



**EMPLOYEES' PERCEPTIONS OF HUMAN
RESOURCES ACCOUNTING PRACTICE:
EMPIRICAL EVIDENCE FROM THE NORTH OIL
COMPANY IN IRAQ**

**2023
MASTER THESIS
BUSINESS ADMINISTRATION**

Najat Shahab AHMED

**Thesis Advisor
Prof. Dr. Serhan GÜRKAN**

**EMPLOYEES' PERCEPTIONS OF HUMAN RESOURCES ACCOUNTING
PRACTICE: EMPIRICAL EVIDENCE FROM NORTH OIL COMPANY IN
IRAQ**

Najat Shahab AHMED

Thesis Advisor

Prof. Dr. Serhan GÜRKAN

T.C.

Karabük University

Institute of Graduate Programs

Department of Business Administration

Prepared as

Master Thesis

KARABUK

February 2023

TABLE OF CONTENTS

TABLE OF CONTENTS	1
THESIS APPROVAL PAGE.....	3
DECLARATION	4
FOREWORD	5
ABSTRACT.....	6
ÖZET	7
ARCHIVE RECORD INFORMATION	8
ARŞİV KAYIT BİLGİLERİ (in Turkish).....	9
SUBJECT OF THE STUDY	10
THE PURPOSE AND IMPORTANCE OF THE RESEARCH.....	10
HYPOTHESIS OF THE RESEARCH / RESEARCH PROBLEM.....	10
POPULATION AND SAMPLE	12
SCOPE AND LIMITATIONS / DIFFICULTIES	13
1. THEORETICAL BACKGROUND.....	14
1.1. The Concept of Human Resource	14
1.2. The Importance of Human Resources	18
1.3. The Concept of Human Capital	22
1.4. The Relationship Between Human Resources and Accounting	24
2. HUMAN RESOURCE ACCOUNTING	29
2.1. The Concept of Human Resource Accounting.....	29
2.2. Historical Development of Human Resources Accounting.....	31
2.3. Human Resource Costs	34
2.3.1. Types of Human Resource Costs.....	35
2.3.2. Measurement of Human Resource Costs	37
3. ANALYSIS TO MEASURE EMPLOYEES' PERCEPTION OF HRA	40

3.1. Literature Review	40
3.2. Methodology.....	46
3.2.1. Population and Sample	46
3.2.2. Data Collection Method	46
3.3. Results.....	47
3.3.1. Demographic Statistics	47
3.2.1. Employee perceptions of Human Resources Accounting Practice	50
3.2.1.1. HRA Effects on The Business’s Financial Position.....	50
3.2.1.2. The Impact of HRA on the Company’s View of Employees.....	57
3.2.1.3. The Downsides That Could Arise If the HRA Was Not Implemented	62
3.2.1.4. The Importance of Human Resources Accounting.....	65
3.2.2. Hypothesis Analysis Results	71
CONCLUSION	73
REFERENCES.....	76
LIST OF TABLES	80
LIST OF FIGURES	82
LIST OF ATTACHMENTS	83
Questionnaire Form	83
CURRICULUM VITAE.....	87

THESIS APPROVAL PAGE

I certify that in my opinion the thesis submitted by Najat Shahab AHMED titled “EMPLOYEES' PERCEPTIONS OF HUMAN RESOURCES ACCOUNTING PRACTICE: EMPIRICAL EVIDENCE FROM NORTH OIL COMPANY IN IRAQ” is fully adequate in scope and in quality as a thesis for the degree of Master of Science.

Prof. Dr. Serhan GÜRKAN

Thesis Advisor, Department of Entrepreneurship

This thesis is accepted by the examining committee with a unanimous vote in the Department of Business Administration as a Master of Science thesis. 01/02/2023

Examining Committee Members (Institutions)

Signature

Chairman: Prof. Dr. Serhan GÜRKAN (KBU)

Member: Assoc. Prof. Dr. Ozan BÜYÜKYILMAZ (KBU)

Member: Assist. Prof. Dr. Nurdan GÜRKAN (ZBEUN)

The degree of Master of Science by the thesis submitted is approved by the Administrative Board of the Institute of Graduate Programs, Karabuk University.

Prof. Dr. Müslüm KUZU

Director of the Institute of Graduate Programs

DECLARATION

I hereby declare that this thesis is the result of my own work and all the information included has been obtained and expounded in accordance with the academic rules and ethical policy specified by the institute. Besides, I declare that all the statements, results, materials, not original to this thesis have been cited and referenced literally.

Without being bound by a particular time, I accept all moral and legal consequences of any detection contrary to the aforementioned statement.

Name Surname: Najat Shahab AHMED

Signature:

FOREWORD

First and foremost, I am grateful to God Almighty, who bestowed upon me the gift of knowledge and granted me access to it. I would like to express my gratitude and appreciation to everyone who assisted me in completing this project, particularly the supervising Prof. Dr. Serhan GURKAN, for his invaluable assistance and advice, as well as the thoughts and remarks he offered me when I wrote my letter. I extend my gratitude and admiration to everyone who assisted me, made an effort with me, and saved me time. I implore God to watch over and protect them all.

ABSTRACT

Human Resources Accounting (HRA) is a method of accounting for the value of human resources within an organization. It involves identifying and measuring the costs and benefits associated with human resources and recognizing these resources' economic value in the organization's financial statements. While organizations worldwide have widely adopted HRA, there is limited research on employees' perceptions of this practice. This paper aims to fill this gap by examining employees' perceptions of HRA and its impact on their work and the organization. A questionnaire was used to collect research data from 168 North Oil Company employees, including managers, technicians, and engineers.

The study results indicate that employees generally have positive perceptions of HRA and believe it positively impacts the organization. The findings suggest that employees view HRA as a valuable and essential practice but also have reservations about its potential negative impacts.

Keywords: Human Resources, Human Resources Accounting, Financial Position, Managerial Accounting.

ÖZET

İnsan kaynakları muhasebesi (HRA), bir kuruluş içindeki insan kaynaklarının değerini muhasebeleştirme yöntemidir. İnsan kaynakları ile ilgili maliyetlerin ve faydaların belirlenmesini ve ölçülmesini ve bu kaynakların ekonomik değerinin kuruluşun mali tablolarında tanınmasını içerir. Dünya çapındaki kuruluşlar İKM'yi geniş çapta benimsemiş olsa da çalışanların bu uygulamaya ilişkin algılarına ilişkin sınırlı araştırma bulunmaktadır. Bu makale, çalışanların İHD algılarını ve bunun kendi işleri ve organizasyonları üzerindeki etkisini inceleyerek bu boşluğu doldurmayı amaçlamaktadır. Araştırma verileri, North Oil Company'den yöneticiler, teknisyenler ve mühendisler de dahil olmak üzere 168 kişiden anket yoluyla elde edildi.

Çalışma sonuçları, çalışanların genel olarak İKM'ye ilişkin olumlu algılara sahip olduklarını ve bunun organizasyonu olumlu yönde etkilediğine inandıklarını göstermektedir. Genel olarak, bulgular, çalışanların İKM'yi değerli ve temel bir uygulama olarak gördüklerini, ancak potansiyel olumsuz etkileri hakkında bazı çekinceleri olduğunu göstermektedir.

Anahtar Kelimeler: İnsan Kaynakları, İnsan Kaynakları Muhasebesi, Finansal Durum, Yönetim Muhasebesi

ARCHIVE RECORD INFORMATION

Title of the Thesis	Employees' Perceptions of Human Resources Accounting Practice: Empirical Evidence from North Oil Company in Iraq
Author of the Thesis	Najat Shahab AHMED
Thesis Advisor	Prof. Dr. Serhan GÜRKAN
Status of the Thesis	Master Thesis
Date of the Thesis	01.02. 2023
Field of the Thesis	Business Administration
Place of the Thesis	UNIKA / IGP
Total Page Number	87
Keywords	Human Resources, Human Resources Accounting, Financial Position, Managerial Accounting

ARŞİV KAYIT BİLGİLERİ (in Turkish)

Tezin Adı	Çalışanların İnsan Kaynakları Muhasebe Uygulamalarına İlişkin Algıları: Irak'taki North Oil Company'den Ampirik Kanıt
Tezin Yazarı	Najat Shahab AHMED
Tezin Danışmanı	Prof. Dr. Serhan GÜRKAN
Tezin Derecesi	Yüksek Lisans
Tezin Tarihi	01.02. 2023
Tezin Alanı	İşletme
Tezin Yeri	KBU/LEE
Tezin Sayfa Sayısı	87
Anahtar Kelimeler	İnsan Kaynakları, İnsan Kaynakları Muhasebesi, Finansal Durum, Yönetim Muhasebesi

SUBJECT OF THE STUDY

This research aims to reveal employees' attitudes regarding human resources accounting. The reader is first informed about the human resources accounting in the study; then, employee attitudes are analyzed.

THE PURPOSE AND IMPORTANCE OF THE RESEARCH

This research aims to understand the perceptions of human resource accounting (HRA) among employees of North Oil Company in Iraq. This is an important area of study for several reasons. First, HRA is a widely adopted practice in organizations worldwide, yet there is limited research on how employees perceive this practice and its impact on their work and the organization. This study aims to fill this gap by providing insight into employees' views at a specific organization in a unique and understudied context.

Secondly, the HRA process involves calculating the monetary value of a company's human resources, which can have important implications for how employees are treated and valued within the organization. Understanding employees' perceptions of HRA can provide insight into how they view the role of human resources within the organization and how they believe they are being compensated and recognized for their contributions.

Finally, the results of this study may be useful for practitioners and policy makers interested in understanding how HRA can be effectively implemented in organizations. By understanding the views of employees, practitioners and policy makers can develop strategies for implementing HRA in a way that is perceived as fair and beneficial by employees. This can help increase the success and adoption of HRA within organizations.

HYPOTHESIS OF THE RESEARCH / RESEARCH PROBLEM

The main research question of this study is 'What are the demographic factors that influence perceptions of the impact of HRA practices on the financial position and the company's view of the company of employees?' Additionally, the following two

research questions were examined. Are there any differences in employees' perceptions about the downsides that could arise if the HRA were not implemented? Also, are there disparities in how different employees view the significance of accounting for human resources?

According to the research questions, the following 20 hypotheses were generated.

Hypothesis 1: There is a difference between the mean values of the Business's Financial Position variable for the gender groups.

Hypothesis 2: There is a difference between the mean values of the Business's Financial Position variable for the age groups.

Hypothesis 3: There is a difference between the mean values of the Business's Financial Position variable for the education groups.

Hypothesis 4: There is a difference between the mean values of the Business's Financial Position variable for the job experience groups.

Hypothesis 5: There is a difference between the mean values of the Business's Financial Position variable for the job position groups.

Hypothesis 6: There is a difference between the mean values of the Company View of Employees variable for gender groups.

Hypothesis 7: There is a difference between the mean values of the Company View of Employees variable for age groups.

Hypothesis 8: There is a difference between the mean values of the Company View of Employees variable for education groups.

Hypothesis 9: There is a difference between the mean values of the Company View of Employees variable for the job experience groups.

Hypothesis 10: There is a difference between the mean values of the Company View of Employees variable for the job position groups.

Hypothesis 11: There is a difference between the mean values of the Downsides variable for the gender groups.

Hypothesis 12: There is a difference between the mean values of the Downsides

variable for the age groups.

Hypothesis 13: There is a difference between the mean values of the Downsides variable for the education groups.

Hypothesis 14: There is a difference between the mean values of the Downside variable for the job experience groups.

Hypothesis 15: There is a difference between the mean values of the Downsides variable for the job-position groups.

Hypothesis 16: There is a difference between the mean values of The Importance of the HRA variable for the gender groups.

Hypothesis 17: There is a difference between the mean values of the Importance of the HRA variable for the age groups.

Hypothesis 18: There is a difference between the mean values of the Importance of the HRA variable for the education groups.

Hypothesis 19: There is a difference between the mean values of the importance of the HRA variable for the job experience groups.

Hypothesis 20: There is a difference between the mean values of the Importance of the HRA variable for the job position groups.

POPULATION AND SAMPLE

After conducting a custom questionnaire and processing it, the research data were obtained. The questionnaire form consists of five parts; the first part was about the demographic questions of the participants in the company. In the second section, five questions focus on the effect that accounting for human resources has on the organization's financial situation. The final section of the questionnaire consisted of five questions on the influence that accounting for human resources has on an organization's perspective of its workers. The fourth part of the questionnaire questioned the negative aspects that could arise if resource accounting was not applied. The fifth part of the research was questioned about the importance of human resources for the company.

The questionnaire was sent to the employees of the North Oil Company. The study community comprises managers, employees, engineers, technicians, and workers. The questionnaire form was completed online and given to employees freely and unannounced. 168 of the 200 employees participated in the research. The participation rate in the survey is about 84%.

SCOPE AND LIMITATIONS / DIFFICULTIES

At first, it was hard to get in touch with the employees because the work in the company was sensitive in terms of administration and it was not possible to get data from a single department. Instead, the data came from many departments. The correctness of the responses was judged in light of the constraints imposed by the research. The study results are valid for 186 employees only and for a limited period. Other studies can be conducted and the results will be different.

1. THEORETICAL BACKGROUND

1.1. The Concept of Human Resource

Because it focuses on people, the most valuable resource for management and the essential factor in how productive they are, human resources are one of the most important things organizations and institutions do. This is because people are the most crucial factor in their productivity. In most businesses, the management and development of human resources are seen as vital components. This is because human resource management and development strive to build competencies that substantially contribute to achieving organizational objectives and acquiring a competitive advantage. In addition, it is responsible for planning, recruiting, developing, analyzing, and managing the organization's personnel and supporting operations to test competent individuals. Maintain current personnel, grow and improve their knowledge, and provide it consistent with their job needs. Administer qualification, training, and motivation programs. The department of human resources operates on several distinct levels. At the tactical level, HR assists managers in exploring, analyzing, and choosing the distribution of jobs, transfers, remuneration, and compensation. In the long-term organization of personnel, human resources systems at the strategic level outline staffing requirements such as skills, educational level, kind of vacancy, number of vacancies, and expenses to satisfy demands (Mia et al., 2011).

It expresses the main asset in any production or service institution. It is the primary and most important productive element, which is more important than the rest. Human resources can be defined in different ways, such as "a group of qualified people with different skills and abilities for certain types of workers who do that work with enthusiasm and conviction" (Titrawi, 2017).

The Human Resources department must locate potential employees, screen them, hire them, and provide them with training. In addition to that, it oversees employee benefits programs. Human resources play an important role in both of these areas in the twenty-first century, helping firms deal with the fast-changing business climate and the growing need for competent workers.

The American institutional economist John R. Comons is credited as being the

first person to use the word "human resources" in his work entitled *Distribution of Wealth*, which was published in the year 1893. Commons is considered the first user of the word. However, human resource management did not develop into its current form until the twentieth century. At the time, its primary purpose was to resolve disputes between employees and their respective company executives (Kenton, 2022).

Harbison considered that human resources are a nation's wealth. According to him, "human resources" are the "capacity of people, their skills, talents, and knowledge," which can, can, or should apply to manufacturing goods or providing valuable services. He proved his belief that the level of development can describe the relationship between man and the world of work, the efficient use of human energy, the amount of interaction between the two, skills and knowledge in all types of social services, and the political, cultural, and economic growth of a nation (Harbison, 1973).

The provision of services that improve both the efficiency and well-being of workers is the responsibility of human resources. It is based on human resource strategies that are in line with the corporate plan and integrate themselves into it. Some people have a problem with the word "human resources" because they believe that it gives the impression that people may be exploited just as readily as any other component of production. They want "people management" instead. However, human resource management is considerably more widespread. The approach must be based on the principle that "organizations are their people" and "people create the place." Schneider continued by stating that positive career attitudes among an organization's employees can be anticipated when people's natural inclinations are allowed to be reflected in their behaviors through the organization's processes and structures and the provision of services that enhance the well-being of employees. This can be achieved by allowing people's natural inclinations to be reflected in their behaviors through the organization's processes and structures and the provision of services that enhance the well-being of employees. These are derived from human resource (HR) strategies that are tied to business strategies. Some people take exception to the term "human resources" on the grounds that it gives the impression that people can be controlled in the same manner as any other component of an industrial setting. They want "people management" instead. However, HRM is the most common phrase. Regardless of the name, the approach should be based on Schneider's argument that "organizations are the people who work in them; people from the place." He said: "It is reasonable to

expect positive job attitudes among workers in an organization when the processes and structures that have evolved permit the natural tendencies of people to be reflected in their behaviors." This implies that favorable work attitudes may be anticipated when natural inclinations are allowed to manifest in behavior (Schneider, 1987).

According to Keegan, 2010, HR work is "presented predominantly as a commercial concern" in contemporary culture. Priority is placed on ensuring that business and strategy are aligned. HR professionals can pay less attention to employee desires and motivations while constructing new and revised arrangements if they prioritize these important criteria above employee wants and motivations. When the business objective is seen from an excessively simplistic point of view, there is limited opportunity to evaluate how the HR strategy should affect individual workers. HRM aims to help businesses reach their goals, but it should also try to build relationships based on trust, openness, and personal satisfaction.

An individual or worker within an organization who is considered a member of the workforce or general staff of that business is called human resources. A human resource is anyone who offers their skills, knowledge or time in exchange for money with the intention of helping an organization in some way. It makes no difference to a business whether its workers are employed on a part-time or full-time basis, whether they are self-employed or work as independent contractors. Although a business will typically have a variety of assets (such as capital, equipment, supplies, or facilities), its employees are its most valuable asset. Every company has to find people, ensure they are happy with their work, encourage them, train them, and keep them. The department responsible for the company's human resources is the Human Resources Department. It is beneficial to dedicate an entire part to people, since they require more management of other resources and a different strategy. Due to this, it is helpful to dedicate an entire section to people. Whether helping with personal conflicts or developing a retirement plan, human resources have been trained to deal with them. Each of these aspects adds to the total happiness and efficiency of the team. The Human Resources Department can guarantee that its staff are productive and efficient by paying attention to the many issues that arise. This makes it easier for the organization to achieve its goals and objectives efficiently. The Human Resources department is also responsible for ensuring that the firm adheres to all work standards and strives to ensure that there is no harassment or other issues in the workplace. This kind of problem can prevent a

strong team from working effectively together.

Human resources personnel are also involved in the formulation and execution of workplace regulations, such as dress standards and vacation policies. This kind of policy ensures that all employees of the company follow labor rules effectively and uniformly. Take, for instance, this worker's position in the organization. Employees are the human resources of a company; therefore, this is a crucial factor to consider. If an employee has questions or issues regarding the registration form or their employee benefits, they should speak with a member of the human resources department for help. If a disagreement arises between a member of staff and another management group, the Human Resources Section can help mediate the situation and find a resolution. Management ensures that workers and other members of the team receive adequate training in order to be able to carry out their responsibilities effectively. Others have an issue with the concept of personnel as "resources." They believe that treating people as human resources turns them into a commodity and reduces them to a statistic on a balance sheet or an instrument to achieve a goal. Instead, they advocate changing the name "human resources" to something else better to encourage the overall growth of the human force.

In some circumstances, many functions associated with human resources could be carried out by other resources than human resources. Put another way, robots or computers can occasionally take the place of human labor, particularly in hazardous environments or for repetitive activities. This is especially true when robots or computers are more suitable than humans. This type of technology is known as automation and has the potential to significantly increase efficiency. On assembly lines, such as the ones that produce automobiles, you will frequently discover, for instance. It is possible to speed up production by automating certain aspects of the manufacturing process, but people are still needed for certain activities, particularly those that require critical thinking. There is also the possibility that specialist departments or people perform human resources duties. There may be compensation and benefits, a training supervisor, or staff recruiting an expert instead of the Director General of Human Resources. This specialization makes it possible to work more efficiently, which, in many cases, results in increased profits (Heathfield, 2021).

1.2. The Importance of Human Resources

Regarding SMEs, human resources are often overlooked. Many business owners start their businesses quickly, but as the workload increases, they struggle to manage their personnel. Time is required, and specialized abilities are essential for the effective administration of staff. Many business owners in the field lack information in the human resources. The value that human resources contribute to a business may not always be readily visible, despite the talents of employees. When hiring and managing their personnel, company owners with a small number of employees feel as if they have their finger on the situation's pulse. However, when organizations grow, their leaders usually realize that they lack time to deal with the day-to-day management of employees and individuals, and it is easy for the emphasis to move away from the people who work for the firm. This is a costly error that can have a long-term negative impact on success, employee satisfaction, and performance. Think about the effects that inadequate human resources can have. Employees' desire to perform poorly is influenced in various ways, including when they do not feel encouraged, do not have opportunities, work excessive hours, etc. When you cut back on your available practical human resources, it will have a trickle-down effect on your company's net profitability. The success of an individual, a society, and a company goes hand in hand. Reputation as a powerful employer in terms of recruiting talent. It also influences customers (Sands, 2021).

The requirement that an organization make financial investments in its human resource capacity.

The organization's human resources are distinct from its other resources in various important respects. Other resources can be acquired, held, or disposed of at any time, but human resources require special care. They must be appointed with great care, merit additional efforts to keep them on staff, and are required to undergo training and development to have their competencies upgraded and improved. The value of other resources tends to decrease with time, but the benefits businesses derive from their human resources tend to increase as those human resources gain more and more expertise. Due to these factors, human resources have become the most significant contributor to the firm's success. When it comes to investing in human capital and subsequently maintaining its workforce, companies face several issues that can be

broken down into many categories. Companies often do not spend significant sums of cash providing extensive training and development opportunities for newly hired employees. Due to the departure of this workforce, organizations will suffer a loss in both staff and financial resources. The production of competent and qualified workers who can perform specified tasks and contribute to the growth of organizations and the fulfillment of goals is the objective of developing human resources. The effectiveness or inefficiency with which organizational activities are completed is directly proportional to the caliber of individuals employed by an institution. The companies' most skilled and experienced employees are leaving to pursue more financially rewarding opportunities elsewhere, outside of the organizations. This is the root of the problem. The management of companies faced an entirely new obstacle due to this occurrence. It has been observed that moving from one post to another within the same organization can have some influence on the performance of the organization; staff migration from one company to another, especially in an environment with a high degree of competition, has been seen to have a considerable impact on the success of the organization. To improve their overall performance, companies recruit staff with specialized knowledge. It is not necessary for businesses to be concerned about their future profitability in order to make investments in moving capital, such as machinery. However, investing in human capital requires the development of an effective plan to maintain human resources after they have been invested. Some companies directly connect the decisions they make about investments in their human resources with the level of productivity and growth that the company experiences over time. The equation after simplification would look exactly like this one.

HR investment = productivity and growth x minimum stay in the regulation.

There is a strong connection between the caliber of human resources available to a company and the results of that organization. If an organization did not have employees with the necessary skills, its performance would be inefficient, and it would be impossible for the organization to achieve its objectives. The human being views the organization's resources as more dynamic than other assets and as easily transferable from one organization to another. This contrasts with other assets. They can quickly transfer their abilities, talents, skills, and experience obtained through training and

growth from one company to another. Nowadays, many businesses avoid making direct investments in their human resources. Instead, they find it beneficial to provide wages comparable to those offered by other employers to recruit experienced workers from the labor market. Because skilled and experienced workers can more easily compete with those of other organizations, businesses operating in highly competitive labor markets have little incentive to make long-term investments in their human resources. Organizations that obtain skilled human resources from the labor market at a competitive pay rate can benefit from external economies because they may employ these individuals without incurring investment costs. Trained and sophisticated human resources can transfer these economies. This indicates that businesses that invest in their human resources will suffer a loss of capital if those other businesses reject people interested in joining other organizations (Milkovic and Boudreaux, 1998).

The Importance of Human Resource Investment in an Economy

When people are developed, Saudi Arabia's society benefits from an increase in their knowledge, skills, and capacities. The accumulation of human capital, along with its productive application, is the factor that, from an economic point of view, is most directly responsible for facilitating economic growth. "The cultivation of human resources is, without a shadow of a doubt, the primary prerequisite for individual achievement as well as collective advancement at the national level" (Azhar, 2004).

In general, cultivating human resources contributes to protecting civil freedoms and maintaining political stability, both of which are beneficial to economic growth. Human resource development encourages workers to reach their full potential and achieve career success, allowing them to live lives that are more fulfilling and prosperous; expansion of the economy's human resources allows for its modernization. Investing in human capital development is crucial to economic progress, and its importance cannot be overemphasized. Investing in a country's human resource base is one of the most effective strategies to reach the next level of growth. One of the essential variables determining a nation's international competitiveness is the degree of innovation and creative thinking in its many professional fields. Primarily, the competitiveness of the global economy is determined by the production of advances in knowledge and their practical implementation in the resolution of complex social and

economic issues. The amount and quality of a country's human capital are key determinants of its economic growth rate (Coppel, 2006).

Countries that have acknowledged the importance of timely human resource development and, given that area of their particular economic attention, have successfully progressed through the phases of economic growth. Due to the level of education, experience and general caliber of its workforce, this nation stands out as a competitive contender on the international market. Investing in education and training is the critical element that distinguishes one state from another. Because the way knowledge is put to use is what ultimately defines the level of output in a community, education is essential for economic development. Social and economic progress must have a highly competent and well-trained workforce capable of doing complicated tasks. Countries that want to be innovative must place a strong long-term emphasis on their investment in the education and growth of their human resources. The benefits of investing in human resource management could outweigh the costs. The profitability of potential investments and the rate of return of those investments are the primary considerations businesses in the private sector make when analyzing investment choices.

However, the public sector's expenditures on HRD policies benefit this sector and influence the investment choices made by companies and affect the effectiveness of these investments from a broader development perspective. Human resources are the country's most critical assets, and their participation is necessary for the operation of private enterprises and state organizations. Firms will have greater motivation to participate in activities that encourage growth if they have a more competent workforce. This, in turn, leads to an improvement in living standards. However, there is a chance that the societal benefits as a whole and the community of local businesses will be lost if a staff member who has been effectively developed and educated quits his job permanently. This is because there is a chance that the benefits to society and the local business community will be lost. This is a risk that must be ignored. Evidence implies that this danger is more significant in less developed economies. In bigger economies, there is also a significant rate of talented workers; however, the nature of this migration is more accurately defined as the "trading brain." Because return migration is so prevalent, it is likely to profit the most from the current state of the economy through the acquisition of new competencies and hands-on experience during return migration

(Dumont and Lemaitre, 2005).

1.3. The Concept of Human Capital

Human capital definitions may be traced back to the 1960s work at the Chicago School of Economics. There, pioneering economists such as Schultz and Baker popularized the concept of human capital in the context of enterprises and other organizations. Although there was some initial resistance to the concept during the early stages of its creation, the scientific community immediately understood the concept of human capital. The issue of human capital is receiving increasing attention daily at both the regulatory and individual levels across the globe.

According to Schultz 1979, "human capital" refers to a more significant financial investment in the education and training of individuals. Education and training may enhance a person's talents, which can result in a substantial change in that person's professional performance. According to Marshall 1998, human capital is an effort in learning and development made by an individual or group of employees in a business or organization. Any of these organizations can make this investment.

Becker 1993 defines "human capital" as an investment in practical education and training, employee skills, health, and other qualities. It is impossible to eliminate a person's human capital, since it is an inherent characteristic.

Okojie (1995) states that "Human capital is comprised of the competencies and skills of a nation's human resources." According to (Marimuthu et al., 2009), The word "human capital" refers to the processes of education, training, and other professional undertakings vital to growing an employee's knowledge, skills, talents, values, and social assets outside of the workplace, which contribute to job satisfaction and success at work."

In his article published in 1981, Schultz made the following observation on human capital: "Think about natural and learned talents." The term "human capital" refers to these vital resources that might be invested in future growth. Gary Stanley Baker, an economics professor in the modern age at the Chicago School of Economics in the United States, is often recognized as the most influential proponent of the hypothesis of human capital. He is the thinker who came up with the concept in the first

place. Baker emphasized the need to invest in education, training, skills, health, and various other human traits in his important work, *Economics of Development with an Unlimited Supply of Employment*, published in 1964. The year 1964 is significant because it was the first time Baker used the phrase "unlimited supply of employment." The body of work that Baker has produced is revered as an all-time great. Baker emphasized the need to receive formal education. He is the author of a book called *The Concise Encyclopedia of Human Capital Economics*, in which many forms of capital, such as spending money on medical treatment and attending lectures on being prompt and honest, are discussed. This is because they either increase income, improve a person's health, or add years to their life. For this reason, spending on education, training, medical care, and other such services is something that economists consider a sort of investment in one's human capital.

The educational ideas presented by Baker showed the various lenses through which businesses might see human capital. The payment of the salary was not his main concern; instead, he was concerned about how the organization might contribute to the professional growth of each staff member. Consequently, investing in staff education, skills, and values leads to a reduction in employee turnover, improving work satisfaction and performance. Any money spent on medical treatment paid for by an employer and given to employees results in an improvement not just in the health of the individual but also in the prosperity or well-health of the firm. It is possible to describe the organization as being "ill." This is not a preparation in the traditional sense; instead, it is a reference to the organization's personnel due to their poor performance. The success of an organization is directly correlated with the performance of its workforce. It is enhanced by cultivating interest in human capital and the observance of responsibility, which, in turn, imposes pressure on workplace spending on education and training (Baker, 2011).

According to Davenport 1998, human capital may be defined as the intrinsic personal talents, habits, and energy that individuals bring to their employment. Human capital is defined by the Organization for Economic Cooperation and Development (OECD) as "knowledge, skills, competencies, abilities, and other human characteristics that contribute to their personal, social, and economic well-being."

According to Kucharcikova (2011), in contemporary economic growth ideas, human capital is the total of a person's skills, knowledge, and creative and learning

experiences. In other terms, "human capital" is the whole "human capital" of a person. In its portrayal of characteristics of human capital such as knowledge, ability, and experience, which may seem to be of utmost importance, the book often overlooks "commitment," a characteristic of human capital characteristic. Nevertheless, not. No matter how much someone knows, how skilled they are, how much experience they have, etc., if they lack the "commitment" to finish the explicitly defined task or function, probably, they will not be able to perform up to the standards that have been established for them.

The value that can be placed on talents and functional characteristics that affect production, such as education, is referred to as 'human capital'. Increasing economic production is a direct effect of investing in these qualities. Since workers are inextricable from the assets being invested in, this type of capital is referred to as "human capital." Within the organization, this process is known as talent management and it falls under the purview of the HR department. Human capital is the intangible assets and skills that help workers improve their jobs and the economy grow." It is impossible to separate the person who possesses these traits from the qualities themselves. Baker and Schultz, both of whom would go on to win the Nobel Prize in Economics, were economics professors at the University of Chicago during the 1950s and 1960s and mainly contributed to the development of human capital theory. Beaker determined that investing in personnel was comparable to investing in fixed assets. Both "development" assets provide income and other outputs.; hence, they are considered factors of production. The Beaker distinguished between the public and private sectors of human capital. This section offers a description of human capital. Public human capital: training or traits that benefit a corporate employee; training or education from which only one company benefits. Baker found that corporations were more likely to invest in specialized human capital, while individuals were more likely to invest in public human capital. Businesses were less inclined to invest in employees due to the fear that rivals would eventually steal them (Amadeo, 2020).

1.4. The Relationship Between Human Resources and Accounting

The Convergence of Accounting and HR, Companies: Organizations that recognize how finance and human resources intersect and work to deepen the link

between the two are better equipped for long-term growth than their rivals, who have less information. The explanation for this is relatively straightforward: understanding when and how a CFO assists in hiring and retaining personnel can increase profit margins and drive long-term sustainable growth in an organization. Enhancing the collaboration between these two essential aspects of the company also contributes to a general improvement in the culture of the workplace throughout the entire corporation. The study indicated that more than half of all employees felt underpaid; More than 65% of respondents said that their earnings did not keep pace with the increasing cost of living. Worse, many employees thought that the gap could be purposeful, and over a third of employees reported that they felt that their company used bonuses or benefits to keep basic earnings low. All employees surveyed shared this perception. So how exactly might accountants be of assistance? Accountants may be able to make a difference by analyzing the firm's financial statements in more detail to assess whether pay hikes are possible. This is one-way accountants can make a difference.

Finally, keep in mind all those perks and additional benefits. Regarding incentives, employees are likely to be correct most of the time, although small firms often struggle to provide competitive benefits to their workforce. Assuming a requirement to raise pay, the accountant may examine the company's budget to determine where the additional cash should come from to meet this requirement. A qualified person can only say if the company can increase its payroll costs and how this might affect the company's profit margins.

Payroll is one of the most significant areas of interaction between human resources and accounting and forms a mutually beneficial connection. This is because there is no one to pay if there are no human resources. The Accounts department can review payroll records to identify salary disparities and offer wage modifications, such as a moderate raise, base wage adjustments, performance increases, or a mixed program where payment is inconsistent with the cost of living increases. This is done when payments are not keeping up with the increase in the cost of living. After then, those in charge of financial management might search the budget for extra cash to cover these increases. In addition to employee recruitment and retention, additional operations that include money and human resources include trend analysis, budgeting, forecasting, applying for insurance, and ensuring compliance with the workers' compensation audit. Furthermore, whenever human resources departments consider revising company

policies on matters such as vacation time, sick days, and work-from-home options, funding should always be included in the conversation so that it can be determined what effect the organization will have on the final product. These are the types of choices that human resources departments can help make. They can do this by giving things like employee survey data to help understand how changes in business policy will affect a firm's culture, brand sentiment, and employee performance. The Chief Financial Officer is in a position to make recommendations on whether more funds should be spent on the aforementioned internal improvements or whether it would be more beneficial to spend money on activities centered on the customer. To conduct an audit of the worker's compensation program, you will need to gather documentation relevant to payroll and personnel data. Accounting can offer payroll papers and clarify anything else that might require further explanation, and human resources can collect information about employees while following the necessary confidentiality rules. When everyone contributes, the audit may be done accurately and accurately, leading to the best possible results. Both finance and human resources are seen as separate business functions in many types of business. Funding allows for the proper distribution of resources to support the organization's goals, helping to maintain a healthy balance between revenue and expenditures. Human resources (HR) recruits and motivates people to work toward the same goals. This aspect of human resources is typically the most significant expense for an organization. It is essential that there is coordination between human resources and finance within the firm, although these two processes are distinct from each other. If this is not the case, the entities being considered will have difficulty ultimately supporting the organizational goals. The finance and human resources departments will be able to better align themselves according to the organization's strategic objectives if collaboration is improved. Because of this, both postings may become more proactive than reactive as a result (CFO Selection Team, 2021).

The intersection of HR and Accounting

Accounting and human resources (HR) are both critical aspects of business, yet these departments often work in isolation. Nevertheless, an increasing number of firms understand that this is an antiquated practice that must be modernized, and there is a growing awareness of the crucial role that employees play in deciding a company's financial success or failure. Employees were frequently viewed as an expense in the

traditional business model. The expense of salaries and benefits, as well as the time and effort required for recruiting and termination, attracted much more attention than the significant contributions that workers made to the organization. Employee output, expertise, creativity, and problem-solving abilities are examined and seen as crucial assets for producing money or increasing profits more often now that organizations recognize the importance of people to their success. This is because companies are becoming more aware of the importance of their employees for their success. This increased awareness has resulted in a greater emphasis being placed on human capital management techniques to preserve, enhance, and grow available staff resources. Four important steps must be taken to link HR projects to the company's financial system.

These steps are as follows:

(1) Restructure the business strategy to include human capital development and management improvements.

(2) Create a recruitment program that is compatible with the overall strategy.

(3) The new plan should be communicated to all staff.

(4) develop new ways to measure achievement and improve methods to keep employees on board. The results will probably lead to a rise in profit ability and the firm's success. When a corporate plan is developed with a greater emphasis on people, it is much easier to recruit the appropriate personnel to carry out that strategy. It is impossible to exaggerate the importance of having appropriate individuals on your team. Although employees are the company's most valuable resource, turnover represents its highest cost (see "Staff turnover: financial impact and human impact"). According to some studies, the cost of recruiting and training a new worker might be as much as 200 percent of the previous employee's annual compensation for the same role. The expenditures are considerable because many moving parts are involved in recruiting and retaining talent. It begins with the expenses associated with recruiting the right people for the position. Then there are expenditures related to postrecruitment development and personnel training. Employee performance management is essential for any business, but assessment and improvement initiatives also need financial resources. The cost of replacing workers is something that should be taken into consideration regarding employee engagement, as it helps firms keep their best personnel. Finally, training employees so that they can move up in their career while still working for the same

company costs money.

In addition to financial losses, a job change may be expensive in several other ways. It often leads to lower morale, which may lower the overall quality and the employees' general level of creativity of the employees. Losses in productivity are another common consequence of the fact that most companies, especially smaller ones, rely on knowledge accumulated over a long period. Staff turnover is an aspect that can influence customer satisfaction and retention (Gervasi and King, 2016).

2. HUMAN RESOURCE ACCOUNTING

2.1. The Concept of Human Resource Accounting

In human resources accounting, money spent on people is considered an asset rather than an expense that reduces profits. This approach involves identifying, collecting, and communicating financial information related to human resources. The accounting of human resources has the primary objective of providing operating managers with the information they need to make better decisions related to their employees. It is a way of evaluating the effectiveness of how people are managed and how the business utilizes its workforce (Fariborzand, 2011).

When monitoring and reporting data to human resources, those involved should align their points of view with those of the American Accounting Association for Human Resources Accounting. In light of the foregoing, human resource accounting is the process of calculating the worth of the employees working for a single organization in order to supply users of financial information with information that can be used for decision making (Parameswaran and Jothy, 2005).

With the current developments in the business world, human resources have become one of the most influential factors in a company's success, since every business needs them in addition to material resources. Since all other resources, such as buildings, machines, equipment, etc., are useless without human resources, the human resources component is considered one of the most important elements to achieve the success of any company, since all activities, plans, and strategies are developed, implemented, managed, controlled, and evaluated by the human element. Therefore, this element is responsible for the productivity, profitability and provision of funds necessary for the continuation of the facility, which depends on the human. For businesses, knowledge, compared to material and financial resources, talent is more precious. When used appropriately in various circumstances, intelligence, experience, knowledge, behavior, and values contribute to the development of efficiency and effectiveness, thus increasing the company's worth. Consequently, the facility's human resources reflect the innovation and drive that may contribute to achieving the objectives. The HR calculation is based on the economic justification of giving precise data on the value of current

human resources and associated expenses as marketable assets that influence the value of the economic unit in the financial markets.

These data and information help senior management make decisions about their education and training resources. Some people think of human resource accounting as an administrative tool that helps managers make good decisions about human resources and helps users and people who make financial and administrative decisions get the information they need. The human component is an important component of business organizations. It is the fundamental driver of all organization activities and an important source of its effectiveness, primarily when distinguished by skill, knowledge, and abilities commensurate with the organization's work. Furthermore, the more effectively businesses spend their human resources, which manage all other resources, the more efficiently they may achieve their objectives (Singh, 2009).

Consequently, the human factor is one of the essential components of the company's production. It is one of the most valuable investments since it provides a competitive advantage that is difficult to copy and is more susceptible to internal and external environmental changes. The company is positioned to obtain several competitive advantages that allow it to face environmental difficulties and ensure its existence. Both developed and emerging nations are paying attention to and care for their human resources at this time. This concern arises because of the importance of human resources to production (Al-Hiti, 2003).

Human resources accounting emerges in tandem as a consequence of the emergence of one of the distinct management schools known as the School of Human Resources, which holds that humans are significant organizational resources. Human resource accounting is a philosophical idea. It is not a distinct philosophy or practice with unique ideas and concepts. It is a concept that refers to all the tangible and intangible calculations performed by the institution to assess its human and intellectual capital, which rely on all of the enterprise's systems, from the management information system to the accounting information system to the management control system. That is, the idea of human resources puts forgetfulness on par with other social resources, which are among the wealthiest. The term 'Development', which may change resources into productive and useful energy, implies that man is both the creator and the employee of this change in other resources. It is an unlimited resource that has reached its limit;

its objective is to invest in and run the various energies of other resources (Salem, 2008).

2.2. Historical Development of Human Resources Accounting

Although accounting for human resources is still a relatively new profession, it has already gone through several stages. The first stage of development, which took place between the years 1960 and 1966, was marked by a concentrate on human resource standards and the extraction of HRA's core concepts from appropriate academic authority. This stage lasted for a total of ten years. The first things that led to the creation of HRA were the economic theory of human capital, organizational psychologists' interest in how well leaders do their jobs, the new human resource view, and the company's focus on human assets as part of its good intentions.

The second phase of HRA's development consisted of a period of fundamental academic study to build and test models to estimate the cost (historical cost and replacement cost) and value of human resources (cash and noncash). It was also a period for studying HRM's existing and future uses as a tool for HR experts, direct managers, and external users of a company's financial data.

The second phase, which occurred between 1966 and 1971, involved exploratory and experimental uses of HRA in real organizations. Roger Hermanson, During the second phase, first-of-its-kind research into human resources accounting was conducted by someone who had a degree at the time. Hermansson, a Michigan State University, discussed determining the value of human assets as a component of goodwill when they are not purchased. He described his novel research. During the second phase of HRA development at the University of Michigan, a great deal of research was conducted. Furthermore, starting in 1967, a research team led by the late Rence Licert, R.L. Brummett, and William C. Bale initiated a series of activities to promote human resource accounting concepts and methodologies. He earned his Ph.D. in liquid-liquid converters under the supervision of William Bale. RG Barry is a small producer of soft products located in Columbus, Ohio, and this study analyzed its personnel costs over time.

From 1971 to 1976, the third phase of HRA development was characterized by a rapid expansion in interest in human resources accounting. It has included substantial academic study in the western world, Australia, and Japan. There was an increase in the number of business attempts to implement HRA at the time. Most of these projects have

been carried out by very modest entrepreneurial enterprises such as R. G. Barry Corporation and Lester Wittig & Company. During the third phase of HRA development, RG Barry conducted one of the first attempts to create a human resource cost accounting system. RJ Barry's experience was highly valued during the third phase since the business had produced pro forma financial statements containing human assets for at least a few years. This sparked an increase in HRA interest. Unfortunately, the disclosure of these financial records had unexpected repercussions. Consequently, many people believe that human resource accounting is exclusively concerned with treating people as "financial objects." Although the preparation of human resource financial statements was undoubtedly a component of human resource accounting, it was not required. However, since it was innovative and new, "putting people on the balance sheet" has become a dominant picture of human resources policy for many people. The researchers evaluated the impact of HRA data on HR professionals, direct managers, and investors' decisions during Phase III. It also included creating concepts and procedures to calculate and account for the cost and value of human resources. This time was highlighted by many published HRA-related studies and an abundance of symposium events. During the third phase, the American Accounting Society established Human Resources Accounting Committees in 1971–1972 and 1972–1973. These committees issued reports on the development of human resource management. During this time (in 1974), the first edition of the book, which contains the most current outcomes in HR management, was also published.

From 1976 to 1980, the fourth phase of human resources accounting (HRA) development experienced a drop in academic and business interest. This was due to a number of factors. For starters, most of the more advanced preliminary research had already been conducted and the remaining study was difficult and could only be completed by a limited group of specialists. It also needed the collaboration of organizations willing to act as study sites, which was difficult to come by. Furthermore, many firms were focused on other important challenges at this time, and the expense of doing The HRA research was substantial, but the advantages were either not very significant or would accrue to the industry as a whole rather than the sponsoring business. Despite this, HRA was still considered a promising idea that needed more development. Key environmental trends have also changed in recent years.

The fifth stage of HRA development, which can be tracked from 1980 to the present day, comprises the beginnings of a revived concern with HR accounting both theoretically and practically. This interest can be traced back to the fourth stage of HRA growth. Although interest in human resource management standards declined between 1976 to 1980, it never completely evaporated. Since the 1980s, there have been a growing number of significant new research articles dealing with HRA development and implementation of HRA, as well as a growing number of (albeit relatively limited) attempts to apply HRA to specialized firms. In addition, there has been a growing number of HRA-related research articles dealing with the development and implementation of HR. One of the most significant events that inspired new interest in marine human resources management was the decision of the United States Office of Marine Research (ONR) to finance a research project that evaluated the practicality of employing HRA for marine human resource management difficulties. The ONR Manpower Committee said in the report that it considered a component of its function to be supporting areas of possible research that would be too expensive for private firms to conduct on their own. This was the first large-scale effort conducted by a governmental or commercial sector entity. It was also becoming obvious at this time that the bulk of the world's established economies had undergone a slow but fundamental transition. This realization came about at the same time. They have developed from economies that are industrialized, economies that are preindustrial, where equipment and factories are essential resources, to postindustrial economies, where intellectual property and human capital are essential resources. This shift may be observed not only in the economy as a whole but also in the individual components that make up the economy. The shift in wealth is a tangible manifestation of the broad and ubiquitous tendency toward a capital-intensive human economy. In contrast to the majority of organizations during the industrial era, which relied on manufacturing skills for survival and profit, firms in the postindustrial era relied nearly exclusively on knowledge and information. New companies such as Microsoft, Intel Corporation, and Amgen have emerged as distinguishing elements of the present age, in contrast to the fall of long-dominant companies such as US Steel and General Motors. As a consequence of this, the potential for success that an organization has in the twenty-first century is decided not by its material assets but rather by its intellectual qualities. As a consequence of this, companies and other organizations should place a high priority on

the cultivation and distribution of intellectual capital, as well as intellectual property (Flamholtz et al., 2002).

2.3. Human Resource Costs

The notion of "human resource costs" stems from the larger concept of "cost." Human resource costs are the expenses incurred in the acquisition or replacement of personnel. They, like other costs, involve expenditures and assets; they may also contain expenses and opportunity costs, as well as elements of costs both directly and indirectly. Furthermore, it is possible to measure both the standard and the real costs of human resources. HR accounting mirrors the traditional accounting principles of acquisition and replacement.

The original cost of human resources: refers to the expense of hiring and developing new employees. This concept is related to the initial cost of other assets, such as machinery and equipment, which is the sum spent to acquire these resources. Recruiting, selection, appointment, placement, guidance, and on-the-job training are common components of the initial cost of human resources. Some of these costs are direct, while others are incurred indirectly. The cost of SAI trainees is an example of a direct cost associated with training, but the cost of the supervisor's time spent on the trainees is an example of an indirect cost. The nature of these charges will be influenced by the rationale for their imposition. Opportunity costs should be included in the initial cost of human resources for administrative reasons. However, since measuring opportunity costs is typically difficult, achieving the goal may be impossible. Estimates. Although opportunity costs may be useful for internal goals, they may not be appropriate for external accounting data users. This convention will align the accounting of human resource costs with the accounting of other external recovery expenditures.

Human resource replacement cost: The price that must be paid to replace human resources symbolizes the sacrifice that must be made right now in order to replace the human resources that are currently being utilized. If an employee had to leave a company, for example, recruiting, selection, and training costs would be spent. Typically, the cost of replacing human resources includes both the expenses related to the departure of the present staff member and the costs of obtaining and developing a successor. They include both direct and indirect expenses. Due to the administrative

nature of replacement costs, they must include both opportunity and cost-to-spend components. The cost of replacing human resources could potentially be applied to individuals, groups of people, or the entire human organization. People managers are often concerned with finding a substitute capable of providing equal services for a certain role rather than replacing a person. In other words, they look at replacing people for certain activities rather than the whole human. This approach demonstrates a dual concept of replacement cost, both positional and individual. In this context, the "cost of positional replacement" refers to the current sacrifice required to replace a current employee in a specific job with an alternative capable of offering equivalent services in that position. The cost of replacing the necessary services for a certain incumbent job. The cost of personal replacement refers to the current sacrifice required to replace a current employee with a replacement who can provide an equivalent set of services in all responsibilities held by the former. It is the cost incurred when an identical set of services given by one person is replaced with an identical set of services offered by another person. These replacement cost ideas may be applied to both businesses and people. However, to date no microscopic analysis of the cost of replacing groups has been undertaken. The research instead focused on persons as the main unit of analysis (Flamholtz, 1999).

2.3.1. Types of Human Resource Costs

Human resources expenditures include the expenses associated with the recruitment, training, and retention of personnel. They may also include employee benefits and other compensation-related expenses. These costs might vary greatly depending on the firm's size and scope. The local labor market, the type of employment, and the skills necessary for given roles can all have an influence on human resource expenses. Numerous organizations see the expense of human resources as a requirement. Staffing expenses are often one of the most significant human resource expenditures. These costs can include advertising, recruitment, and travel expenses for individuals who were interviewed but were not hired. Training expenses may also be high, especially for new hires or those trained for new responsibilities within the organization. Firm budgets must also account for benefits, such as health insurance, retirement programs, and other benefits. Extra expenses are related to managing human

resources; let us examine each individually.

Recruitment costs: Considerable expenditure for any business. These expenditures could range from hundreds to thousands of dollars, depending on the size and scope of the project. Several elements contribute to the cost of recruiting, including advertising, headhunting, interview expenditures, and, in certain situations, the necessity of paying relocation charges for new hires. The most effective method of controlling recruitment expenses is to have a clear awareness of your demands and spending capacity. Ensure that you have a budget for your recruiting activities and strictly adhere to them. You may also consider enlisting the help of an external agency or consultant in the recruitment process. This saves you time and money.

Employee retention costs: Organizations must consider various elements, such as salary levels, employee benefits, and other related expenses when calculating staff retention costs. In most circumstances, these expenditures are more significant for highly skilled employees. A company must provide competitive compensation and benefits if it wants to retain its most valuable workers. Additionally, the availability of benefits such as flexible work schedules and telework can offset a portion of the expenses associated with employee retention. Employers can reduce employee turnover and save money on long-term recruiting expenses by providing these benefits.

Training costs: Depending on the business, the typical cost of training a new employee might vary significantly. According to a report by the American Administration Association, firms pay an average of \$1,252 per hour to train a new employee. According to the same survey, the average cost of training a newly paid employee was \$4,129. However, these figures are subject to alteration based on the organization's size and other factors. Large organizations, on average, spend more on training than small businesses. It is also essential to evaluate the kind of training available. For example, learning on the job is often more cost-effective than formal training in online classrooms or courses.

Employee benefits cost: Your employees increase as your company expands. In addition to this expansion, employee benefits have become more expensive. Although some businesses may be able to cover these expenses independently, others may need financial assistance. There are many ways to pay for employee rewards. Commercial credit cards are a viable option. This may help with cash flow management and spending tracking. A loan from a bank or other financial institution is a choice. Before making a

selection, it is essential to browse and compare prices, regardless of the technique you choose. In addition, you will need to ensure that your firm is operating in optimal circumstances.

HR administration costs: Managing personnel data and paying for HR team members and operational expenses are not the least of the administrative costs involved with human resources. The cost of human resource management can be a substantial burden for businesses of all sizes. The following are five tips that might help reduce such costs: Wherever it makes sense, automate. Time and money can be saved through the automation of HR processes. Unimportant tasks should be contracted. Consider outsourcing specific tasks, such as payroll or benefits administration. Use the self-service tools available. Provide workers with access to their own human resource information and the ability to freely update their records. Streamline communication. Using technology to facilitate and accelerate employee-human resource interactions. Conduct periodic evaluations of your policies and procedures. Ensure that your procedures and policies are current and influential (Murtuza, 2022).

2.3.2. Measurement of Human Resource Costs

The term "cost of human resources" refers to the losses incurred in attracting and cultivating persons as employees or customers of a company or organization. In this section, we look at the various methods to calculate the cost of human resources. Expenses for acquisition. These charges represent the cost of "getting" a new applicant. They account for all direct expenses associated with recruiting, hiring, and placing workers, in addition to indirect costs. Costs of acquisition. When we talk about "costs," we are referring to the concessions that must be made to "acquire" someone to fill a new post. They account for all direct expenses made throughout recruiting, selection, hiring, and placement operations, in addition to indirect costs.

Recruitment costs: The expenditures associated with finding sources of human resources, whether internal or external to the firm, are called recruitment costs. In addition, they are used to attract people who could join an organization in the future. Advertising, college recruiting, fees paid to recruitment agencies, fees paid for entertainment and travel, and administrative expenditures are the primary components of the costs associated with external recruitment. Other expenditures may also be

considered and must be separated into their category.

Selection costs are candidates chosen from which job should be made and are known as selection costs. They cover all the expenses that are incurred during the process of choosing members for an organization. The costs of interviewing, testing, and administrative work required to process applications are the primary components of selection costs. The hierarchical level within the organization that must be filled will directly impact the size of these costs per employee.

For example, firms often devote a significant amount of time and resources to selecting management staff but invest a moderate amount of time and resources in selecting clerk-typists. It is important that the total cost of the selection process to acquire (N) people, in addition to the costs associated with recruiting, be proportional to the total number of employees acquired.

Hiring and placement: The costs associated with bringing a person into an organization and putting them in a position to do work there are referred to as "hiring and placement costs." Allowances for relocating to a new location and travel expenses are included in the cost of recruiting a new employee and any other costs directly related to the role. Some administrative fees are involved in placing an employee in a position and they are included in the placement costs. It may be preferable to approach these expenditures as a single grouping because, when considered as a whole, their objective is to get a person into the company and into a job there. The quantity of these expenditures will also vary depending on one's position within the business regarding the level of responsibility.

Learning costs: These costs are incurred as a result of the sacrifices that must be made in order to educate a person and raise them to the level of performance that is often required of individuals working in a certain area. Operationally, learning costs are defined as the difference in expenses spent until a worker achieves the appropriate level of productivity for a certain job. This productivity level is referred to as the "normally expected level of production." Learning expenses include direct and indirect expenses incurred during formal orientation and training, as well as on-the-job training. The cost of formal training programs, which includes the salaries of both trainers and trainees, is included in direct expenses. Loss of performance from the individual and the learner can be included in indirect costs incurred during training. This may result from the

participation of other people with the learner during his or her learning, which reduces productivity. Under indirect expenditures, the potential cost of missed performance is allowable.

Formal training and orientation costs: Formal indoctrination and training are subject to fiscal concerns. Included in these factors are training and orientation costs. During orientation, it is possible to get acquainted with, among other things, the business policies on personnel, commodities, and facilities. Formal training can range from simple teaching necessary to explain how to execute a routine task to highly specialized programs that take weeks, months, or years. The costs of teaching an individual on the job compared to formal training programs are substantially lower. Not only can professionals like accountants and engineers benefit from on-the-job training, but also factory workers can. The primary component of direct training expenditures is the cost of the trainee's compensation during the time when they are not productive.

Trainer's time The cost of supervisory pay, while the employee is being trained, is included. Supervisor training time must be accounted for as training expense. The cost of lost production during training is the cost of lost performance by people other than the learner while the learner is training. A person's lack of productivity may have an adverse effect on others until that person achieves the average level of productivity expected of someone in his or her position. For example, a new employee on an assembly line may move more slowly than necessary while learning their profession, slowing down the work of others around them. This might cause more than one person's output to fall below average, resulting in a cost that can be attributed to lost production due to training (Flamholtz, 1999).

3. ANALYSIS TO MEASURE EMPLOYEES' PERCEPTION OF HRA

This research aims to study the effect of applying the impact of human resources accounting on a company's financial standing, the company's view of employees, the negative aspects that can arise if the human resources law is not implemented, and the importance of human resources. Addresses the objective of the investigation, and exploratory evidence is obtained from North Oil Company to determine how human resource accounting affects it.

3.1. Literature Review

A study by Al-Ghabban in 1986 found that an accounting system for human resources is necessary in order to effectively utilize and manage talented and well-trained personnel. This system helps to address the shortage of information on human resources, which is important for planning and control within the organization. However, the study noted that human resources accounting does not involve determining value. Some may believe that accounting for human resources involves investing in them and using models to determine their economic value, but this is not the case. In addition to the costs associated with preventing losses due to loss of skills and services provided by human resources, there are also many costs involved in preserving and maintaining these resources. Human resources is a tool that assists departments to make use of the data they have to increase their administrative workloads, and neglecting this tool can result in damage and economic burdens to the enterprise in the future. This study corresponds to the current study in its emphasis on the importance of human resources accounting and the advantages of its use. However, although this study considers human resources accounting to be largely advantageous to management, the present study emphasizes the advantages for employees. Both investors and workers are interested in the importance of applying human resource accounting.

In 2002, Hamada conducted research on how accounting measures and discloses human resources and how it impacts financial statements. The study used a descriptive and applied approach, which contained a concept for a human resources accounting

system for the University of Damascus. The study traced the history of human resource accounting and how it has evolved over time, dividing its development into five stages ranging from the early 1960s to the present. The study also examined the use of human resource accounting in large businesses and institutions. In the early stages of the application's development, the focus was on small and medium businesses. The research also looked at various definitions of human resources accounting and the different viewpoints on whether human resources should be considered an asset or an expense by a company, based on the International Standards Committee and the American Accounting Board's definitions of assets.

The study attempted to evaluate human resources using two assessment approaches: one based on value and the other on cost. Value-based models are based on the criterion of assessing value based on the potential to deliver future services or economic advantages, and if the asset cannot do so, its value is considered zero. Based on the future supply of financial services, the accounting record of human assets loses relevance. The cost-based approach interprets the cost of a human asset as the amount of sacrifice made by the company to acquire, grow, and nurture human resources. The project aims to build a model to measure the value of human resources in two phases. The first involves a full examination of human resource performance using the method of distributing net profit across all human resources and other resources within the firm. The second phase is to analyze the performance of groups of individuals, first rating each group of comparable people and then evaluating each person in that group.

The approach to human resource accounting is similar to that of the present study. This study goes into more detail on how to use human resources accounting. Shows different ways to measure human assets and works on a proposed model to use human resources accounting. It uses a questionnaire to determine how important it is to Iraqi companies. This research examined how to account for human resources and their expenses and how to use the objectives card to assist internal management in making strategic decisions based on results. In a balanced scorecard, information on human resource expenses is extracted so that it may be used to its greatest potential. The purpose of this study is to try to put a number on intangible resources and present them in the form of financial accounting information. It will also examine how disclosure of intangible resources impacts the functioning of institutions.

The research developed the concept of accounting for and measuring human resource costs in terms of defining its goals and how to use them in practice, the ethical elements of the application, and evaluating the advantage of measuring human resource costs and their influence on decision-makers. Intangible resources, where intangible resources were formed for accounting and administrative purposes by stating what organizations and agencies recommended. The study then concentrated on implementing the balanced goals card idea, describing the card's components and how to use it to offer financial and non-financial data for internal and external reporting.

This study, like the one before it, investigates the principles and methodologies of implementing human resource accounting. This study, on the other hand, focuses on the benefits of accounting for human resources to internal management in the implementation of strategic decisions. It does this using a balanced goals card and thus varies from the current research in terms of goals, style, and breadth.

Ya-hu's 2007 The purpose of this research was to look at the impact of reporting the worth of human resources in Malaysian firms' financial statements on the people who read them. It also looked at the commercial outcomes and performance of organizations that use human resource accounting, as well as different techniques to expose the worth of human resources. The applied aspect of the study involved administering a questionnaire to the research sample to gauge their opinions on three key aspects: their understanding of the importance of human resource accounting, their acceptance of human resource accounting, and their familiarity with its advantages. According to the findings of the investigation, exposing the financial worth of human resources in Malaysian companies is crucial and can give them competitive advantages. Furthermore, it was said that reporting the value of human resources and implementing human resource accounting help organizations understand the impact of their human resources on revenue and help in the development of planning procedures, employment decisions, and human resource investments.

Compared to the study of Ya-hu in terms of objectives and methodology, the current study aims to highlight the importance of applying human resources accounting in Iraqi companies and uses a questionnaire to determine the level of understanding of the concept of human resources accounting, as well as the opinions of the questionnaire sample regarding the importance and benefits of its application. The current study, on

the other hand, expands on the theoretical aspect by studying the objectives and benefits that can be obtained from human resource accounting, the methods of application, and the challenges that may be encountered in its implementation by dividing the respondents into three groups and examining the effects of the application in greater detail.

Huui's 2008 research sought to explore the impact of reporting the value of human resources in Malaysian firms' financial statements on the consumers of these statements. It also investigated how firms using human resource accounting can report the worth of their human resources. Using a questionnaire, the applied portion of the study elicited the opinions of the research sample on three key aspects: the level of awareness of the importance of human resources accounting, the level of acceptance of human resources accounting, and the level of knowledge regarding the benefits of human resources accounting. According to the findings of the investigation, reflecting the financial value of human resources in Malaysian firms is crucial and can create competitive advantages. The results of the study revealed that Malaysian firms are aware of the benefits of human resource accounting, even if they have not yet implemented it. Disclosing the value of human resources and implementing human resource accounting help firms comprehend the impact of their human resources on profitability and develop planning procedures, employment options, and human resource investments.

In terms of objectives and method, the current study is similar to Ya-hu's study in that it aims to highlight the importance of applying human resources accounting in Iraqi companies and employs a questionnaire to determine the level of understanding of the concept of human resources accounting as well as the opinions of the questionnaire sample on the importance and benefits of its application. However, the present research focuses on the theoretical element by investigating the aims and advantages that may be obtained from this research.

Due to the significance of human resource management and its impact on the development of administrative processes within associations, the purpose of this study was to determine the reality of human resource information systems and their effect on the efficiency of administrative work in non-governmental organizations operating in the Gaza Strip. The research tried to define the function of computerized human resource information systems. The study's sample size for the success of administrative activities

in associations was 100 questionnaires issued to officials of the Human Resources Department or their representatives in the Gaza Strip's 887 non-governmental organizations. One of the most notable results was the presence of a link between the use of computerized resource information systems and the efficacy of human administrative labor in associations. The findings also demonstrated the availability of technical prerequisites for the use of information systems. These systems are constantly overcome by a lack of technical skills and are managed by a specialist body within the organization. One of the most important recommendations of this study is to activate and develop the use of human resource information systems in all functions of human resource management in the association, as well as to rely on specialized agencies to train employees in the system on an ongoing basis to overcome a lack of technological expertise.

Salem's 2008 research sought to evaluate the significance of accounting measurement and disclosure of human resource costs, as well as their influence on financial decision-making among the most significant enterprises operating in the Gaza Strip. The focus of the study was on people as a key productive resource in businesses. The sample size was 100 companies, and it included workers from different categories, such as decision-makers, board members, financial and administrative managers, heads of accounting departments, and heads of personnel affairs.

One of the primary conclusions was that there was significant interest in human resource data, but there was a lack of attention to human resource accounting registration. Capitalizing and reporting human assets raises the objectivity, credibility, and trust in the data included in the reports, and giving information on the economic worth of human assets helps management's efficiency in regulating and optimizing productivity. One of the study's primary suggestions was to distinguish between current costs and those that should be reported as assets of the organization. Also discussed was the development of an accounting standard that would compel corporations to quantify their human capital in order to close the gap between market value and book value.

Al-Jaidi and Sanaa (2007), This study was conducted with the goals of investigating and analyzing the significance and function of accounting measurement of human resources in Palestinian universities in the Gaza Strip, as well as the need to demonstrate an interest in these resources in universities, particularly in terms of the

accounting treatment of their data. In addition, the study investigated the need to demonstrate interest in these resources. One of the most notable findings of the research was that authorities in Palestinian colleges in the Gaza Strip understand the need to keep track of human resources, but they do not know how to do it. Universities apply accounting systems that can meet the requirements of accounting for human resources and thus benefit from that information in supporting administrative decisions. One of the most important things this research showed was that administrative processes and policies must be put in place to use human resource accounting and the historical cost method to determine how much human resources are worth. This is because the historical cost approach is more objective and easier to use than other methods and will lead to more information in the financial statements.

Jaber 2007, The purpose of this research was to demonstrate the importance of human resources accounting as an information system for a Danish corporation in order to help organize and process data so that it can be utilized as a product. An example of information that may be used to make more successful human resource choices. One of the most notable findings of this research was that organizations in the West are ready to spend a lot of money on the human aspect. This is because people are the ones who can come up with innovative ideas in the production industry and the use of a human resources accounting information system will help determine the value of human resources. One of the most important suggestions from the study is to take care of human resources. People are an asset not only for businesses and organizations but also for the state, and when their skills are improved, it helps the economy.

Massoud's 2004 The goal of this study was to analyze the nature and purposes of human resource accounting, as well as its motives and diverse techniques for analyzing the costs of human assets in Algeria. One of the primary conclusions was the importance of human resource accounting in developing a budget to obtain human resources, including the usual expenditures for recruiting, training, and selection. The study's primary recommendations were to measure and evaluate the efficiency and effectiveness of using human resources by providing information on the cost and value of human resources in the organization and to measure and evaluate the efficiency and effectiveness of using human resources by providing information on the cost and value of human resources in the organization.

3.2. Methodology

In this section, we will talk about research models and hypotheses, populations and samples, methods of data collection, measurements, and analysis approaches in that order. The purpose of this study is to provide evidence that shows how important human resource accounting is for the operations, responsibilities, and growth of oil companies in northern Iraq. The quantitative survey technique "questionnaire" will be used to describe and assess the study population and the research sample since it is implemented without the researcher's involvement in the study process, and the researcher's function is restricted to description and analysis. Furthermore, research factors The research instrument will be described, along with how to acquire the information and statistical analyses.

3.2.1. Population and Sample

The research population will consist of managers, officers, engineers and technicians at North Oil Company in Iraq. The population of the study is unknown, since the enterprise does not give the exact number of its employees. The survey form was sent to the 200 employees. The survey form created in Google Forms was sent to all employees. 168 of 200 employees completed the questionnaire. The study sample was 168. All participants completed the survey anonymously and voluntarily.

3.2.2. Data Collection Method

The questionnaire approach was used to collect data for the scale due to its advantages and low cost, making it easier for the researcher to interact with a large number of respondents in an abbreviated time.

The questionnaire form had two parts. The first section contains demographic data on the respondents. The second part of the questionnaire was composed of 4 parts by taking the literature review and expert opinions. In the second part regarding (I) the influence of human resource accounting on the company's financial condition, (II) the company's perception of its workers, (III) the repercussions of not implementing the HRA, and (IV) the importance of human resource accounting. All assertions are rated on a 5-point Likert scale (5 = highly agree, 4 = agree, 3 = neither agree nor disagree, 2

= disagree, 1 = severely disagree). This scale uses scientifically accepted ways to evaluate the "situation."

The second part of the questionnaire form was created using the studies of Ailemen et al. (2016), Ijeoma and Aronu (2013), Gupta and Kavitha (2019), and Sharma (2020). The questions were adapted from the mentioned studies.

3.3. Results

The results are presented in the following sections:

3.3.1. Demographic Statistics

One hundred sixty-eight employees working at North Oil Company in Iraq participated in the survey. In the questionnaire form, participants were asked to provide demographic information about their sex, age, education level, job experience, and positions. The results regarding demographic information are given separately in the following.

(A) Gender

Table 1. Demographic Statistics for Gender

		Gender					
		Male		Female		Total	
		Count	%	Count	%	Count	%
Age	21 – 30	29	24,2	14	29,2	43	25,6
	31 – 40	47	39,2	16	33,3	63	37,5
	41 – 50	22	18,3	8	16,7	30	17,9
	Over 50	22	18,3	10	20,8	32	19,0%
Education	Under-Graduate	93	77,5	36	75,0	129	76,8
	Master's Degree	22	18,3	12	25,0	34	20,2
	Post-graduate	5	4,2	0	0,0	5	3,0
Job Position	Manager	8	6,7	3	6,3	11	6,5
	Officer	49	40,8	27	56,3	76	45,2
	Engineer – Technician	38	31,7	16	33,3	54	32,1
	Worker	25	20,8	2	4,2	27	16,1
Job Experience	Less than 5	28	23,3	16	33,3	44	26,2
	5 – 10	48	40,0	14	29,2	62	36,9
	11 – 20	26	21,7	11	22,9	37	22,0
	Over 20	18	15,0	7	14,6	25	14,9
	Total	120	100	48	100	168	100

According to Table 1, the total number of male participants in the survey was 120, while the total number of female participants in the survey was (48); additionally, the percentage of men who participated reached (71), while the percentage of women who participated reached (29). According to the results of this study, a higher number of men anticipated. The impact of human resources on the present and future financial health of a corporation.

(B) Age

Table 2. Demographic Statistics for Age

		Age									
		21 - 30		31 - 40		41 - 50		Over 50		Total	
		Count	%	Count	%	Count	%	Count	%	Count	%
Education	Under-Graduate	41	95,3	49	77,8	17	56,7	22	68,8	129	76,8
	Master's Degree	2	4,7	13	20,6	11	36,7	8	25,0	34	20,2
	Post-graduate	0	0,0	1	1,6	2	6,7	2	6,3	5	3,0
Job	Less than 5	32	74,4	10	15,9	1	3,3	1	3,1	44	26,2
	5 - 10	10	23,3	49	77,8	3	10,0	0	0,0	62	36,9
	11 - 20	0	0,0	4	6,3	23	76,7	10	31,3	37	22,0
	Over 20	1	2,3	0	0,0	3	10,0	21	65,6	25	14,9
Job Position	Manager	1	2,3	1	1,6	7	23,3	2	6,3	11	6,5
	Officer	25	58,1	28	44,4	13	43,3	10	31,3	76	45,2
	Engineer - Technician	9	20,9	23	36,5	8	26,7	14	43,8	54	32,1
	Worker	8	18,6	11	17,5	2	6,7	6	18,8	27	16,1
Total		43	100	63	100	30	100	32	100	168	100

According to Table 2, there were a total of 43 samples that participated in the questionnaire between the participation ages of 21 and 30, and the rate was 26%. In comparison, the participation samples in the age groups ranging from 31 to 40 years amounted to 63 samples (37%), while the samples of participation in the age groups ranging from 41 to 50 years amounted to 30 samples (18%). Individuals whose ages ranged from (50 and older) to years were represented by 32 samples with a percentage of 19%.

(C) Education

Table 3. Demographic Statistics for Education

		Education					
		Under-Graduate		Master's Degree		Post-graduate	
		Count	%	Count	%	Count	%
Job Experience	Less than 5	43	33,3	1	2,9	0	0,0
	5 – 10	48	37,2	14	41,2	0	0,0
	11 – 20	20	15,5	14	41,2	3	60,0
	Over 20	18	14,0	5	14,7	2	40,0
Job Position	Manager	8	6,2	3	8,8	0	0,0
	Officer	59	45,7	17	50,0	0	0,0
	Engineer – Technician	37	28,7	13	38,2	4	80,0
	Worker	25	19,4	1	2,9	1	20,0
	Total	129	100	34	100	5	100

The respondents to the survey were classified into one of three groups based on the amount of schooling they had completed. There is post-graduate study, bachelor's degree study, and undergraduate study to choose from. According to Table 3, 129 participants had a Bachelor's Degree, 34 participants possessed a Master's Degree, and 5 participants possessed a post-graduate degree level.

(D) Job Experience

Table 4. Demographic Statistics for Job Experience

		Job Experience							
		Less than 5		5 - 10		11 - 20		Over 20	
		Count	%	Count	%	Count	%	Count	%
Job Position	Manager	0	0,0	1	1,6	8	21,6	2	8,0
	Officer	27	61,4	28	45,2	14	37,8	7	28,0
	Engineer - Technician	8	18,2	24	38,7	12	32,4	10	40,0
	Worker	9	20,5	9	14,5	3	8,1	6	24,0
Total	44	100	62	100	37	100	25	100	

We found that the amount of experience increased the percentage of individuals who were aware of human resource accounting. This was demonstrated by the fact that the questionnaire access rate reached 44 for a sample of individuals who had experience ranging from one to five years at a rate of 26%. There were 62 individuals with

involvement ranging from levels 5-10, and the participation percentage was 37%. At a rate of twenty-two percent, 37 samples were taken from people whose levels of professional experience ranged between eleven and twenty years. The final group of participants with experience spanned more than 20 years, and there were a total of 25 samples that participated in the questionnaire. The participation rate was 15%. The number of samples that participated was 25.

(E) Job Position

Table 5. Demographic Statistics for Job Position

	Count	%
Job Position		
Manager	11	6,5
Officer	76	45,2
Engineer – Technician	54	32,1
Worker	27	16,1
Total	168	100,0%

The survey respondents were classified into 4 groups because of their job position. The groups are managers, employees, technical engineers, and workers. According to Table No. (5), (11) participants were department managers, (76) participants were officers, (54) participants were technical engineers, and (27) participants were workers.

3.3.1. Employee perceptions of Human Resources Accounting Practice

Under this heading, employees' perceptions of the effects of HRA practices were examined in four groups. The descriptive statistics were calculated separately for each group. Furthermore, it was examined whether the perception of employees differed according to demographic variables.

3.3.1.1. HRA Effects on The Business’s Financial Position

Firstly, we examine employees’ perceptions of the effects of HRA practices on a business’s financial position. Five questions were used to measure the employees' perceptions about this issue. The descriptive statistics for these questions are presented in Table 6.

Table 6. Descriptive statistics for Q1 – Q5

		Count	%	Mean	Min.	Max.	SD	Skewness	Kurtosis
Q1	Strongly Disagree	0	0,0	4,75	2,00	5,00	,52	-2,525	8,236
	Disagree	2	1,2						
	Neutral	1	0,6						
	Agree	34	20,2						
	Strongly Agree	131	78,0						
Q2	Strongly Disagree	0	0,0	4,79	2,00	5,00	,51	-2,923	10,272
	Disagree	2	1,2						
	Neutral	2	1,2						
	Agree	26	15,5						
	Strongly Agree	138	82,1						
Q3	Strongly Disagree	0	0,0	4,75	2,00	5,00	,58	-2,776	8,679
	Disagree	3	1,8						
	Neutral	3	1,8						
	Agree	27	16,1						
	Strongly Agree	135	80,4						
Q4	Strongly Disagree	0	0,0	4,69	2,00	5,00	,59	-2,115	4,946
	Disagree	2	1,2						
	Neutral	5	3,0						
	Agree	36	21,4						
	Strongly Agree	125	74,4						
Q5	Strongly Disagree	0	0,0	4,72	2,00	5,00	,61	-2,673	8,063
	Disagree	4	2,4						
	Neutral	2	1,2						
	Agree	31	18,5						
	Strongly Agree	131	78,0						
Scale Statistics									
Cronbach's Alpha							0,800		
Mean							4,7393		
Skewness							-4,072		
Kurtosis							22,239		

We used sample tests to examine whether employee perceptions differed according to demographic variables. The mean value of questions Q1 - Q5 was taken to reveal the general perception of whether employees' HRA practices impact the enterprise's financial position. Reliability analysis for this scale showed that scale reliability, Cronbach's $\alpha = 0,800$.

A value of skewness and kurtosis between ± 1.0 is considered great for the majority of psychometric applications; however, a value between ± 2.0 is, in many circumstances, also acceptable, depending on the individual application (George & Mallery, 2012). The results show that the business's financial position variable is not normally distributed. So, the non-parametric tests should be used for sample analysis.

(A) Gender

Hypothesis 1: There is a difference between the mean value of the Business's Financial Position variable for the gender groups.

We used the Mann-Whitney U test, a nonparametric test for Hypothesis one. Table 7 shows the results of the Mann-Whitney U test for gender groups.

Table 7. Mann-Whitney U Test Results for Gender Groups

	Business Financial Position
Mann-Whitney U	2700,500
Wilcoxon W	9960,500
Z	-,664
Asymp. Sig. (2-tailed)	,507

Grouping Variable: Gender

The result makes it very evident that a comparison of the distributions is taking place, that the p-value is 0.507, and that the null hypothesis stating that the distributions are equal has been accepted. According to the results of the Mann-Whitney U Test, there is no statistically significant difference ($p = 0.507$) in the perspectives of men and females.

B) Age

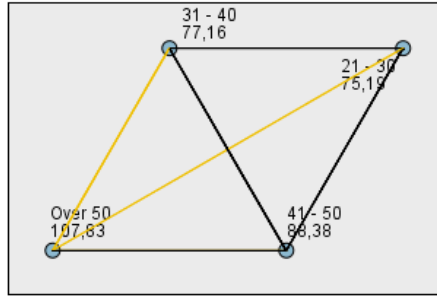
Hypothesis 2: There is a difference between the mean value of the Business's Financial Position variable for the age groups.

We used the Kruskal-Wallis H, a non-parametric test, for Hypothesis 2. Table 8 shows the results of the Kruskal-Wallis H test for gender groups.

Table 8. Kruskal-Wallis H test results for Age Groups

	Age	N	Mean Rank
Business Financial Position	21 - 30	43	75,19
	31 - 40	63	77,16
	41 - 50	30	88,38
	Over 50	32	107,83
	Total	168	
Chi-Square	11,727		
Sig.	,008		

The results of the Kruskal-Wallis H test indicate that there is a statistically significant difference ($p = 0.008$) between perceptions of age groups. We can see which groups have a significant difference from pairwise comparisons. The yellow arrows represent a significant difference in the pairwise comparison graph.



Each node shows the sample average rank of Age.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
21 - 30-31 - 40	-1,973	9,132	-,216	,829	1,000
21 - 30-41 - 50	-13,197	10,982	-1,202	,229	1,000
21 - 30-Over 50	-32,642	10,778	-3,029	,002	,015
31 - 40-41 - 50	-11,225	10,240	-1,096	,273	1,000
31 - 40-Over 50	-30,669	10,021	-3,060	,002	,013
41 - 50-Over 50	-19,445	11,732	-1,657	,097	,585

Figure 1. Pairwise Comparisons of Age

According to the pairwise comparison graph, there is a significant difference between the 21 -30 age group and the over 50 group. There is also a significant difference between the 31 -40 age group and the over 50 group. Employees over 50 believe that HRA practices will significantly impact the business's financial performance more than other employees.

(C) Education

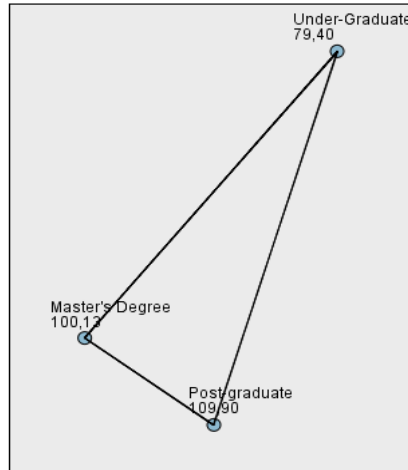
Hypothesis 3: There is a difference between the mean value of the Business's Financial Position variable for the education groups.

We used the Kruskal-Wallis H, a non-parametric test, for Hypothesis 3. Table 9 shows the results of the Kruskal-Wallis H test for gender groups.

Table 9. Kruskal-Wallis H test results for Education Groups

	Education	N	Mean Rank
Business Financial Position	Under- Graduate	129	79,40
	Master's Degree	34	100,13
	Post-graduate	5	109,90
	Total	168	
Chi-Square	6,989		
Sig.	,030		

The results of the Kruskal-Wallis H test indicate that there is a statistically significant difference ($p = 0.030$) between the perceptions of the education groups. We can see which groups have a significant difference from pairwise comparisons. Adjusted significant values are calculated with the Bonferroni correction method, an approach that is more cautious than others and has a higher chance of falling short in its attempt to reject a false null hypothesis. Although the significant value (0,03) of the Kruskal-Wallis H test is less than 0,05, all adjusted significant values are more than 0,05, as represented in the pairwise comparison graph. So, it can be said that employees with master's degrees believe that HRA practices will significantly impact the business's financial performance more than undergraduated employees with a %90 confidence level, not %95.



Each node shows the sample average rank of Education.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
Under-Graduate-Master's Degree	-20,737	8,900	-2,330	,020	,059
Under-Graduate-Post-graduate	-30,505	21,042	-1,450	,147	,441
Master's Degree-Post-graduate	-9,768	22,111	-.442	,659	1,000

Figure 2. Pairwise Comparisons of Education

(D) Job Experience

Hypothesis 4: There is a difference between the mean value of the Business's Financial Position variable for the job experience groups.

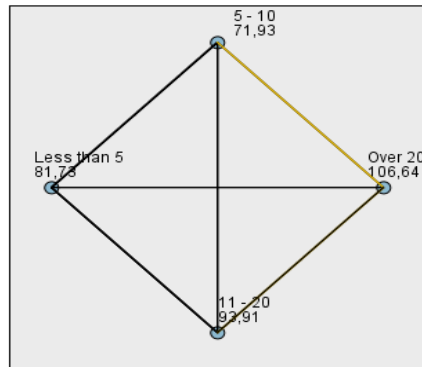
We used the Kruskal-Wallis H, a non-parametric test, for Hypothesis 4. Table 10 shows the results of the Kruskal-Wallis H test for job experience groups.

Table 10. Kruskal-Wallis H test results for Job Experience Groups

	Experience	N	Mean Rank
Business Financial Position	Less than 5	44	81,73
	5 - 10	62	71,93
	11 - 20	37	93,91
	Over 20	25	106,64
	Total	168	
Chi-Square	12,043		
Sig.	,007		

The results of the Kruskal-Wallis H test indicate that there is a statistically significant difference ($p = 0.007$) between the perceptions of the job experience groups. We can see which groups have a significant difference from pairwise comparisons. The yellow arrows represent a significant difference in the pairwise comparison graph. It

can be said that employees with 5-10 years of experience believe that HRA practices will significantly impact the business's financial performance more than those over 20 years of experience.



Each node shows the sample average rank of Job_Experience.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
5 - 10-Less than 5	9,800	9,100	1,077	,282	1,000
5 - 10-11 - 20	-21,978	9,590	-2,292	,022	,132
5 - 10-Over 20	-34,713	10,937	-3,174	,002	,009
Less than 5-11 - 20	-12,178	10,297	-1,183	,237	1,000
Less than 5-Over 20	-24,913	11,562	-2,155	,031	,187
11 - 20-Over 20	-12,735	11,952	-1,065	,287	1,000

Figure 3. Pairwise Comparisons of Jop Experience

(E) Job Position

Hypothesis 5: There is a difference between the mean value of the Business's Financial Position variable for the job position groups.

We used the Kruskal-Wallis H, a non-parametric test, for Hypothesis 5. Table 11 shows the results of the Kruskal-Wallis H test for job position groups.

Table 11. Kruskal-Wallis H-test results for Job Position Groups

	Position	N	Mean Rank
Business Financial Position	Manager	11	98,41
	Officer	76	87,93
	Engineer - Technician	54	87,27
	Worker	27	63,65
	Total	168	
Chi-Square	7,120		
Sig.	,068		

The Kruskal-Wallis H test results show no significant differences ($p = 0.068$) between the perceptions of the job position groups.

3.3.1.2. The Impact of HRA on the Company's View of Employees

We used sample tests to examine whether employee perceptions differed according to demographic variables. The mean value of Questions Q6 - Q10 was taken to reveal the general perception of The Company's view of Employees.

Table 12. Descriptive statistics for Q6 – Q10

		Count	%	Mean	Min.	Max.	SD	Skewness	Kurtosis	
Q6	Strongly Disagree	0	0,0	4,79	2,00	5,00	,55	-	11,326	
	Disagree	3	1,8							
	Neutral	2	1,2							
	Agree	23	13,7							
	Strongly Agree	140	83,3							
Q7	Strongly Disagree	0	0,0	4,69	2,00	5,00	,63	-	5,491	
	Disagree	3	1,8							
	Neutral	6	3,6							
	Agree	31	18,5							
	Strongly Agree	128	76,2							
Q8	Strongly Disagree	0	0,0	4,67	2,00	5,00	,58	-	6,073	
	Disagree	3	1,8							
	Neutral	1	0,6							
	Agree	44	26,2							
	Strongly Agree	120	71,4							
Q9	Strongly Disagree	0	0,0	4,68	2,00	5,00	,65	-	4,766	
	Disagree	3	1,8							
	Neutral	8	4,8							
	Agree	29	17,3							
	Strongly Agree	128	76,2							
Q10	Strongly Disagree	0	0,0	4,60	2,00	5,00	,69	-	3,555	
	Disagree	4	2,4							
	Neutral	7	4,2							
	Agree	42	25,0							
	Strongly Agree	115	68,5							
Scale Statistics										
Cronbach's Alpha									0,781	
Mean									4,6845	
Skewness									-3,222	
Kurtosis									14,701	

Reliability analysis for this scale showed that scale reliability, Cronbach's $\alpha = 0,781$. For most psychometric tests, skewness and kurtosis values between 1.0 are considered excellent, but a value between ± 2.0 is, in many cases, also acceptable,

depending on the particular application (George & Mallery, 2012). The results show that the business's financial position variable is not normally distributed. As a result, nonparametric tests should be used for sample analysis.

(A) Gender

Hypothesis 6: There is a difference between the mean value of the Company View of Employees variable for gender groups.

We use the Mann-Whitney U test, a nonparametric test for Hypothesis 6. Table 13 shows the results of the Mann-Whitney U test for gender groups.

Table 13. Mann-Whitney U Test Results for Gender Groups

	The Company's View of Employees
Mann-Whitney U	2270,500
Wilcoxon W	9530,500
Z	-2,227
Asymp. Sig. (2-tailed)	,260
Grouping Variable: Gender	

The conclusion that the distributions are being compared may be deduced from the fact that the p-value is 0.26 and the fact that the null hypothesis stating that the distributions are identical has been accepted. The results of a Mann-Whitney U test indicated that there was no statistically significant difference ($p = 0.26$) in the opinions of men and women.

(B) Age

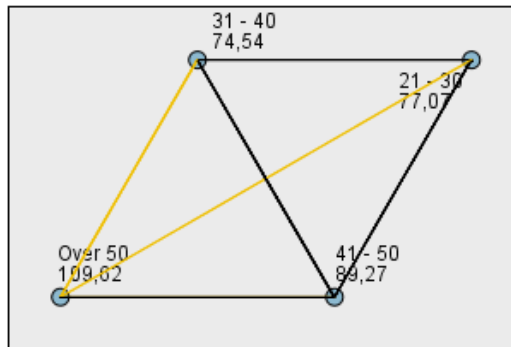
Hypothesis 7: There is a difference between the mean value of the Company View of Employees variable for age groups.

We used Kruskal-Wallis H, a nonparametric test, for Hypothesis 7. Table 14 shows the results of the Kruskal-Wallis H test for age groups.

Table 14. Kruskal-Wallis H test results for Age Groups

	Age	N	Mean Rank
Company's View of Employees	21 - 30	43	77,07
	31 - 40	63	74,54
	41 - 50	30	89,27
	Over 50	32	109,63
	Total	168	
Chi-Square	13,510		
Sig.	,004		

The findings of the Kruskal-Wallis H test demonstrate a significant difference ($p = 0.004$) in the perceptions of the age group. Pairwise comparisons allow us to discover which groups vary significantly. The yellow arrows in the pairwise comparison graph indicate a significant difference. It can be said that employees over 50 years of age believe that HRA practices will significantly impact the company's view of employees under 21 - 40-year age.



Each node shows the sample average rank of Age.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj. Sig.
31 - 40-21 - 30	2,530	9,244	,274	,784	1,000
31 - 40-41 - 50	-14,727	10,367	-1,421	,155	,933
31 - 40-Over 50	-35,085	10,145	-3,458	,001	,003
21 - 30-41 - 50	-12,197	11,117	-1,097	,273	1,000
21 - 30-Over 50	-32,555	10,910	-2,984	,003	,017
41 - 50-Over 50	-20,358	11,876	-1,714	,086	,519

Figure 4. Pairwise Comparisons of Age

(C) Education

Hypothesis 8: There is a disparity between the average value of the Company's View of Employees variable for the education groups.

We used Kruskal-Wallis H, a nonparametric test, for Hypothesis 8. Table 15 shows the results of the Kruskal-Wallis H test for gender groups.

Table 15. Kruskal-Wallis H test results for Education Groups

	Education	N	Mean Rank
Company's View of Employees	Under-Graduate	129	81,22
	Master's Degree	34	95,99
	Post-graduate	5	91,00
	Total	168	
Chi-Square	2,785		
Sig.	,248		

The findings of the Kruskal-Wallis H test do not show a significant difference ($p = 0.248$) between the views of the education groups.

(D) Job Experience

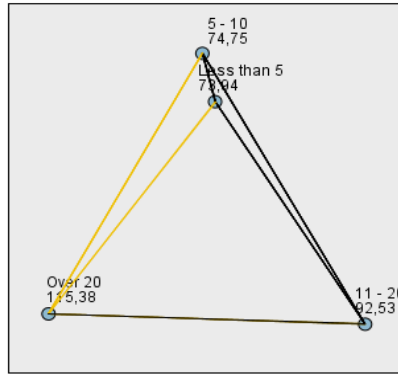
Hypothesis 9: There is a difference between the mean value of the Company View of Employees variable for the job experience groups.

We use Kruskal-Wallis H, a nonparametric test, for Hypothesis 9. Table 16 shows the results of the Kruskal-Wallis H test for the job experience groups.

Table 16. Kruskal-Wallis H test results for Job Experience Groups

	Experience	N	Mean Rank
Company's View of Employees	Less than 5	44	73,94
	5 - 10	62	74,75
	11 - 20	37	92,53
	Over 20	25	115,38
	Total	168	
Chi-Square	16,951		
Sig.	,001		

The results of the Kruskal-Wallis H test indicate that there is a statistically significant difference ($p = 0.001$) between the perceptions of the groups with work experience. We can see which groups have a significant difference from pairwise comparisons. The yellow arrows represent a significant difference in the pairwise comparison graph. It can be said that employees with more than 20 years of experience believe that HRA practices will significantly impact the company's view of employees with more than ten years of experience.



Each node shows the sample average rank of Job_Experience.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
Less than 5 - 5 - 10	-.807	9,212	-.088	,930	1,000
Less than 5 - 11 - 20	-18,584	10,424	-1,783	,075	,448
Less than 5 - Over 20	-41,437	11,704	-3,540	,000	,002
5 - 10 - 11 - 20	-17,777	9,708	-1,831	,067	,403
5 - 10 - Over 20	-40,630	11,072	-3,670	,000	,001
11 - 20 - Over 20	-22,853	12,099	-1,889	,059	,353

Figure 5. Pairwise Comparisons of Jop Experience

(E) Job Position

Hypothesis 10: There is a disparity between the average value of the Company's View of Employees variable for the job position groups.

We use Kruskal-Wallis H, a nonparametric test, for Hypothesis 10. Table 17 shows the results of the Kruskal-Wallis H test for the job positions.

Table 17. Kruskal-Wallis H-test results for Job Position Groups

	Position	N	Mean Rank
Company's View of Employees	Manager	11	101,36
	Officer	76	87,61
	Engineer - Technician	54	85,28
	Worker	27	67,33
	Total	168	
Chi-Square	5,426		
Sig.	,143		

The Kruskal-Wallis H test findings demonstrate no significant differences ($p = 0.143$) between the views of the job position groups.

3.3.1.3. The Downsides That Could Arise If the HRA Was Not Implemented

We used sample tests to examine whether employee perceptions differed according to demographic variables. The mean value of the Q11 - Q15 was taken to reveal the general perception of whether HRA practices impact the enterprise's financial position of the enterprise.

Table 18. Descriptive statistics for Q11 – Q15

		Count	%	Mean	Min.	Max.	SD	Skewness	Kurtosis
Q11	Strongly Disagree	0	0,0	4,74	2,00	5,00	,61	-2,805	8,501
	Disagree	4	2,4						
	Neutral	3	1,8						
	Agree	26	15,5						
	Strongly Agree	135	80,4						
Q12	Strongly Disagree	0	0,0	4,70	2,00	5,00	,64	-2,471	6,552
	Disagree	4	2,4						
	Neutral	4	2,4						
	Agree	31	18,5						
	Strongly Agree	129	76,8						
Q13	Strongly Disagree	0	0,0	4,74	2,00	5,00	,60	-2,822	8,874
	Disagree	4	2,4						
	Neutral	2	1,2						
	Agree	28	16,7						
	Strongly Agree	134	79,8						
Q14	Strongly Disagree	0	0,0	4,74	2,00	5,00	,58	-2,669	8,084
	Disagree	3	1,8						
	Neutral	3	1,8						
	Agree	29	17,3						
	Strongly Agree	133	79,2						
Q15	Strongly Disagree	0	0,0	4,61	2,00	5,00	,68	-2,074	4,622
	Disagree	5	3,0						
	Neutral	4	2,4						
	Agree	42	25,0						
	Strongly Agree	117	69,6						
Scale Statistics									
Cronbach's Alpha						0,850			
Mean						4,704			
Skewness						-3,379			
Kurtosis						14,207			

Reliability analysis for this scale showed that scale reliability, Cronbach's $\alpha = 0,850$. A skewness and kurtosis value between ± 1.0 is notable for most psychometric applications, while a value between ± 2.0 is equally acceptable in many circumstances

(George & Mallery, 2012). The findings indicate that the variable financial position of the Company is not regularly distributed. Therefore, nonparametric tests must be used for sample analysis.

(A) Gender

Hypothesis 11: There is a difference between the mean value of the Downsides variable for the gender groups.

We used the Mann-Whitney U test, a nonparametric test for Hypothesis 11. Table 19 shows the results of the Mann-Whitney U test for the gender groups.

Table 19. Mann-Whitney U Test Results for Gender Groups

	The Downsides
Mann-Whitney U	2573,000
Wilcoxon W	9833,000
Z	-1,140
Asymp. Sig. (2-tailed)	,254

Grouping Variable: Gender

The result indicates that the distributions are being compared, the p-value is 0.254, and the null hypothesis of equal distributions has been accepted. In a Mann-Whitney U analysis, there was no significant difference between male and female views ($p = 0.254$).

(B) Age

Hypothesis 12: There is a difference between the mean value of the Downsides variable for the age groups.

We used Kruskal-Wallis H, a nonparametric test, for Hypothesis 12. Table 20 shows the results of the Kruskal-Wallis H test for the gender groups.

Table 20. Kruskal-Wallis H test results for Age Groups

	Age	N	Mean Rank
The Downsides	21 - 30	43	78,56
	31 - 40	63	78,71
	41 - 50	30	91,67
	Over 50	32	97,16
	Total	168	
Chi-Square	4,863		
Sig.	,182		

The results of the Kruskal-Wallis H test demonstrate no significant differences ($p = 0.182$) across age group perceptions.

(C) Education

Hypothesis 13: There is a difference between the mean value of The Downsides variable for the education groups.

We used Kruskal-Wallis H, a nonparametric test, for research Hypothesis 13. Table 21 shows the results of the Kruskal-Wallis H test for gender groups.

Table 21. Kruskal-Wallis H test results for Education Groups

	Education	N	Mean Rank
The Downsides	Under-Graduate	129	82,07
	Master's Degree	34	91,94
	Post-graduate	5	96,70
	Total	168	
Chi-Square	1,602		
Sig.	,449		

The findings of the Kruskal-Wallis H test demonstrate that there is no significant difference ($p = 0.449$) between the views of the education groups.

(D) Job Experience

Hypothesis 14: There is a difference between the mean value of the Downsides variable for the job experience groups.

We use Kruskal-Wallis H, a nonparametric test, for Hypothesis 14. Table 22 shows the results of the Kruskal-Wallis H test for the job experience groups.

Table 22. Kruskal-Wallis H test results for Job Experience Groups

	Experience	N	Mean Rank
The Downsides	Less than 5	44	77,60
	5 - 10	62	80,03
	11 - 20	37	91,00
	Over 20	25	98,10
	Total	168	
Chi-Square	4,497		
Sig.	,213		

The findings of the Kruskal-Wallis H test demonstrate that there is no significant difference ($p = 0.213$) between the views of the work experience groups.

(E) Job Position

Hypothesis 15: There is a difference between the mean value of the Downsides variable for the job-position groups.

We used Kruskal-Wallis H, a nonparametric test, for Hypothesis 15. Table 23 shows the results of the Kruskal-Wallis H test for the job positions.

Table 23. Kruskal-Wallis H-test results for Job Position Groups

	Position	N	Mean Rank
The Downsides	Manager	11	105,05
	Officer	76	81,97
	Engineer - Technician	54	89,92
	Worker	27	72,41
	Total	168	
Chi-Square	5,037		
Sig.	,167		

The findings of the Kruskal-Wallis H test do not show significant differences ($p = 0.167$) between the views of the positions of the jobs.

3.3.1.4. The Importance of Human Resources Accounting

We used sample tests to see if the views varied based on demographic data. The arithmetic mean of the responses to questions Q16 through Q23 was used to determine the general impression of the significance of human resources.

Table 24. Descriptive statistics for Q16 – Q23

		Count	%	Mean	Min.	Max.	SD	Skewness	Kurtosis
Q16	Strongly Disagree	0	0,0	4,75	2,00	5,00	,62	-2,888	8,699
	Disagree	4	2,4						
	Neutral	4	2,4						
	Agree	22	13,1						
	Strongly Agree	138	82,1						
Q17	Strongly Disagree	0	0,0	4,77	2,00	5,00	,62	-3,083	9,536
	Disagree	4	2,4						
	Neutral	5	3,0						
	Agree	16	9,5						
	Strongly Agree	143	85,1						
Q18	Strongly Disagree	0	0,0	4,75	2,00	5,00	,60	-2,928	9,477
	Disagree	4	2,4						
	Neutral	2	1,2						
	Agree	26	15,5						
	Strongly Agree	136	81,0						
Q19	Strongly Disagree	0	0,0	4,79	2,00	5,00	,52	-3,001	10,342
	Disagree	2	1,2						
	Neutral	3	1,8						
	Agree	23	13,7						
	Strongly Agree	140	83,3						
Q20	Strongly Disagree	0	0,0	4,74	2,00	5,00	,61	-2,805	8,501
	Disagree	4	2,4						
	Neutral	3	1,8						
	Agree	26	15,5						
	Strongly Agree	135	80,4						
Q21	Strongly Disagree	0	0,0	4,78	2,00	5,00	,58	-3,223	11,246
	Disagree	4	2,4						
	Neutral	2	1,2						
	Agree	21	12,5						
	Strongly Agree	141	83,9						
Q22	Strongly Disagree	0	0,0	4,73	2,00	5,00	,63	-2,721	7,575
	Disagree	4	2,4						
	Neutral	5	3,0						
	Agree	23	13,7						
	Strongly Agree	136	81,0						
Q23	Strongly Disagree	0	0,0	4,69	2,00	5,00	,64	-2,430	6,357
	Disagree	4	2,4						
	Neutral	4	2,4						
	Agree	32	19,0						
	Strongly Agree	128	76,2						
Scale Statistics									
Cronbach's Alpha						0,914			
Mean						4,750			
Skewness						-4,019			
Kurtosis						18,073			

Reliability analysis for this scale showed that scale reliability, Cronbach's $\alpha = 0,914$. A skewness and kurtosis value between ± 1.0 is considered remarkable for the majority of psychometric applications; however, a value between ± 2.0 is also

acceptable in many circumstances, depending on the specific application (George & Mallery, 2012). According to the findings, the company's financial position variable does not follow a normal distribution. Therefore, the sample analysis should be conducted using nonparametric tests.

(A) Gender

Hypothesis 16: There is a disparity in the mean values of the gender groups for the HRA variable, known as The Importance of the HRA Variable.

We used the Mann-Whitney U test, a nonparametric test for Hypothesis 16. Table 25 shows the results of the Mann-Whitney U test for gender groups.

Table 25. Mann-Whitney U Test Results for Gender Groups

	The Downsides
Mann-Whitney U	2803,000
Wilcoxon W	3979,000
Z	-,281
Asymp. Sig. (2-tailed)	,778

Grouping Variable: Gender

The result makes it very evident that a comparison of the distributions is taking place, that the p-value is 0.778, and that the null hypothesis stating that the distributions are equal has been accepted. A test using the Mann-Whitney U scale There were no statistically significant differences ($p = 0.778$) between the perspectives of men and women in this study.

(B) Age

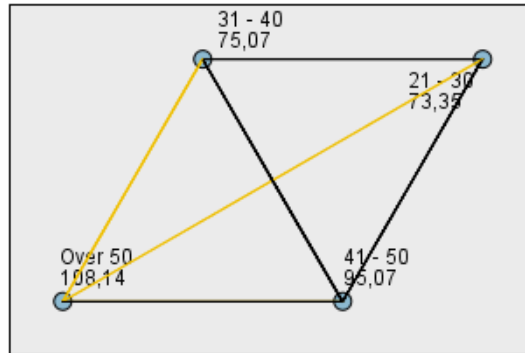
Hypothesis 17: There is a difference between the mean value of The Importance of the HRA variable for the age groups.

We used Kruskal-Wallis H, a nonparametric test, for Hypothesis 17. Table 26 shows the results of the Kruskal-Wallis H test for gender groups.

Table 26. Kruskal-Wallis H test results for Age Groups

	Age	N	Mean Rank
The Importance of HRA	21 - 30	43	73,35
	31 - 40	63	75,07
	41 - 50	30	95,07
	Over 50	32	108,14
	Total	168	
Chi-Square	14,742		
Sig.	,002		

The findings of the Kruskal-Wallis H test demonstrate a significant difference ($p = 0.002$) in the perceptions of the age group. Pairwise comparisons allow us to discover which groups vary significantly. The yellow arrows in the pairwise comparison graph indicate a significant difference. It can be said that employees over 50 years of age believe that HRA practices are more important than over 21 - 40 years of age.



Each node shows the sample average rank of Age.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
21 - 30-31 - 40	-1,723	9,242	-,186	,852	1,000
21 - 30-41 - 50	-21,718	11,115	-1,954	,051	,304
21 - 30-Over 50	-34,792	10,908	-3,190	,001	,009
31 - 40-41 - 50	-19,995	10,364	-1,929	,054	,322
31 - 40-Over 50	-33,069	10,142	-3,260	,001	,007
41 - 50-Over 50	-13,074	11,874	-1,101	,271	1,000

Figure 6. Pairwise Comparisons of Age

(C) Education

Hypothesis 18: There is a difference between the mean value of the Importance of the HRA variable for the education groups.

We used the Kruskal-Wallis H, a non-parametric test, for Hypothesis 18. Table 27 shows the results of the Kruskal-Wallis H test for education groups.

Table 27. Kruskal-Wallis H test results for Education Groups

	Education	N	Mean Rank
The Importance of HRA	Under-Graduate	129	82,27
	Master's Degree	34	90,56
	Post-graduate	5	100,90
	Total	168	
Chi-Square	1,482		
Sig.	,477		

The results of the Kruskal-Wallis H test demonstrate that there are no significant differences ($p = 0.477$) across education groups.

(D) Job Experience

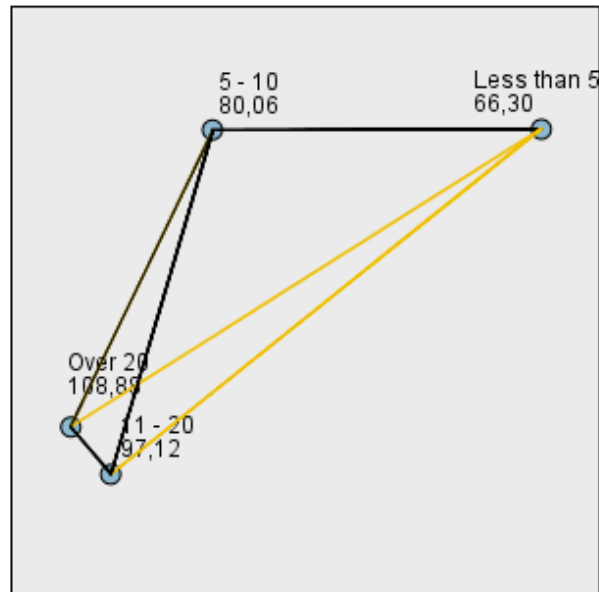
Hypothesis 19: There is a difference between the mean value of The Importance of the HRA variable for the job experience groups.

We used Kruskal-Wallis H, a nonparametric test, for Hypothesis 19. Table 28 shows the results of the Kruskal-Wallis H test for the group of job experience.

Table 28. Kruskal-Wallis H test results for Job Experience Groups

	Experience	N	Mean Rank
The Importance of HRA	Less than 5	44	66,30
	5 - 10	62	80,06
	11 - 20	37	97,12
	Over 20	25	108,88
	Total	168	
Chi-Square	16,748		
Sig.	,001		

The findings of the Kruskal-Wallis H test demonstrate a significant difference ($p = 0.001$) between the views of the work experience groups. Pairwise comparisons allow us to discover which groups vary significantly. The yellow arrows in the pairwise comparison graph indicate a significant difference. It can be said that employees with more than 20 years of experience believe that HRA practices are more important than those under 11-year experience.



Each node shows the sample average rank of Job_Experience.

Sample1-Sample2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj.Sig.
Less than 5-5 - 10	-13,761	9,210	-1,494	,135	,811
Less than 5-11 - 20	-30,826	10,422	-2,958	,003	,019
Less than 5-Over 20	-42,585	11,702	-3,639	,000	,002
5 - 10-11 - 20	-17,065	9,706	-1,758	,079	,472
5 - 10-Over 20	-28,824	11,069	-2,604	,009	,055
11 - 20-Over 20	-11,758	12,096	-,972	,331	1,000

Figure 7. Pairwise Comparisons of Jop Experience

(E) Job Position

Hypothesis 20: There is a difference between the mean value of The Importance of the HRA variable for the job position groups.

We used Kruskal-Wallis H, a nonparametric test, for Hypothesis 20. Table 29 shows the results of the Kruskal-Wallis H test for job position groups.

Table 29. Kruskal-Wallis H-test results for Job Position Groups

	Position	N	Mean Rank
The Importance of HRA	Manager	11	113,59
	Officer	76	82,18
	Engineer - Technician	54	84,89
	Worker	27	78,41
	Total	168	
Chi-Square	4,915		
Sig.	,178		

The Kruskal-Wallis H test findings demonstrate no significant differences ($p = 0.178$) between the views of the job position groups.

3.2.2. Hypothesis Analysis Results

Table 30 shows the results of all the hypotheses of the investigation.

Table 30. Results of the Hypothesis Analysis

No	Hypothesis	Result
1	There is a difference between the mean value of the Business's Financial Position variable for the gender groups.	Not Supported
2	There is a difference between the mean value of the Business's Financial Position variable for the age groups.	Supported
3	There is a difference between the mean value of the Business's Financial Position variable for the education groups.	Supported
4	There is a difference between the mean value of the Business's Financial Position variable for the job experience groups.	Supported
5	There is a difference between the mean value of the Business's Financial Position variable for the job position groups.	Not Supported
6	There is a difference between the mean value of the Company View of Employees variable for gender groups.	Not Supported
7	There is a difference between the mean value of the Company View of Employees variable for age groups.	Supported
8	There is a difference between the mean value of the Company View of Employees variable for education groups.	Not Supported
9	There is a difference between the mean value of the Company View of Employees variable for the job experience groups.	Supported

10	There is a difference between the mean value of the Company View of Employees variable for the job position groups.	Not Supported
11	There is a difference between the mean value of the Downsides variable for the gender groups.	Not Supported
12	There is a difference between the mean value of the Downsides variable for the age groups.	Not Supported
13	There is a difference between the mean value of The Downsides variable for the education groups.	Not Supported
14	There is a difference between the mean value of the Downsides variable for the job experience groups.	Not Supported
15	There is a difference between the mean value of the Downsides variable for the job-position groups.	Not Supported
16	There is a difference between the mean value of The Importance of the HRA variable for the gender groups.	Not Supported
17	There is a difference between the mean value of The Importance of the HRA variable for the age groups.	Supported
18	There is a difference between the mean value of the Importance of the HRA variable for the education groups.	Not Supported
19	There is a difference between the mean value of The Importance of the HRA variable for the job experience groups.	Supported
20	There is a difference between the mean value of The Importance of the HRA variable for the job position groups.	Not Supported

In conclusion, the results of our study suggest that there are differences in perceptions of the impact of HRA practices on the business's financial position and the company's view of employees based on certain demographic factors such as age, education, and job experience. Specifically, employees over 50 and those with master's degrees had higher perceptions of the impact of HRA practices on the business's financial position, while employees over 50 had lower perceptions of the impact on the company's view of employees. In addition, employees with 5-10 years of experience had higher perceptions of the impact on the business's financial position, and employees with over 20 years of experience had higher perceptions of the impact on the company's view of employees. However, there were no significant differences in perceptions based on sex, job position, or downsides of HRA practices.

CONCLUSION

According to the results, there are some differences in perceptions of the impact of HRA practices on the business's financial position and the company's view of employees based on certain demographic factors such as age, education, and job experience. However, there were no significant differences in perceptions based on sex, job position, or downsides of HRA practices.

For the Business's Financial Position variable, there was no significant difference in perceptions between males and females, but there were significant differences between age groups. Specifically, employees over 50 had higher perceptions of the impact of HRA practices on the business's financial position compared to the 21-30 and 31-40 age groups. There was also a significant difference between education groups, with employees with master's degrees having higher perceptions of the impact of HRA practices compared to undergraduated employees. Furthermore, there was a significant difference in perceptions between job experience groups, with employees with 5-10 years of experience having higher perceptions of the impact of HRA practices compared to those with over 20 years of experience.

For the Company's View of Employees variable, there was no significant difference in perceptions between males and females, but there was a significant difference between age groups. Specifically, employees over 50 had lower perceptions of the impact of HRA practices on the company's view of employees compared to the 21-40 age groups. There was no significant difference in perceptions between the education or job experience groups.

There were no significant differences in perceptions between any demographic group for the Downsides variable.

It is difficult to speculate on the reasons for these results without more information on the specific HRA practices being studied and the characteristics of the participants in the study. However, some potential explanations for the observed differences in perceptions based on age, education, and job experience could include the following:

Age: It is possible that employees in different age groups may have different levels of experience and knowledge about the business and its operations, which

could influence their perceptions of the impact of HRA practices on the business's financial position and the company's view of employees. Older employees may have more experience and, therefore, may have a deeper understanding of the potential impacts of HRA practices on the business. In addition, the business's financial position may be of more significant concern to employees as they approach retirement age.

Education: Higher levels of education may be associated with higher levels of critical thinking and analytical skills, which could contribute to differences in perceptions of the impact of HRA practices. Employees with advanced degrees may be more likely to consider the potential long-term effects of HRA practices on the business, while those with less education may focus more on immediate practical considerations.

Job experience: Employees with more work experience may have a greater understanding of the inner workings of the business and how different practices can impact its performance. This could lead to differences in perceptions of the impact of HRA practices on the business's financial position. Additionally, employees with 5-10 years of experience may be at a stage in their careers where they are more focused on professional development and advancement, which could influence their perceptions of the impact of HRA practices on the business.

It is also worth noting that the lack of significant differences in perceptions based on gender, job position, or downsides of HRA practices could be due to a variety of factors, including the sample size of the study, the specific HRA practices being studied, and the characteristics of the participants. More research is needed to explore these potential explanations in more detail.

Overall, these results suggest that certain age groups and educational levels may have different perceptions of the impact of HRA practices on the business's financial position and the company's view of employees. Further research is needed to confirm these findings and explore the potential underlying reasons for these perception differences.

This research is similar to previous studies in emphasizing the relevance of human resource accounting and the advantages that can be obtained from its use. However, although this research believes that human resource accounting is primarily

useful for managers and workers, as well as a future promise for Iraqi companies, the present study focuses on employee benefits. Human resources accounting is important to managers and workers. In terms of objectives and methodology, the current study is similar to previous studies in that it aims to highlight the importance of implementing human resource accounting in Iraqi companies and employs a questionnaire to assess the level of understanding of the concept of human resource accounting. In addition to the questionnaire sample's views on the significance and advantages of its use,

One of the study's most significant ideas is an interest in human resource accounting, which indicates that people are a source of strength not only for corporations and organizations but also for the state, and improving their abilities helps the economy expand continually.

Although the present research differs from previous studies in terms of aims, technique, and breadth of application, it also fits within the context of Iraqi firms in northern Iraq. The significance of human resource accounting in the business discussed each problem independently, as well as how human resources accounting influences investors' impressions and the company's future prospects.

REFERENCES

- Ailemen, I. O., Taiwo, J. N., Wumi, O., & Liafeez, K. B. (2016). Does human capital accounting impact on performance of microfinance banks (Mfb)? Evidence from Ogun State. *Journal of Accounting and Auditing Research & Practice*, 2016, 95-111.
- Al-Hiti, K. (2003). *Human resources management: A Strategic Introduction*. (1st ed.). *Wael Publishing House. Amman, Jordan*.
- Al-Ghabban, T. S., *Human resources accounting*, Master Thesis, University Baghdad, 1986
- Al-Jaidi, S. A. (2007). The role and importance of accounting measurement for human resources, a new approach to measuring the value of services for a human resource, *Baghdad Journal of University Economic Sciences*, No. 18: 97:122
- Amadeo, K. (2022). Human capital definition and examples. retrieved from <https://www.thebalance.com/human-capital-definition-examples-impact-4173516>
- Avazzadehfath, F., & Raiashekar, H. (2011). Decision-making based on human resource accounting information and its evaluation method. *Asian Journal of Finance & Accounting*, 3(1), E14.
- Azhar, S., & Batool, S. M. (2004). Education and the HR challenge. *Human Resource Development Network*, 3-5.
- Becker, G. S. (2009). *Human capital: A theoretical and empirical analysis, with special reference to education*. University of Chicago press.
- Becker, G. S. (2008). The concise encyclopedia of economics: Human Capital. *The Library of Economics and Liberty. Liberty Fund, Inc*.
- Becker, G. S. (1993). *Human capital: A Theoretical and empirical analysis with special reference to education* (3rd ed.). Chicago: University of Chicago Press.
- CFO Selections Team. (2021). The convergence of accounting and HR. Retrieved from <https://www.cfoselections.com/perspective/the-convergence-of-accounting-and-hr>.
- Coppel, J. (2006). Human resource development policy. *Policy Framework for Investment: A Review of Good Practices*, 183-203.

- Das Gupta, A., & Kavitha, C. (2019). A study on human resource accounting (Hra) a new paradigm in the field of accounting by considering human resource as an assets of an organization, *International Journal in Management and Social Science*, 7(6): 70-75.
- Davenport, T. H., & Prusak, L. (1998). *Working Knowledge Harvard Business School Press Cambridge*.
- Dumont, J.-C. and G. Lemaitre (2005). Counting immigrants and expatriates in OECD countries: a New Perspective, *OECD Social, Employment and Migration Working Papers, No. 25*.
- Flamholtz, E. G., Bullen, M. L., & Hua, W. (2002). Human resource accounting: a historical perspective and future implications. *Management decision*, 40(10), 947-954.
- Flamholtz, E. (1999). Human resource accounting: Advances in concepts, methods, and applications. Springer Science & Business Media.
- Gervasi, S., & King, S. (2016). The intersection of HR and accounting. *Strategic Finance*, 97(12), 46-54.
- Hamada, R. (2002). "Accounting measurement and disclosure of human resources and its impact on the financial statements (An Applied study on faculty members at damascus university)"
- Harbison, F. H. (1973). *Human Resources as the Wealth of Nations*. New York : Oxford University Press.
- Heathfield, S. M. (2021). What is a human resource. Retrieved from <https://www.thebalancecareers.com/what-is-a-human-resource-1918144>
- Huui, L. M. (2008). Awareness and recording of human resource value in the financial statements of malaysian organizations. *UniTAR e-Journal*, 4(2), 1-10.
- Ijeoma, N., & Aronu, C. O. (2013). Effect of human resource accounting (HRA) on financial statement of Nigerian banks. *International Journal of Advancements in Research & Technology*, 2(8), 342.
- Jaber, A. F. (2007). Design of human resources accounting information system in economic units, *Journal of the Arab Open Academy, Denmark*, No. 2
- Johanson, U., Skoog, M., Backlund, A., & Almqvist, R. (2006). Balancing dilemmas of the balanced scorecard. *Accounting, Auditing & Accountability Journal*, 19(6), 842–857.
- Kenton, W. (2022). Human resources (HR) meaning and responsibilities. Retrieved from <https://www.investopedia.com/terms/h/humanresources.asp>

- Keegan, A., & Francis, H. (2010). Practitioner talk: the changing textscape of HRM and emergence of HR business partnership. *The International Journal of Human Resource Management*, 21(6), 873-898.
- Kucharčíková, A. (2011). Human capital—definitions and approaches. *Human Resources Management & Ergonomics*, 5(2), 60-70.
- Ijeoma, N., & Aronu, C. O. (2013). Effect of human resource accounting (HRA) on financial statement of Nigerian banks. *International Journal of Advancements in Research & Technology*, 2(8), 342.
- Marimuthu, M., Arokiasamy, L., Ismail, M. (2009). Human Capital Development and Its Impact on Firm Performance: Evidence from Developmental Economics. *The Journal of International Social Research*, 2(8), 265-272.
- Marshall, G. (1998). Human-capital theory. *A dictionary of sociology*, 20-30.
- Massoud, Nawal Amara, 2004, Human resources accounting, Master Thesis - unpublished, International forum on human development and assumptions of integration into the economy, knowledge and human competencies, Faculty of Law and Economic Sciences, University of Ouargla, Algeria
- Mia, A., Deeb, S. S., Hamda, S., & Abdullah, A. (2011). Management Information Systems. *Tishreen University, Faculty of Economics*, p. 14.
- Milkovich, G. T., & Boudreau, J. W. (1988). *Personnel/human resource management: A diagnostic approach*. Business Publications, Incorporated.
- Murtuza, T. (2022). HR Costs and Strategic Ways to Reduce Them <https://carbonateapp.com/blogs/hr-costs-and-strategic-ways-to-reduce-them/>
- Odeh, A. (2013). The reality of human resource information systems and their role in the effectiveness of administrative work in non-governmental organizations in Al-Qataa, Gaza, Master Thesis, The Islamic University - Gaza
- Okojie, C.E.E. (1995). Human capital formation for productivity growth in nigeria. In *The Nigerian Economic and Financial Review*, 1(1), June. Retrieved from *University of Benin as cited in Yesufu, T.M. (2000). The Human Factor in National Development: Nigeria. Ibadan: Spectrum Books Ltd.*
- Parameswaran, R., & Jothi, K. (2005). Human resources accounting: *The Chartered Accountant*, 867-874.
- Raghav, R. (2011). Human resources and accounting. Retrieved from <http://en.allexperts.com/q/HumanResources-2866/2011/2/HUman-resources>.
- Salem, F. (2008). The extent of the importance of accounting and disclosure about the cost of human resources and its impact on financial decision-making. *Master's*

thesis, Faculty of Commerce of the Islamic University, Gaza, 23.

- Sands, L. (2021). Why is human resources important. Retrieved from <https://www.breathehr.com/en-gb/blog/topic/business-process/why-is-human-resources-important>.
- Schneider, B. (1987). The people make the place. *Personnel psychology*, 40(3), 437-453.
- Schultz, T. W. (1979). Investment in entrepreneurship and agricultural research, *Kaldor Memorial Lecture, Iowa State University*.
- Schultz, T. W. (1982). *Investing in people: The economics of population quality*. Univ of California Press.
- Sharma, A. (2020). A Structural equation modelling & artificial neural network approach to examine the impact of human resources accounting on firm's performance. *Pac Bus Rev Int*, 12(9), 1-12.
- Singh, M. (2009). Human resource accounting challenge for accountant. *International Research Journal*, 2(5), 440-442.
- Titrawi, Y. (2017). The importance of the basic functions of human resource management in improving the performance of employees within the sports institution: An applied study of the Directorate of Youth and Sports of the State of M'sila. *Master's thesis, p. 04*.
- Ya-hu, XU. (2007). Study on Human Resources Cost Accounting based on standards and general rules, *Journal of Modern Accounting and Auditing*, Vol.3, No.11, USA,

LIST OF TABLES

Table 1. Demographic Statistics for Gender	47
Table 2. Demographic Statistics for Age	48
Table 3. Demographic Statistics for Education.....	49
Table 4. Demographic Statistics for Job Experience	49
Table 5. Demographic Statistics for Job Position	50
Table 6. Descriptive statistics for Q1 – Q5	51
Table 7. Mann-Whitney U Test Results for Gender Groups	52
Table 8. Kruskal-Wallis H test results for Age Groups	52
Table 9. Kruskal-Wallis H test results for Education Groups.....	54
Table 10. Kruskal-Wallis H test results for Job Experience Groups	55
Table 11. Kruskal-Wallis H-test results for Job Position Groups	56
Table 12. Descriptive statistics for Q6 – Q10	57
Table 13. Mann-Whitney U Test Results for Gender Groups	58
Table 14. Kruskal-Wallis H test results for Age Groups	58
Table 15. Kruskal-Wallis H test results for Education Groups.....	60
Table 16. Kruskal-Wallis H test results for Job Experience Groups	60
Table 17. Kruskal-Wallis H-test results for Job Position Groups	61
Table 18. Descriptive statistics for Q11 – Q15	62
Table 19. Mann-Whitney U Test Results for Gender Groups	63
Table 20. Kruskal-Wallis H test results for Age Groups	63
Table 21. Kruskal-Wallis H test results for Education Groups.....	64
Table 22. Kruskal-Wallis H test results for Job Experience Groups	64
Table 23. Kruskal-Wallis H-test results for Job Position Groups	65
Table 24. Descriptive statistics for Q16 – Q23	66
Table 25. Mann-Whitney U Test Results for Gender Groups	67
Table 26. Kruskal-Wallis H test results for Age Groups	67
Table 27. Kruskal-Wallis H test results for Education Groups.....	69
Table 28. Kruskal-Wallis H test results for Job Experience Groups	69
Table 29. Kruskal-Wallis H-test results for Job Position Groups	71

Table 30. Results of the Hypothesis Analysis..... 71

LIST OF FIGURES

Figure 1. Pairwise Comparisons of Age	53
Figure 2. Pairwise Comparisons of Education.....	55
Figure 3. Pairwise Comparisons of Jop Experience	56
Figure 4. Pairwise Comparisons of Age	59
Figure 5. Pairwise Comparisons of Jop Experience	61
Figure 6. Pairwise Comparisons of Age	68
Figure 7. Pairwise Comparisons of Jop Experience	70

LIST OF ATTACHMENTS

Questionnaire Form

T.C.

KARABUK UNIVERSITY

Dear Mr./Miss/Mrs.

This questionnaire is a part of master Thesis titled:

The Impact of Implementing Human Resource Accounting to the North Oil Company
in Iraq

I am looking forward to receive your answers to questions listed in the attached questionnaire. The data/ information you are going to provide here will be treated and processed confidentially and will be used only for scientific Research.

Thank you very much for your time and co-operation

The Researcher: Najat Shahab Ahmed

Part 1

Demographic Information:

Gender	Male	Female		
Age Group	Less than 20	20 – 30	31 – 40	Over 40
Education	Under-Graduate	Master's Degree	Post-graduate	
Overall Job Experience	Less than 5	5 – 10	11 – 20	Over 20
Job Position	Manager	Officer	Engineers	Technician Worker

Part 2

Questions

	Statements	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
Q1	Human capital development/ training might enhance North Oil Company's employee performance in Iraq and high investment, leading to a good return on investment (ROI).					
Q2	When the cost of HR is capitalized like other physical assets, the profitability of the position will improve, which will, in turn, enhance the market value of the North Oil Company.					
Q3	The inclusion of human resources in the financial statement will make the North Oil Company to be valued at its true potential.					
Q4	The assets of North Oil Company, as measured within conventional accounting, are not a complete reflection of the company's assets.					
Q5	The actual financial position of the North Oil Company can only be ascertained when the human resource asset is included in the balance sheet.					
Q6	Considering human resources as an asset improves the employee's performance.					
Q7	When human resources are treated as an asset, it will encourage management to invest more in human resources.					
Q8	The application of HRA measures would aid management in acknowledging that investments in a company's human resources will result in long-term profit for the company.					
Q9	Applying HRA would aid management in making decisions that treat the company's employees as long-term investments.					
Q10	With HRA, management is more likely to see the hidden cost in potential lay-off decisions.					
Q11	Treating human resources as expenses would make management always want to minimize investment in this area.					
Q12	Treating human resources as expenses will reduce the training and development exercise of a company to reflect higher profit in the Profit & Loss account					
Q13	Considering human resources as an expense/cost would eventually reduce skills and competence in the North Oil Company in Iraq.					
Q14	Noninvestment in human capital would lead to qualified labor force turnover.					
Q15	Career development in North Oil Company would reduce if human capital were considered an expense.					
Q16	North Oil Company in Iraq is more productive than others in similar conditions due to its approach and competence.					
Q17	Investment in human resource capital influences directly or indirectly the human resources and the productivity of the North Oil Company in Iraq.					
Q18	Long-term planning of human resources can lead to more significant benefits in the long run.					
Q19	The success of North Oil Company in Iraq depends on the quality of its human resources.					
Q20	Given the same physical assets and similar technology, the quality of human resources will account for the difference in the performance of the two companies.					
Q21	The quality of human resource capital directly impacts North Oil Company's overall productivity in Iraq.					
Q22	Human resource accounting is a panacea for the optimum performance of employees of North Oil Company in Iraq.					
Q23	Investments in human resources are considered essential in terms of quality client service delivery.					



T.C.
KARABÜK ÜNİVERSİTESİ
SOSYAL ve BEŞERİ BİLİMLER ARAŞTIRMALARI ETİK KURULU
KARARLARI

TOPLANTI TARİHİ : 15.11.2022
TOPLANTI NO : 2022/08

Karabük Üniversitesi Sosyal ve Beşeri Bilimler Araştırmaları Etik Kurulu toplanmış ve aşağıdaki kararı almıştır

Karar 14:

16/10/2022 tarihli Doç. Dr. Serhan GÜRKAN'ın Etik Kurul form ve ekleri görüşüldü.

Karabük Üniversitesi Öğretim Üyesi Doç. Dr. Serhan GÜRKAN danışmanlığında yürütülen “EMPLOYEES' PERCEPTIONS OF HUMAN RESOURCES ACCOUNTING PRACTICE: EMPIRICAL EVIDENCE FROM NORTH OIL COMPANY IN IRAQ” konulu çalışma kapsamında uygulanmak üzere ekte sunulan çalışmasının etik kurallara uygunluğu oy birliği ile kabul edilmiştir.

Prof. Elif ÇEPNİ
Sosyal ve Beşeri Bilimler Araştırmaları Etik Kurul Başkanı

CURRICULUM VITAE

Najat Shahab AHMED graduated from Musul University. He completed his secondary education at Alwand High School. after which he completed bachelor's program in the Department of Accounting in Musul University 2016.