discourse of human resource accounting details in financial reports.

**KEYWORDS :** Human Resource Accounting,

### INTRODUCTION:

Accounting is basically concerned with the recording of business transactions in lucid manner so that it will be helpful to management for their decision making. It is followed by certain specific rules and regulations. Even it is limited to a specific time period. Any expenses incurred in business or any income received, it is immediately recorded in specific book. Since, while recording it is considering whether it is long term or short term, i.e. like revenue nature or capital nature. This rule applied to all transactions, for e.g. payment of rent for building is taken as expense concerned with short term period (revenue) affected to profit and loss of the business.

This ideology can also be applied to human resource of the organisation. The remuneration paid to human beings in organization taken as revenue expenses and transferred to Profit & Loss Account. While human beings of business

organization who contribute in the growth and development of business, are not directly taken as asset like other assets. Hence, human resource must be considered as a resource of great value to business organization. In addition to that, there should be a specific disclosure system for their recording so, that it would be helpful to management for decision making.

Therefore, a primary survey has been conducted with the employees for disclosure of human resource accounting information. In this regard questionnaire has been set out and filled by 175 employees in context with their perception for human resource accounting disclosure.

### DESCRIPTIVE ANALYSIS OF EMPLOYEES RESPONSE:

The summary of information obtained from employees has been presented in following tables:

**Table-1: Employees Perception for Disclosure of Human Resource Accounting Information: (Part-I)**

Sr. No.	Particulars	No. of Responses		Total Respondents	(%)
		Yes	No		
(1)	Do you consider human resource as an asset?	175	0	175	100
(2)	Do you agree human resource of an organisation should be accounted?	175	0	175	100
(3)	If you are agree then which of the following factors you believe to be incorporate for Human Resource Accounting?				
	(A) No. of Employees	127		175	72.57
	(B) Age of Employees	80		175	45.71
	(C) Classification of employees as per their gender and their working class etc.	127		175	72.57
	(D) No. of years of experience of the employee within the current firm	139		175	79.43
	(E) No. of years of total experience of the employee	138		175	78.86
	(F) Amount paid by the firm by way of:				
	(i) Salary	137		175	78.29
	(ii) Wages	50		175	28.57
	(iii) Bonus	62		175	35.43
	(iv) Gratuity	52		175	29.71
	(v) Pension	55		175	31.43
	(G) Provident Fund Contribution by Employees	142		175	81.14
	(H) Provident Fund Contribution by Employer or Firm	139		175	79.43
	(I) Employee Welfare Expenses incurred by the Firm	138		175	78.86
	(J) Total value of amenities provided by the firm to employees	133		175	76.00
	(K) Total amount provided by the firm for employees	135		175	77.14
	<b>Average % of Responses</b>				67.36

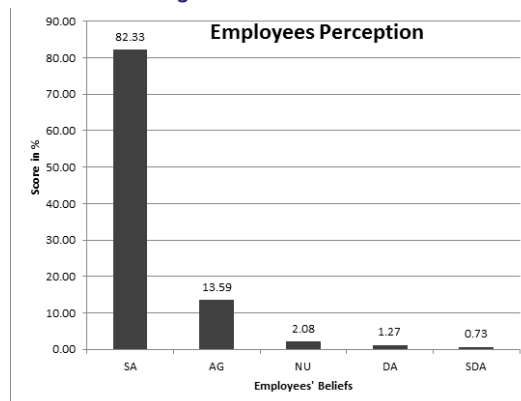
### (Part-II)

No.	Particulars	SA	AG	NU	DA	SDA	Total
1.	Human Resource is an important asset and should be valued alongwith other physical assets of the firm.	157	12	3	1	2	175
2.	Human resource accounting is not costly.	125	33	11	5	1	175
3.	Human Resource Accounting should be reported in financial statements to disclose true and correct picture of the firm.	146	22	5	1	1	175

4.	After considering Human Resource Accounting and disclosure in Annual Reports, the impression of the organisation increases.	142	26	3	3	1	175
5.	Human Resource Accounting and its disclosure helps to increase profitability and productivity of the firm.	144	22	6	2	1	175
6.	Human Resource Accounting is helpful for planning, recruitment, development and control of human resource in organisation.	151	19	1	2	2	175
7.	Human Resource Accounting is useful for decision-making.	146	26	0	1	2	175
8.	Human Resource Accounting and its disclosure should be made mandatory for organisation.	130	34	8	2	1	175
9.	Human Resource Accounting and its disclosure helps investors to take decision for investment in the company.	143	23	6	2	1	175
10.	Human Resource Accounting makes positive impact in the eyes of stakeholders like shareholders, debenture holders, banks, government, creditors, public and employees etc.	146	20	4	4	1	175
11.	Human Resource Accounting should give proper importance there should be a specific and common accepted accounting system.	139	30	1	3	2	175
12.	There should be specific Accounting Standard for Human Resource Accounting.	143	28	2	1	1	175
13.	Human Resource Accounting helps for the development of the employees and for the firm as well.	152	20	1	1	1	175
14.	Human Resource Accounting increases the value of the firm and its prestige.	153	18	0	3	1	175
<b>Total</b>		<b>2,017</b>	<b>333</b>	<b>51</b>	<b>31</b>	<b>18</b>	<b>2,450</b>
<b>Score in %</b>		<b>82.33</b>	<b>13.59</b>	<b>2.08</b>	<b>1.27</b>	<b>0.73</b>	<b>100</b>

The above beliefs of employees for disclosure of Human Resource Accounting information in annual reports of the company may also be presented in graphical manner as follows:

**Graph 1: Employees Perception for Disclosure of Human Resource Accounting Information:**



#### CONCLUSION:

The above analytical table presents the beliefs of all employees for presentation of specific Human Resource information. For example, in the case of first information (i.e. number of employees), out of 175 respondents, 127 respondents are in view to incorporate and present the information of number of employees in annual report. It means 72.57% respondents are in belief for presentation of such information. By this way, all 17 information have been observed and analysed in form of total number as well as in percentage.

After considering the information in part-I table, it has been observed that on an average 67.33% responses are in favour of presenting selected information to be incorporate for disclosure of information in human resource accounting details. Further after questioning different expected in regard to HRA, it has been analysed that, out of total 2,450 responses, 2,017 responses are strongly agree for presenting information. i.e. 82.33% responses are in favour; 333 responses are agree for presenting information, i.e. 13.59% responses are in favour of presentation of Human Resource Accounting in annual report. So, it can be said that 2,350 responses are in favour i.e. 95.91% responses are in positive approach for of presentation of information for human resource accounting disclosure.

#### Abbreviation:

SA = Strongly Agree

AG = Agree

NU = Neutral

DA = Disagree

SDA = Strongly Disagree

#### REFERENCES:

- (1) AM Committee (1966), "A Statement of Basic Accounting Theory", New York, American Accounting Association,
- (2) American Institute of Certified Public Accounts, (1970), "Accounting Research and Terminology Bulletin", Final Edition, New York, USA