Human Resource Accounting: Between Measurement and Reporting

Yogini Chiplunkar,
Asst. Professor,
Symbiosis College of Arts & Commerce,
Pune, India.
E-mail: chipsyvc@gmail.com

Abstract

Human resources through their skills, knowledge, abilities, and talent assist companies in achieving their goals. Human resource accounting (HRA) stands for measurement, recording and reporting of cost and value of people as organizational resources. Earlier studies have found Human resource accounting disclosures to be very low and very few companies are reporting HRA in their annual reports. Some of the studies have also highlighted the need to make HRA as part of global corporate disclosure practice which can facilitate comparison and transparency. The aim of this paper is to investigate whether HR cost and value analysis is done by the companies or not irrespective of the fact that it may or may not be reported in their annual reports. Thus the paper mainly deals with recording and analysis of HR data by companies rather than reporting. This research paper is a case study of two Private Limited software companies. The result show that the companies under study do calculates cost and value of their employees though the reporting norms are not applicable to them. Thus non disclosure of HRA does not mean that it is not used by companies. Though HRA generated data is not reported to external stakeholders, internally it is reported and used very extensively to improve quality and accuracy of human resource planning and management.

Key Words: Human Resource Accounting, Disclosures, Intangible asset, Human Resource Planning and Management