

An analytical study of Quantifying the Unquantifiable – Human Resource accounting (HRA)

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Abstract: Human resource accounting is a new branch of accounting which has its presence in the financial world since 1980's. It is the process of exploring & quantifying the value of Human Resources in an organization and communicating it to various stakeholders within and outside of the organization. It is very difficult in today's corporate environment to find smart people with good knowledge, skill, ability and positive attitude. The employability quotient levels have risen too much in today's market especially in service industry. Human resources in service industry are so much valuable to the organization that losing them will put the organization survival at stake.

HRA is an art of identifying, recording, summarizing and reporting the cost of Human Resources incurred and also measuring the economic value of people in an organization. Gone are the days when the cost on human resources were treated as an expense and debited against the revenue of the same accounting period. Nowadays a new concept has come into the existence, of treating the cost of human resources as deferred revenue expenditure (expenditure you incur today but the benefit of which will be reaped in future). Most of the organizations have started capitalizing on the cost of Human resources as it yields monetary benefits in future.

Out of four factors of production Land, Labor, Capital and Entrepreneurship all are associated with conventional accounting but human resources are not subject to such accounting. Traditional practice of charging the cost of Human resources against the revenue puts too much pressure on it, the effect of which also gets carry forward to profits.

The financial statements include the record of all the financial assets and liabilities but none of the financial statement records the efficiency and effectiveness of Human resources of an organization. HRA is a system of providing information about the progress of each and every employee of an organization. This system gives vital information to the management for taking decisions regarding training and developing areas of individuals, direct recruitment vs. promotion, transfers vs. retention, retrenchment vs. retention, reallocation or shuffling of jobs etc. The system also acquaints the management about expanding and diversifying the business, incorporating the new technology into the business model etc.

HRA also measures the risk associated with hiring the human beings, training them, replacing them with the technologies and the efficiency and effectiveness of employees

Keywords: Human resource Accounting, HRA , Measurement of HR , Accounting for HR, Performance appraisal, Cost and benefit estimation for HR, Human Capital, Disclosure , Valuation.

I. INTRODUCTION

The most valuable and a live asset in any organization or in any business are the Human resources. These resources are trained and are very productive that's why they are and should be treated as the human capital and not as an expense. The main purpose of HRA is to assign a currency value to the people. Post globalization the success of any corporate enterprise very much depends on Human resources, therefore the changes in HR cost and benefits

must be considered significantly. HR also is a capital source that's why it becomes very important to value them and inform that valuation to the investors, management and other financial statements. Thus human resource accounting consists of valuation of human resources and recording it in the books of accounts and presenting the information in the financial statement for communication. Thus the process in which the expenditures incurred by an organization on human resources such as salaries, wages, training and development expenses are assigned , budgeted and reported

is known as Human resource accounting. It measures the cost incurred on the employees with the benefits derived from them in terms of contribution by them towards the profitability.

Objectives of HRA:

- People's management
- Help's in decision making to keep a check on Human resource cost
- Provide information about the cost and benefit of HR and their valuation to different users like management, bankers, creditors, investors etc.
- Ensures optimum utilization of human resources
- Ensures the Human asset control to know that whether the asset is appreciated or depleted.

Significance of HRA:

- It assists in taking decisions related to the cost of acquiring, allocating, developing and maintaining the Human Resources.
- It facilitates the valuation of human resources, recording that valuation in books of accounts and disclosure of the same in financial statements.
- Decisions such as recruitment v/s promotion, transfer v/s retention, retrenchment v/s retention, closing down the existing units, developing overseas subsidiaries etc. can be taken in a wisely manner with the help of HRA.
- It helps in motivating the human task force to aspire for the promotion and other benefits.
- Ensures the good returns for the organization by optimum utilization of human resources.
- It helps in predicting the change in value, attitude and aptitude of the employees and accordingly helps in molding the strategies for interpersonal management.

Evolution of HRA – The term HRA was coined by Rensis Likert in 1960's with his other fellow researchers. Since then HRA has passed five stages.

1. **1960-66-** this phase sets the foundation for the term HRA and psychologist started considering the concept of leadership effectiveness and human resource perspective. In this phase only Roger Hermanson came up with a model to measure and reports the human resource value. This worked as a base for the next phase.
2. **1966-1971-** During this phase different models were developed to measure the cost and benefit associated with human resources. This phase seen lot of research in the field of HRA to help the management of an organization. These researches and projects developed and designed many new concepts and methods of accounting for human resources which helped in human resource measurement. Researches in this phase

emphasized on HRA as a tool for increasing the managerial effectiveness in development, allocation, acquisition and optimum utilization of human resources.

3. **1971-1976-** In these 5 years HR accounting research has observed a rapid growth in different parts of Australia, Japan and western world and also many business organizations have implemented the HRA theory in their business models. During this period a pro forma financial statement was introduced in which human resources had a very significant place which paved the way for the growth of HRA concept. But on the other side it faced lot of critical evaluations and interpretations too like that HRA only give importance to the owners and higher officials, biasness etc. In this period in 1971-72 and 1972-73 American Accounting Association (AAA) establishes committees on HRA this further accelerated the research work in the field of HRA. Even the investor also started utilizing the human resource information showcased in the financial statements as a very important tool for taking up their investment decisions in stocks. It was also proved in these five years by some experiments that the HR information in statements helped in better financial decision making for organization. The financial predictions related to net income were significantly better using such information. In a research done by Acland this phase also witnessed those behavior indicators preferences reduced due to the human resource integration in accounting. Research in this phase also continued to develop the different types of concepts and models for HRA. In one of the model developed by Lev and Schwartz discounting concept was shown with calculating the human capital by discounting the future earnings of an employee to the present value. Last but not the least at the end of this era the first book on HRA was published in the year 1974 (Flamholtz).
4. **1976-80-** as everyone has a life cycle such as PLC(product life cycle), Business life cycle etc. in which come across a stage of decline, this era showed a decline phase for the HRA because the concept required much more experimental research than done before. The reason for the less experimental research was the non-readiness of the organization and lack of skilled and competent researchers in that phase for experimenting with the models of HRA. The cost and uncertain benefit to be derived out of this research was somewhere misbalanced. HRA as an idea looked promising but the further development on the concept took a backseat.
5. **1980 – Till present-** this is the time in which the practical implications of HRA were tested to some extent. The feasibility study of applying HRA to the navy was sponsored by the US office of Naval Research (ONR). Lot of economies during this phase

faced a fundamental transformation shift from industrial economies (Tangible Assets oriented) to post industrial economies (human capital and intellectual property oriented). The emergence of companies like Microsoft, Intel and Amgen given a hallmark to this new era as these technological companies rely more heavily on the human resources than the industrial companies. Today also accounting do provide us the details of the physical, tangible or intangible assets, but there is a high time requirement of focusing more on our human resources , timely assessment and reassessment of the their skills, talents and behavioral attributes. One such tool for doing it is definitely the HRA.

Laws governing the HRA –

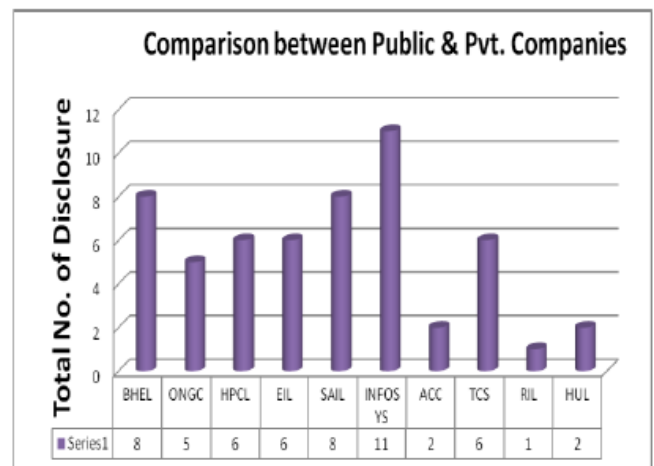
- Section 211 of the Companies Act 1956 states that every Balance Sheet of a company shall give a true and fair view of the state of affairs of the company as at the end of the financial year and shall, subject to the provisions of this section, be in the form set out in Part I of Schedule VI or as near thereto as circumstances permit or such other form as may be approved by the central government either generally or in any particular case; and in preparing the balance sheet due regard shall be had to the general instructions for preparation of balance sheet under the heading ‘Notes’ at the end of that part.
- Section 217 (2A) of the Companies Act 1956 states the companies to give a statement showing the particulars of employees who are in the receipt of remuneration of not less than Rs. 3,00,000 p. a. during the financial year or not less than Rs. 25,000 p.m. during part of the financial year in the company’s annual report. This statement includes name of the employee, designation, gross and net remuneration received, age, qualification, experience of the employee, date of joining and particulars about the last employment held by the employee.

II. HRA IN INDIA

HRA is a recent concept in India which is still in its budding stage. There are many public and private organizations presently following the Human Resource Accounting Disclosure(HRAD) like ONGC (Oil and Natural Gas Commissioning), SAIL (Steel Authority of India), BHEL (Bharat Heavy Electrical Limited), MMTC (Mineral and Metal Trading Corporation of India), Oil India Ltd., Electric India Ltd., NTPC (National Thermal Power Corporation), EIL (Engineers India Ltd), MRL (Madras refineries ltd), PEC (Project and Equipment Corporation of India, HMTL (Hindustan machine tools limited) etc. HRA is purely and purely the measure of employee cost against the employee contribution towards the organization’s profitability. Although it is a subjective approach but the research paper will unfold some latest facts about the HRA.

A growing trend is been observed with regards to identifying and measuring the data about the Human resources in many public and private Indian companies and reporting that in their annual report. Now the question comes why these big companies evaluate their human assets – firstly it helps them in attaining the cost effectiveness, secondly it provides the basis for Human asset control; it helps in calculating the labor intensity ratio in an organization (the ratio of human capital to non-human capital), it helps in building a brand image of the company etc. The organizations in India following the HRA disclosure policies are able to derive these above mentioned benefits and create goodwill in the market. These companies disclose the following HR variables in their reporting system- No. of employees, EVA , value of the HR, value added per employee, turnover per employee, Employee cost , Gender wise distribution, Age wise distribution, discount rate applied etc. The following figure shows the comparative graphical presentation of number of the HR variables disclosed by different public and private companies in India.

Figure No. 1 – Comparative chart of Human resource information disclosure in India



Source :

https://www.amity.edu/gwalior/ajm/pdf/human_resource.pdf

Figure1 clearly depicts the number of Human Resources Perspective variables disclosed by the different public and private sector companies in India in their financial statements. As per the above figure Infosys (11 variable)is the company with the highest count HR variable disclosure, followed by BHEL or SAIL (8variables)and then HPCL, EIL, TCS(6 variables), then comes the ONGC (6 variables) , HUL and ACC (2 variables) and in the last is the RIL (1 variable). This really shows that it is high time that we start adapting the human resource accounting practices for the benefit of the employee as well as organization. This will also help the management to take proper decisions on the basis of the workforce they have or they require, it will help the investors to have better understanding of the

organization's performance and will also motivate the employees which will lead to better productivity.

Research Objectives: The paper mainly focuses on identifying

- The different and latest concepts and models in HRA
- The issues and challenges in HRA
- Implementation of HRA by different companies in India
- The relationship between the HRC and its impact on the organization's Profits.

III. REVIEW OF LITERATURE

- **Sakshi A** in her article on HR accounting explained the concept of Human resource accounting in a very smooth way by detailing about the different definitions of HRA by different organizations, its objectives, significance, need, methods, advantages and limitations. This article really helped to develop a basic understanding of the concept of HRA for a scholar student.
- **Eric Flamholtz, Maria Bullen and Wei Hua** in their research paper on Human Resource accounting a historical perspective and future implications published in December 2002 very well elucidated the introduction and evolution of HRA since its inception in 1960. This paper unfolds all the relevant milestones in the journey of HRA. It details about the various researches done in the field of HRA at different times and by whom and how they really helped in making a base for the next research and its practical implications in different organizations at different times. It also mentions about the different committees made for strengthening the research in the area and how different public and private organizations implemented and experimented with the concept of HRA in their business houses.
- **Humanresource.com** in one of their website section very nicely explained the concept of HRA and how is it useful in taking decisions related business expansion , diversification , profitability in which the cost and benefit associated with the human resources plays a very vital role. It also put some light that HRA really helps in predicting the changes in the attitude, attribute and behavior of employees over a period of time.
- **Dr. Pradip Kumar Das** in his research paper Human resource accounting in India had focused on testing the significance of HRA on the smooth functioning of an organization or a business concern. The author also revealed the different accounting Human resource accounting practices in India. The issues and challenges of HRA due the traditional practices in India and intricacy involved in Human valuation are very beautifully explained by him in the paper.
- **Onyekwelu, Uche Lucy Fidelia, Prof. B.C. Osisioma, Ugwuanyi, Uche Boniface** in their paper named as Impact of Human Capital Accounting on Corporate Financial Performance have detailed about that how conventional method of accounting failed to treat the most important cost or expenses incurred by an organisation in Human Resource as an investment. Huge chunk of this expenditure is treated by the organisation as revenue expenditure against the income of the respective year as per the matching concept of GAAP (Generally Accepted Accounting Principles) which in turn affects the profits and the overall net worth of an organisation. This paper really gives huge information about the relationship between the Human capital and an organisation's profits and net worth.
- **Dr. C. S. Sharma and Sameer Lama** in their research paper -A critical evaluation of Measuring the Immeasurable – HRA attempts to explain the different human resources accounting models by categorizing them into monetary, non-monetary and contribution based models. The paper also unfolds the development made in this field on international level. Researchers have put great emphasis on proper ascertainment and reflection of human resource value in the financial statement of an organization to get the true net worth of the business.
- **Brian B Stanko, Thomas L. Zeller and Mathew F. Melena** in a research paper on Human Asset Accounting and Measurement: Moving forward examined the historical background of the HRA and its feasibility study in current financial reporting system. How beneficial an HRA evaluation model is in financial reporting and how the same can be incorporated in the accounting information is been explained very critically in this paper.
- **Shweta Gupta and Ms. Nishi Bhardwaj** in her paper on Impact of Human Resource Accounting on Growth aspects of selected companies in India explained the HRA models by grouping them into value and cost approach models. In her paper the benefits, issues and challenges of implementing HRA in financial reporting and its impact of the growth by the three different companies like ONGC Ltd. (Dehradun), Infosys Technologies Ltd. (Banglore) and HPCL (Mumbai) in India is explained by an analytical study of their 3 years financial statements with the help of tables , charts and correlation coefficient.
- **Divya Sharma and Dr. Rajendra K Khatik** in a research paper published by them on Human resource Accounting disclosures practices in Indian companies have disclosed that what all different HR variables have been disclosed by five public sector and five private sector companies over a period of time selected

for the research in their financial reports. Disclosure index method and correlation test was used for the study. The tabulation, charts, figures have very well managed to explain and compare the disclosure done by these different companies. At the end the paper reveals that how these big companies reveal the HR information in which section of their financial reports.

- **Mrs. Shreelatha H R, Dr RatnaSinha and Dr. Seema Sambargi** in a research paper named Awareness of Human Resource Accounting Practices among equity investor in Bengaluru city has critically examined the awareness of HRA practices among the equity investors in Bengaluru city. The research was conducted through a structured questionnaire among the equity investors which highlighted that whether there is influence of HRA information on investment decisions made by the investors or not. The study discloses that investors have given more weightage to the accounting information such as ROCE, Net Sales and EPS and less weightage to the ROE and NPM after the HR information disclosure.

HRA methods: Few very important aspects to be considered before valuing the human resources are performance evaluation, real human capital cost, present value of the future salary payments, matching the revenue of an organization with the HR cost. The following are the methods of Human Resource Accounting:

- **Historical cost approach:** William C Pyle designed this approach which clearly conceptualizes that the cost incurred on HR by an organization is in order to gain some anticipated benefits or services. The way the goodwill is treated in the current financial accounting system the similar way the cost incurred on HR recruitment, training and development is maintained and written off to the income of the next and expected useful life of human resources in this approach.
- **Replacement cost method:** this method is framed by Rensis Likert and further developed by Eric Flamholth. In this method the value of an employee is determined by the replacement cost theory i.e. an employee value is equal to the cost of replacing him or her with the other person of same talent, skills and experience.
- **Opportunity cost method:** as the name suggest this method is based on the opportunity cost of an employee. This method is purely based on the concept of optimum utilization of human resources within an organization. This approach try to find the alternative source of revenue from the employees employed in an organization.
- **Standard Cost Approach:** this method is specifically based on the hierarchical structure present within an organization. Under this method all the employees are divided in different categories on the basis of their

positions and then a standard cost is fixed for each category.

Issues and Challenges of HRA: Due to hundreds of factors involved in computing an employee's value the Human Resource Accounting is a complex process. Factors such as free will of humans, they cannot be controlled, owned or forced to continue in an organization etc. makes the whole HRA process subjective and difficult. The major issues in HRA implementation are lack of uniformity between the HRA and traditional accounting procedures due to the cost and value approaches, lack of accurate or clear cut measures for determining and writing off the value of human assets, measuring the contribution of an employee towards an organization especially at managerial levels is very difficult, another issue is the determination of the rate at which the same contribution will be discounted or compounded to get Present and future value respectively, another issue is to find the rate at which a human value will appreciate as an employee value appreciates due to its experience, skills and knowledge which he acquires during his employment as against the physical asset which depreciates. HRA may lead to demotivation amongst the employees and manipulations in management.

Research Methodology: Research is always about adding or gaining more knowledge and information on the topic of research. It is about identifying and investigating a problem and then aiming to provide a solution for the same by knowledge. The study concentrates on generating the awareness of HRA. This research is a kind of descriptive research and exploratory research done with the help of primary data with the help of a structured questionnaire and secondary data available in the form of articles, research papers over internet. This paper will unfold the implementation of the HRA in few organizations in India and its impact on their profitability, due to which this research is also a correlational research as it establish the relationship between the HRA practices with the profitability. The sample size is 72 and the sampling technique used is the simple random sampling wherein the people from the HR domain were the respondent.

Hypothesis:

H₀- Human Resource Accounting does not significantly impact the profitability of firms

H₁- Human Resource Accounting does significantly impact the profitability of firms

IV. DATA ANALYSIS AND INTERPRETATION

Tabulation of data-

Table 2: Human Resource Accounting Survey

HRA Data Analysis						
	1 (SA)	2(A)	3(UD)	4(D)	5(SD)	Total
Statement Number						
1	19	25	12	8	3	67
2	12	37	10	9	3	71
3	12	34	13	7	5	71
4	14	16	22	16	3	71
5	25	25	10	6	4	70
6	23	27	10	8	3	71
7	22	34	7	4	4	71
8	12	28	19	8	4	71
9	34	23	7	4	3	71
10	30	23	7	8	3	71
11	25	33	5	4	4	71
12	21	29	14	4	3	71
13	23	29	11	4	4	71
14	24	27	9	4	6	70
	296	390	156	94	52	988

Source: Compiled by Author

Table 2: gives the summary of the survey conducted by the author i.e. the number of respondent agree or disagree with a respective statement.

Chi Square Calculations (Refer annexure 1)

As the Questionnaire is comprised of 14 statements covering maximum aspects of Human resource accounting, there will be hypothesis testing.

To draw the conclusion Chi- Square test is used as a tool. The ultimate focus is on

“Is there an impact of HRA on firm’s profitability?”

The formulas for the two test is as follows

$$\text{Chi- square test} = (f_o - f_e)^2 / f_e$$

Here,

f_o = Observed Frequency

f_e = Expected Frequency = $RT \cdot CT / N$ (where, RT is row total and CT is column total and N is grand total of the observation)

Calculated value of Chi square = 91.8435 (Annexure 1)

Tabular value of Chi square at 5% level of significance at **52 degree of freedom** is 69.832

As Calculated value > Tabular value, H_o is rejected.

As null hypothesis is rejected this interprets that human resource accounting does significantly impact the profitability of the firms. A company whenever invest huge amount of money in its human resources recruitment, training and development will always reap good results in terms of profitability if not immediately in future definitely, that’s why it is been recommended to capitalize these expenditures in the financial reporting. Although HRA awareness is very low in India but many public and private companies are disclosing the information related to their human resources in one or the other way in their financial statements which is very helpful for the investors while making their investment decisions. Highly qualified, trained and expert people always take their organizations towards the path of efficiency achievement which in turn increases a firm profitability. Not only in firm’s profitability but it also assist in firm’s evaluation models and in different management decision making processes. In the survey it is clearly visible that HRA still in its budding stage, declaration of investment in human resources in current financial reporting system is still not clearly defined by the accounting system due to the difficulty in associating a numerical value to an employee.

Declaration of Human resource investment is imperative for stockholder’s better decision making process on firms valuation
71 responses

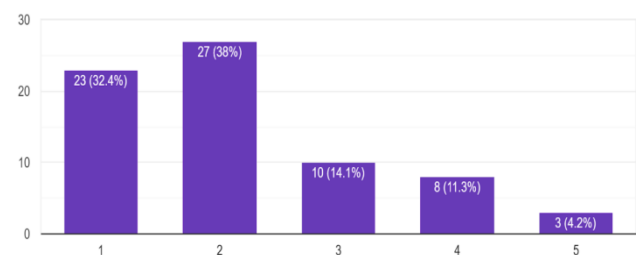


Figure 3: Impact of HRC declaration on stockholders decision making process.

70 % of the respondents agree that declaration of human resource investment plays a very vital role in better decision making process regarding the firm’s valuation. On the contrary 56% agrees that declaration of employee information will lead to management manipulations and biasness. 82% of the respondents consider employees

performance as a crucial factor for the making investment decisions and it also ensures transparency amongst the various stakeholders.

Inclusion of human capital in financial reporting will provides better basis for the assessment of firm's value
70 responses

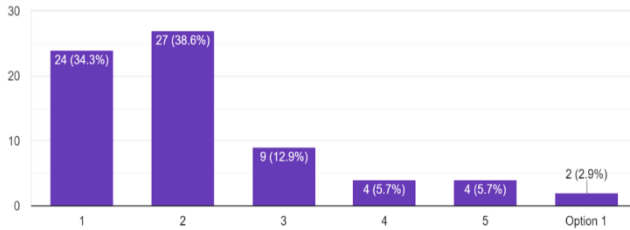


Figure 4: Human Resource Capital and financial reporting

As per the table above it can clearly be seen that 73% of the respondents agree that human capital information provides better basis for the assessment of firm's value. This will benefit the owner by providing with multi facets information like the actual worth of the company, the real value of its assets, and the resale value of the company which will help the investors to take their decisions.

Does HRA impact the investor decisions of investment?

The study was conducted to know that are the investors aware about the HRA concept or not. From the analysis it can be concluded that although many investors are aware of the concept of HRA and its disclosure requirement but when it comes to taking decisions regarding the investment in a company only numerical values such as ROCE (Return on capital employed) Dividend yield, PE ratio, Sales, Profit etc. are given more weightage. Human Resource Accounting helps in creating Goodwill for an organization. It can access the current value, adopt measures to train and develop and thereby increase the skills, productivity and efficiency of the human resource which results in overall improvement in the image of the organization

V. FINDINGS & CONCLUSION

HRA and HRC still have a long way to go; they are still in the budding stage in India. The awareness on HRA needs to be expanded in all the regions and amongst all the public and private organization. HRA still finding its place in the financial reporting system as valuing an employee is really a subjective matter which depends on many factors such as the tenure of employee in an organization, the contribution by an employee towards the firm's profitability, the honesty of an employee etc. 50% of the respondent agreed to make HRA as a compulsory element in financial reporting to maintain the transparency amongst the various stakeholders. Not only stakeholders it also help the management in times of decision making regarding the recruitment, selection, training or any other human

resource investment. But they also acknowledge that there is a room for manipulations in implementing HRA in any organizations which will affect the performance of the business. When it comes to the investor they ultimately go with the sale or profit figures or other numerical parameters such as PE ratio, dividend yield, cash flow requirement etc. of a firm to take their investment decision but on the other hand they also agree that if human resource information will be disclosed in the financial reports it will definitely help them to take their investment decisions.

Human Resource is valuable resource and their development improves and increases the value of the organization. Training and Development expenditure on human beings pays off multifold and therefore very essential and beneficial to the organization. Human Resource Accounting refers to the art of valuing, recording and presentation of value of all the human beings in the books of accounts in a systematic manner. The belief being developed workforce increases the organizational efficiency and profitability. It evaluates the value and the potential of every employee in the organization and hence can differentiate between the competent and incompetent personal. Firms practicing HRA are in a better position to identify the best manpower for their organization.

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Annexure 1- Chi Square Calculations

S. NO.	Observed Frequency (F _o)	RT*CT	Expected Frequency (F _e) = (RT*CT/ N)	(F _o -F _e)	(F _o -F _e) ²	(F _o -F _e) ² /F _e
1	19	19832	20.0728744 9	- 1.07287	1.15106	0.057344 04
	25	26130	26.4473684 2	- 1.44737	2.09487	0.079209 22
	12	10452	10.5789473 3	1.42105	2.01939	0.190887 67
	8	6298	6.37449392 7	1.62550	2.64227	0.414506 63
	3	3484	3.52631578 9	- 0.52632	0.27700	0.078554 6
2	12	21016	21.2712550 6	- 9.27126	85.9561	4.040954 34
	37	27690	28.0263157 9	8.97368	80.5270	2.873264 15
	10	11076	11.2105263 2	- 1.21053	1.46537	0.130714 11
	9	6674	6.75506072 9	2.24493	5.03975	0.746070 62
	3	3692	3.73684210 5	- 0.73684	0.54293	0.145292 81
3	12	21016	21.2712550 6	- 9.27126	85.9561	4.040954 34
	34	27690	28.0263157 9	5.97368	35.6849	1.273264 15
	13	11076	11.2105263 2	1.78947	3.20221	0.285643 69
	7	6674	6.75506072 9	0.24493	0.05999	0.008881 53
	5	3692	3.73684210 5	1.26315	1.59556	0.426982 95

4	14	21016	21.2712550 6	- 7.27126	52.8711	2.485567 97
	16	27690	28.0263157 9	- 12.0263	144.632	5.160588 09
	22	11076	11.2105263 2	10.7894	116.412	10.38423 52
	16	6674	6.75506072 9	9.24493	85.4689	12.65257 35
5	3	3692	3.73684210 5	- 0.73684	0.54293	0.145292 81
	25	20720	20.9716599 2	4.02834	16.2275	0.773783 47
	25	27300	27.6315789 5	- 2.63158	6.92520	0.250626 57
	10	10920	11.0526315 8	- 1.05263	1.10803	0.100250 63
	6	6580	6.65991902 8	- 0.65992	0.43549	0.065390 15
6	4	3640	3.68421052 6	0.31578	0.09972	0.027067 67
	23	21016	21.2712550 6	1.72874	2.98855	0.140497 54
	27	27690	28.0263157 9	- 1.02632	1.05332	0.037583 4
	10	11076	11.2105263 2	- 1.21053	1.46537	0.130714 11
	8	6674	6.75506072 9	1.24493	1.54987	0.229438 91
7	3	3692	3.73684210 5	- 0.73684	0.54293	0.145292 81
	22	21016	21.2712550 6	0.72874	0.53106	0.024966 52
	34	27690	28.0263157 9	5.97368	35.6849	1.273264 15
	7	11076	11.2105263 2	- 4.21053	17.7285	1.581418 33
	4	6674	6.75506072 9	- 2.75506	7.59036	1.123655 27
8	4	3692	3.73684210 5	0.26315	0.06925	0.018532 25
	12	21016	21.2712550 6	- 9.27126	85.9561	4.040954 34
	28	27690	28.0263157 9	- 0.02632	0.00069	2.471E-05 3
	19	11076	11.2105263 2	7.78947	60.6759	5.412404 25
	8	6674	6.75506072 9	1.24493	1.54987	0.229438 91
9	4	3692	3.73684210 5	0.26315	0.06925	0.018532 25
	34	21016	21.2712550 6	12.7287	162.020	7.616896 48
	23	27690	28.0263157 9	- 5.02632	25.2638	0.901433 16
	7	11076	11.2105263 2	- 4.21053	17.7285	1.581418 33
	4	6674	6.75506072 9	- 2.75506	7.59036	1.123655 27
10	3	3692	3.73684210 5	- 0.73684	0.54293	0.145292 81
	30	21016	21.2712550 6	8.72874	76.1909	3.581875 54
	23	27690	28.0263157 9	- 5.02632	25.2638	0.901433 16
	7	11076	11.2105263 2	- 4.21053	17.7285	1.581418 33
	8	6674	6.75506072 9	1.24493	1.54987	0.229438 91
11	3	3692	3.73684210 5	- 0.73684	0.54293	0.145292 81
	25	21016	21.2712550 6	3.72874	13.9035	0.653630 39
	33	27690	28.0263157 9	4.97368	24.7375	0.882653 82
	5	11076	11.2105263	-	38.5706	3.440573

			2	6.21053	4	26
	4	6674	6.75506072 9	- 2.75506	7.59036	1.123655 27
	4	3692	3.73684210 5	0.26315 8	0.06925 2	0.018532 25
12	21	21016	21.2712550 6	- 0.27126	0.07357 9	0.003459 1
	29	27690	28.0263157 9	0.97368 4	0.94806 1	0.033827 53
	14	11076	11.2105263 2	2.78947 4	7.78116 3	0.694094 39
	4	6674	6.75506072 9	- 2.75506	7.59036	1.123655 27
	3	3692	3.73684210 5	- 0.73684	0.54293 6	0.145292 81
13	23	21016	21.2712550 6	1.72874 5	2.98855 9	0.140497 54
	29	27690	28.0263157 9	0.97368 4	0.94806 1	0.033827 53
	11	11076	11.2105263 2	- 0.21053	0.04432 1	0.003953 55
	4	6674	6.75506072 9	- 2.75506	7.59036	1.123655 27
	4	3692	3.73684210 5	0.26315 8	0.06925 2	0.018532 25
14	24	20720	20.9716599 2	3.02834	9.17084 4	0.437296 98
	27	27300	27.6315789 5	- 0.63158	0.39889 2	0.014436 09
	9	10920	11.0526315 8	- 2.05263	4.21329 6	0.381203 01
	4	6580	6.65991902 8	- 2.65992	7.07516 9	1.062350 64
	6	3640	3.68421052 6	2.31578 9	5.36288 1	1.455639 1
Total						91.84353 95

9	Cost of recruitment, training & development, retirement benefits etc. should be treated as investment and not as an expense, and the same should be capitalized and written off against the expected period of an employee service				
10	Good quality investment in human resource is a measure of high performance				
11	Estimation of management's and employees performance is a very important factor to be considered before making investment decisions				
12	Heavy investment in HR capital ensures the good quality of employees that in turn can add to the efficiency of an organisation				
13	Human capital disclosure in the financial reporting ensures transparency amongst the various stakeholders.				
14	Inclusion of human capital in financial reporting will provides better basis for the assessment of firm's value				

Note- HRA means Human resource Accounting and HCA means Human Capital Accounting. 1- Strongly Agree, 2- Agree, 3- UN Decided, 4- Disagree and 5- Strongly Disagree

Annexure 2 – Questionnaire

Statement Number	Statement	S	A	U	D	S
		A		D		D
1	HCA is that aspect of accounting which identifies and reports economic data concerning a firm's investment on its human resources.					
2	HRA awareness is relatively low in India					
3	HRA is a new concept paving its way towards finding a place in financial reporting in India					
4	Current financial reporting system incorporates the declaration of investment on human resources					
5	HRA should compulsory be made a part of financial reporting					
6	Declaration of Human resource investment is imperative for stockholder's better decision making process on firms valuation					
7	Does HRA serve the management in refining their strategies formulation					
8	Is HRA prone to managements manipulations					