



An Examination of India's Human Resource Accounting Techniques

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Abstract

HRA is the procedure for locating human resources, counting them, and communicating with the persons involved in the information obtained. Business Institutions are seen as Assets in the field of human resources, and accounting books are used to value human resources to their fullest potential. Without human involvement, an organisation risks losing its productivity, and human productivity is necessary alongside machine productivity in all spheres of business. Therefore, businesses must understand and value the value of their employees. It is valuable and a good investment. The study focuses on calculating the value of human resources at various organisational levels and determining the efficiency of human resources.

Keywords: Human capital, Human Resource Techniques, HRA

Introduction:

The purpose of human resource accounting (HRA) is to quantify the value and cost of the individuals who make up an organisation. It does this by calculating the expenses related to hiring, training, and managing employees and managers. Following measurement, the organisation creates a report known as the HRA Report. Employees, management, and outside investors can view the report. How well the limited physical resources are used by the human resource determines an organization's performance. Because physical resources cannot act on their own, it is crucial that they are being activated by human resources.

The objective of Study

The objective of this study is to know about HRA and know about the technique of HRA.

Methodology of the Study:

In order to conduct research secondary data is used.

Objective Of HRA

The following are the primary goals of human resource accounting:

1. To research the accounting procedures used in human resources.
2. To keep an eye on how well the management uses its human resources.
3. To evaluate the importance of human resources at various organisational levels.

4. To provide information for making wise and practical administrative decisions about acquiring, allocating, establishing, and maintaining HR control to meet organisational goals.
5. Makes it easier to value, record, and disclose HR in the books of account and the financial statement.
6. Aids the organisation in making decisions about organisational behaviour, financial controls on human relations, and retrenchment vs retention.

Human Resource Accounting rehearsing companies

Following are the companies

1. Electric India Ltd
2. Engineers India limited
3. Oil and Natural Gas COMMISSIONING(ONGC)
4. Infosys Technologies Ltd.
5. Southern Petrochemicals Industries Corporation Ltd SPIC).
6. Bharat Heavy Electrical Ltd(BHEL)
7. Oil India Ltd
8. Hindustan Shipyard Ltd.
9. Cement Corporation of India. (CCI).
10. Project and Equipment Corporation of India. (PEC).
11. Associated Cement Company Ltd ACC).
12. Mineral and Metal Trading Corporation

of India(MMTC)

13. Tata Engineering and Locomotive Works
14. National Thermal Power Corporation Ltd(NTPC)
15. Steel Authority of India Ltd(SAIL)

Techniques To Identify Human Resource

1. Replacement cost Model
2. Historical Cost Method
3. Opportunity Cost Model
4. Stochastic Rewards Model

Restrictions on HRA:

There is no precise, agreed-upon method that can be used to locate and assess a company's human resources. There isn't a single, widely used strategy for valuing human resources. Despite their importance and usefulness, tax regulations do not recognise large amounts of money as assets. It seems implausible to value human resources in the face of future uncertainty given how little is known about their existence now. However, the idea that HRA as a management tool allows higher and more effective management of human resources is still in need of the much-needed empirical evidence.

Conclusion

Overall, even though Indian organisations appear to need to value their human resources, the majority of organisations don't value their human resources and try to introduce valuation of human resources early on. Despite the interest in valuation, there won't be much or any advancement in the area over the next five to ten years. More work must be done at the theoretical and practical levels in order to show improvement. Along with the use of each human resource, more research into valuation methodologies and models, as well as the practical implications of those, is necessary.

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