

Human Resource Accounting in Developing Countries: Bangladesh Perspective

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Abstract

Human resource accounting is the process of identifying and reporting investments made in the human resources of an organization that are presently unaccounted for in the conventional accounting practices.. Human resource becomes the most important asset in the corporation to extract value. Present accounting system ignores the importance of human resource value. This study is an attempt to examine the perceptions of accounts both from listed and non-listed companies in Bangladesh regarding the present status of HRA, its problems, valuation technique, and prospects of practicing this issue in Bangladesh. To attain these objectives the perceptions of 45 accountants have been considered on various issues of HRA. Findings from descriptive statistics reveal that the perception of accountants differs on various issues of HRA.

Keywords: Human Resource Accounting, Human Resource, Valuation Approach.

Introduction

Human resource accounting is a recent development in the area of financial reporting. Though the concept was originated at least five decades ago, the practice of HRA is still at the infant stage. It can also be viewed as ‘Human Assets Accounting’ or ‘Manpower Accounting’.

Rensis Likert (1960) has broached the concept of Human resource accounting. He defined HRA as the estimation of the value of a firm’s human organization. He stressed the account for changes in the value of the human organization over time.

Eric Flamholtz (1968) defined HRA “as the process of assessing the value of people for the organization. HRA can be useful in the valuation of human resource by measuring the value of people to an organization.

The American Accounting Association’s Committee on Human Resource Accounting (1973) has defined Human Resource Accounting as “the process of identifying and measuring data about human resources and communicating this information to interested parties”.

Generically, HRA has three basic components: (i) identification of human resources as assets; (ii) measurement of asset data about human resources and (iii) communication of this information to interested parties. (Sen, 2010)

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Human capital becomes the most important asset in the corporation to extract value. Present accounting system ignores the importance of human resource value. Managers lack information about the effectiveness and efficiency of human resource investment. HRA enables an organization to evaluate human resources following an acceptable set of concepts and techniques of measurement and use these valuations in accounting system in order to present the appreciation and depreciation in the value of such assets and also relating such changes in the value to the changes in operational results.

As HR generates future revenues and therefore, human resources should be considered as asset. As like as other assets, HR also should be reported in balance sheet along with the physical assets (Sen, 2008).

There are two approaches to HRA. These are a) cost approach and b) value approach. Under the cost approach, also called human resource cost accounting method or model, there is a) Acquisition cost model and b) replacement cost model. Under the value approach there are a) present value of future earnings method, b) discounted future wage model, c) competitive bidding model.

The acquisition cost model was developed by Brummet, Flamholtz and Pyle but the first attempt towards employee valuation made by a foot ware manufacturing company R. G. Barry Corporation of [Columbus, Ohio](#) with the help of Michigan University in 1967. This method measures the organization's investment in employees using the five [parameters](#): recruiting, acquisition; formal training and, familiarization; informal training, informal familiarization; experience; and development (Flamholtz, 1985)

The replacement cost model measures the cost of replacing an employee. According to Likert (1985) replacement cost include recruitment, selection, compensation, and training cost (including the income foregone during the training period). The data derived from this method could be useful in deciding whether to dismiss or replace the staff.

In the Present value of future earnings model employees are valued based on the present value of future earnings, adjusted for the probability of employees' death/separation/retirement. This method helps in determining what an employee's future contribution is worth today. (Lev and Schwartz 1971)

In Value to the organization model where an organization had several divisions seeking the same employee, the employee should be allocated to the highest bidder and the bid price incorporated into that division's investment base (Hekimian and Jones, 1967).

The Expense model focuses on attaching dollar estimates to the behavioral outcomes produced by working in an organization. Criteria such as absenteeism, turnover, and job performance are measured using traditional organizational tools, and then costs are estimated for each criterion (Mirvis and Mac, 1976).

Literature Review

Research into true human resource accounting began in 1960s by Rensis Likert (Bowers, 1973). Rensis Likert (1960) has broached the concept of Human resource accounting. He approached HRA as the estimation of the value of a firm's human organization.

The fundamental idea of HRA is that people have a quantifiable value to an organization which should somehow be considered in management decision making and reported periodically for internal and, perhaps, external use as well. Effective human resource management is important because people produce profits; machines and capital merely enhance the profit-making capability. HRA is a technique that can dramatize the importance of people in an organization and thus lead to improvements in the way they are managed (Frantzreb, Landau, and Lundberg, 1974).

Dean, McKenna and Krishnan studied whether human resource should be reported in the balance sheet. Their study revealed that 87% of the respondents hold the belief that human capital should not be accounted for and reported on balance sheets. (Dean, McKenna, and Krishnan, 2012)

Asgari, Asgari, Karimi and Amirhasani conducted a study on why human resource accounting has been neglected over the years. The study compared the similarities between Iranian and European Organizations in Terms of Lack of Attention to the Human Resources Accounting. Although neglecting this crucial factor is a failure of organizations in using scarce resources for increasing efficacy. The study revealed that managers' unfamiliarity with the subject of human resource accounting is the most important factor for neglecting the human resource accounting. (Asgari, Asgari, Karimi and Amirhasani, 2013)

A positive relationship exists between the financial performance of a company and its level of Human Resource Accounting Disclosure. Financial companies are disclosing human resources accounting information more than non financial companies and that company's profitability positively influences companies to report the human resources accounting information in their annual report. (Enofe, Mgbame, Sunday, Christopher 2013)

Christian (2010) conducted a survey to present the condition of human capital account of the U.S. from 1994 to 2006. The study showed that the stock of human capital of the U.S. is about three-quarters of quadrillion dollars if the market and the nonmarket components of human output are combined. It notes that the net investment in human capital in 2005 is about six trillion dollars, while the nonmarket share of investment is between 70% and 80%.

HRA applications are common within the football business in UK. Morrow (1997) cited that 18 British football clubs included players in the balance sheet. The most common valuation method was to use acquisition cost of players acquired on the transfer market. Other clubs incorporated a value for the entire squad, whether purchased or home grown, and based the value on different kinds of future value. After the Bosman case, "the adoption of a prudent policy of capitalization and amortization of a player's cost of registration over his contract life is viewed as the most appropriate accounting policy to adopt" (Morrow, 1997, p. 69).

Amitabh and Ravindra (2007) discussed efforts done in the field of HRA by researchers and proposed a model for valuation and accounting of Human resources. The proposed model was not altogether new model but it was an extension of Lev and Schwartz Model (L&S) because at one point it used Lev & Schwartz Valuation principles. They claimed that their proposed model remove major weakness of L&S model such as it was able to account for Human Resource in balance-sheet. Their model also encourages employee to achieve high level of performance.

Eric, Rangapriya, Maria, (2004) conducted a study that concentrates on several aspects of HRA including the causes that underscore the importance of reporting human resource assets on the financial statements, present empirical evidence, case and field studies on the various methods of reporting human resource assets and implementing human resource accounting in various organizations, analyze methods for measuring human resources, demonstrate the use of HRA in human resource management decision making, identify bottlenecks to the growth of HRA, and identify controversies in the field of HRA.

One of many organizations that established HR profit and loss accounts on a yearly base was the Stockholm County Council Public Dental Care Service. Using a detailed profit and loss account (this was possible because of a well functioning time-reporting system), the costs for different personnel activities are calculated as percentages of total personnel costs. This is accomplished for different departments and utilized in the strategic management process. Elias (1972) reports that HRA information can affect investors' decision-making and their perceived value of a firm. The study was designed as decision-making experiments comparing balance sheets, including and excluding human assets.

Human capital reporting had been found to be supportive for stakeholders in taking right investment decisions in the era of knowledge based economy and hence, organizations take serious attempt to disclose their HR information to insiders and outsider decision makers (Sen, 2008).

The implementation of an HRA system can increase the awareness of the costs of turnover and facilitate acquisition versus development decisions (Flamholtz, 1985). Turner (1996) contends that HRA has encountered two main barriers that impede it from entering into mainstream accounting. The first obstacle is that employees do not qualify as assets and the second is an inability to establish a meaningful system of measurement.

The real challenge for the accounting profession is how to measure the value of humans when it thinks to accept HRA as a part of external financial reports. Human value is too subjective to measure. But time demands that the point of subjectivity in measurement of human resource value may be viewed less seriously. (Sen, 2010)

At present, most businesses in Bangladesh are not properly accounting for HRA in Books of Accounts. The balance sheet does not show the value of human resources separately. Most audit reports conclude that the financial statements show the true position of business in spite of the fact that it is not showing the value of human resources. Researches in this field have been slow and researchers are not able to develop a model which is free from major limitations.

Objectives of the Study

The basic objective of the paper is to study the Human Resources Accounting practices, to identify the issues and challenges in Bangladesh by drawing the perceptions of accounting professionals. In order to study the above mentioned issue the specific objectives basically consisted in:

- To overview the concepts of human resource accounting;
- To explain the perceptions of accountants about the practice human resource accounting in Bangladesh;
- To suggest some recommendations on the basis of opinions of respondents.

Methodology of the Study

The study presented in this paper is an exploratory one, based on both primary and secondary sources of information. The secondary sources include published books, journals, periodicals, reports and newspaper. The study's population was limited to 45 accountants (Appendix: B). The sampling technique used in this study is convenient sampling technique. For the purpose of analysis, the collected data have been tabulated in tables using mean. The study period was July to December, 2014.

Findings and Discussion

Accountants in Bangladesh are not very familiar with the practices of Human Resource Accounting. In response to the question "For how many years you are practicing HRA" most respondents (about 67%) think that this is still a new practice in Bangladesh. Only 20% respondents mention that they practices HRA since the emergence of financial reporting. (Appendix-ii)

In response to the question "which approach of HRA accountants follow" all respondents that follow HRA (100%) replied that they followed the historical cost approach. This is because the historical cost approach is the simplest and verifiable. (Appendix- iii)

In response to the question "why HR not recognized separately in the financial statements" most respondents (about 49%) identified lack of appropriate valuation model as the reason responsible for this. 38% accountants identified lack of appropriate measurement scale as the cause of why HR not recognized separately in the financial statements whereas only 13% respondents identified resource constraints as the cause of why HR not recognized in the financial statements. (Appendix-iv)

Whether HR related costs should be recorded as asset or expense, most respondents (73%) opined in favor of recording it as expense rather than asset. (Appendix-v)

Only a small portion of the respondents (13%) always disclose HR related information in the financial statements and significant portion of the respondents (44%) does not provide quantitative information about HR. (Appendix-vi)

Most of the respondents (75%) disclose financial information in the supplementary schedules and only (25%) in the face or body of the financial statements. (Appendix-vii)

Whether HRA provides reports on systematic and regular basis, most organizations (42%) responds as they never practices so. Only 29% respondents always provide reports on a systematic and regular basis. Some respondents provide reports frequently, some reports sometimes and some reports rarely. So, in this respect a diversified opinion exists. (Appendix-viii)

In response to the question “does the HRA provides information as and when management desire”, most accountants (38%) respond that they never practice such. Organizations that provide information as per management desire are only 25%. In this respect, accountants show diversified opinion. 20% accountants provide information sometimes as per management desire. (Appendix-ix)

Most accountants think that historical cost approach is the most objective in valuing HR. (Appendix-x)

Replacement cost method is ranked first in response to the question of which one is the most realistic method. (Appendix-xi) About 75% respondents think that there is no reliable parameter for measuring the actual replacement cost of existing employees. (Appendix-xii)

Accountants show diversified opinion in response to which replacement cost: individual, divisional, or organizational approach should be applied. Most accountants favor individual (about 38%) and divisional approach (about 38%) in place of organizational approach (about 24%). (Appendix-xiii)

There are three approaches in economic value approach to HRA. These are salaries approach, earnings approach, and stochastic approach. Most respondents (about 49%) favor salaries approach if economic value approach is followed. Whereas only 36% respondents favor earnings approach and the rest favor stochastic approach. (Appendix-xiv)

The following table shows the perceptions of accountants in regard to the various issues of HRA:

| | N | Mean | Std. Deviation |
|--|----|--------|----------------|
| HRA of your organization provides reliable information. | 45 | 3.1111 | 1.28315 |
| Quantitative HR information is useful to the investor in making rational investment decision | 45 | 2.4222 | 1.15776 |
| HR information should be disclosed in the financial statements separately | 45 | 2.5778 | 1.28786 |
| The value of Human Resource should be revalued at regular interval | 45 | 2.8222 | 1.40274 |
| The existing methods can appropriately measure HR value | 45 | 3.0667 | 1.42063 |
| There should have a separate IFRS/BFRS for HRA | 45 | 2.9778 | 1.43794 |
| HR related costs should be recorded separately | 45 | 3.0444 | 1.50689 |
| HRA of your organization provides up-to-date information | 45 | 2.9333 | 1.35512 |
| Opportunity costs of HR can be measured with reasonable certainty | 45 | 2.9111 | 1.14460 |
| HRA of your organization provides information that meets decision makers' needs | 45 | 2.8889 | 1.55538 |

At least 60% of the respondents believe that organizations practicing HRA in Bangladesh provides reliable information. The mean score in this respect is 3.1111. But more than 50% of the respondents do not think that quantitative HR information is useful to the investor in making rational investment decision. The mean score is 2.4222 in this respect. They mention that the physical assets can be traded by an organization and have some realizable value at the date of retirement which the human resources do not have. Thus most investors do not rely on the value of HR as there is no comprehensive model existed at present for valuing them.

Should HR information be disclosed in the financial statements separately? In response to the questions, there is a dilemma among the respondents. Almost one half of the respondents (54%) believe that HR information should be disclosed in the financial statements separately since HR is a valuable resource of an organization. They further noticed that the effective and efficient utilization of all other resources depends on human resource. Respondents that stand against disclosing HR information noticed that quantifying HR is a very difficult task and the practice has not yet developed in Bangladesh.

The mean score is 2.8222 in respect of the question “should HR be revalued at regular interval”. This implies that more than 50% of the respondents believe that HR should be revalued at regular interval. They also noticed that the value of physical assets normally depreciates with some exceptions whereas the value of HR appreciates day-by-day because of the experience gathered, training and development and other measures taken for the development of human resources. Respondents that do not support revaluing HR at regular interval argued that employees may react unexpectedly with both favorable and unfavorable changes in their value. In the case the value of HR increases, employees may demand more compensation, bonus etc based on such enhancement. On the contrary, employees may lose their motivation to work hard in the event of declining their value. So this is a very critical issue to revalue HR to the accountants.

Most accountants (about 60%) think that the existing methods can not measure the value of HR accurately. Most of the methods have been heavily criticized by the accountants, professional body, regulator of securities market, tax authority and investors. They suggested that a single comprehensive model for valuing HR should be developed that would be accepted by the interested stakeholders of corporate sectors.

Should there be a separate IFRS/BFRS for HRA? The mean score is 2.9778 in response to this question. This reflects that most respondents favor the existence of a separate IFRS/BFRS for HRA. Accountants that do not support the formulation of a separate IFRS/BFRS argue that HR can not be retained as other physical assets can be retained and benefited by the organization. They further noticed that since HR is not available for future use with reasonable certainty due to resignation, death etc., a separate IFRS/BFRS should not be pronounced for such an uncertain asset.

Majority of the respondents (about 60%) think that HR related costs should be recorded separately. They mentioned that the benefits of HR related costs such as recruitment, training and development etc, provide benefits beyond the period in which such costs are incurred. Hence recording such costs as expense and charged against current reporting period's earnings is a violation of expense recognition principle. Thus HR related costs should be recorded and reported separately. The rest of the respondents think that capitalizing HR as asset and amortized over a number of period is not justified since the use of HR in future is subject to significant uncertainty.

Accountants of the organizations practicing HRA hold that they can provide up-to-date information. The mean score is 2.9333 in this regard. But most respondents (58%) think that the opportunity costs of HR can not be measured with reasonable accuracy. About 56% respondents practicing HRA think that HRA at present does not provide adequate information that can meet decision makers' needs.

Recommendations

Human resource is undoubtedly a critical resource of all types of organizations. This resource should not be kept outside the books of accounts and financial statements. Recording human resource related costs as expense and charging against current year's revenue is a violation of matching principle and cost principle. Thus the concerned authoritative body must take some initiatives that will facilitate the recording and reporting of such critical resource in the books of accounts and financial statements systematically. Based on the analysis of the perceptions of the respondents, we recommend the following measures to establish HRA as a branch of accounting in Bangladesh:

- 1) A task force committee may be constructed under the supervision of ministry of finance. The committee should be consisted of members from the accounting professional body such as, members of ICAB, ICMAB, representatives of ministry of finance, internal auditors and accountants serving in both private and public sectors, industrialists, representatives of SEC.
- 2) The task force committee shall develop a model for valuing HR and send it to both the private and public accountants for gathering comments and suggestions on the model. However, the model should address issues like how to capitalize the HR related costs, what should be the amortization period of HR related cost, how to deal with turnover, the adjustment for early death of employees, how to revalue HR and at what interval and so on.
- 3) Based on the comments and suggestions of practicing accountants, the model of HRA should be finalized and communicated to the interested parties.
- 4) IASB should develop a separate IFRS on HRA. The standard should be revised from time to time to cope with the changing circumstances.
- 5) ICAB should provide specific guidelines by developing techniques of HRA.
- 6) NBR and SEC should include the issue in their regulations and provide specific guidelines on how to deal with the issues in tax returns and financial reporting respectively.

Conclusion

Human resource accounting is still an emerging issue in Bangladesh. Practicing accountants are not very familiar about the recording and reporting process of HR. Obviously the current practices of recording and reporting of HR related costs do not comply with the basic principles of accounting. Thus there is a great need for developing an acceptable model for HRA that would address all the aspects of recording and reporting process of HR related costs. Since HR is an intangible asset, accountants have to apply judgments in measuring HR. To make the figure of HR reported in the financial statements reliable, the professional bodies, regulators and practicing accountants must have to take initiatives in developing the procedures of HRA.

This paper examines only the perceptions of accountants from both the listed and non-listed companies. Further research can be conducted on the judgments of perceptions of investors in the securities market, evaluation of the existing HRA models, perceptions of employees and trade unions. However, the study reveals that the professional bodies, regulators, and organizations are not so serious in dealing with this issue.

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Appendix (A):

i)

| | Frequency | % |
|------------|-----------|-------|
| Listed | 35 | 77.8 |
| Non-listed | 10 | 22.2 |
| Total | 45 | 100.0 |

ii)

| | Frequency | % |
|---|-----------|-------|
| Since emergence of financial accounting | 9 | 20.0 |
| Three decades | 4 | 8.9 |
| Two decades | 2 | 4.4 |
| Still emerging | 30 | 66.7 |
| Total | 45 | 100.0 |

iii)

| | Frequency | % |
|----------------------------|-----------|-------|
| Historical cost approach | 15 | 33.3 |
| Opportunity costs approach | 0 | 0 |
| Economic value approach | 0 | 0 |
| None | 30 | 66.7 |
| Total | 45 | 100.0 |

iv)

| | Frequency | % |
|---|-----------|-------|
| Lack of appropriate model for valuation | 22 | 48.9 |
| Lack of measurement scale | 17 | 37.8 |
| Resource constraints | 6 | 13.3 |
| Total | 45 | 100.0 |

v)

| | Frequency | % |
|----------|-----------|-------|
| Assets | 12 | 26.7 |
| Expenses | 33 | 73.3 |
| Total | 45 | 100.0 |

vi)

| | Frequency | % |
|------------|-----------|-------|
| Always | 6 | 13.3 |
| Frequently | 6 | 13.3 |
| Sometimes | 12 | 26.7 |
| Rarely | 1 | 2.2 |
| Never | 20 | 44.4 |
| Total | 45 | 100.0 |

vii)

| | Frequency | % |
|-------------------------|-----------|-------|
| Face/body | 4 | 8.9 |
| Supplementary schedules | 11 | 24.4 |
| Not applicable | 30 | 66.7 |
| Total | 45 | 100.0 |

viii)

| | Frequency | % |
|------------|-----------|-------|
| Always | 13 | 28.9 |
| Frequently | 3 | 6.7 |
| Sometimes | 3 | 6.7 |
| Rarely | 7 | 15.6 |
| Never | 19 | 42.2 |
| Total | 45 | 100.0 |

ix)

| | Frequency | % |
|------------|-----------|-------|
| Always | 11 | 24.4 |
| Frequently | 8 | 17.8 |
| Sometimes | 9 | 20.0 |
| Never | 17 | 37.8 |
| Total | 45 | 100.0 |

x)

| | Frequency | % |
|----------------------------|-----------|-------|
| Historical cost approach | 36 | 80.0 |
| Replacement costs approach | 4 | 8.9 |
| Opportunity costs approach | 2 | 4.4 |
| Economic value approach | 3 | 6.7 |
| Total | 45 | 100.0 |

xi)

| | Frequency | % |
|----------------------------|-----------|-------|
| Historical approach | 7 | 15.6 |
| Replace costs approach | 17 | 37.8 |
| Opportunity costs approach | 11 | 24.4 |
| Economic value approach | 10 | 22.2 |
| Total | 45 | 100.0 |

xii)

| | Frequency | % |
|-------|-----------|-------|
| Yes | 11 | 24.4 |
| No | 34 | 75.6 |
| Total | 45 | 100.0 |

xiii)

| | Frequency | % |
|---------------------------------|-----------|-------|
| Individual replacement costs | 17 | 37.8 |
| Divisional replacement cost | 17 | 37.8 |
| Organizational replacement cost | 11 | 24.4 |
| Total | 45 | 100.0 |

xiv)

| | Frequency | % |
|---------------------|-----------|-------|
| Salaries approach | 22 | 48.9 |
| Earnings approach | 16 | 35.6 |
| Stochastic approach | 7 | 15.6 |
| Total | 45 | 100.0 |

Appendix (B): List of companies covered in the study:

| Listed companies | Non-listed companies |
|--|--|
| <div>1. Anower group of industries</div> <div>2. Southeast bank Ltd</div> <div>3. Phoenix finance and investments Ltd</div> <div>4. Meghna life insurance Ltd</div> <div>5. Bank asia</div> <div>6. Brac bank</div> <div>7. Aziz pipes ltd</div> <div>8. Orion pharma</div> <div>9. Jamuna bank Ltd.</div> <div>10. MTBL</div> <div>11. Pragati life insurance Ltd</div> <div>12. UCBL</div> <div>13. Standard bank</div> <div>14. NCC bank</div> <div>15. Southeast bank</div> <div>16. Primebank</div> <div>17. Premier bank</div> <div>18. Rupali bank</div> <div>19. Islami bank bangladesh Ltd.</div> <div>20. SIBL</div> <div>21. NBL</div> <div>22. Apex tannery</div> <div>23. Alltex Industries Ltd</div> <div>24. City general insurance co. Ltd. Ltd.</div> <div>25. Dutch-bangla bank Ltd.</div> <div>26. Kohinoor chemicals</div> <div>27. Bangladesh general insurance company Ltd.</div> <div>28. Dhaka bank</div> <div>29. Beacon pharmaceuticals limited</div> <div>30. Marico bangladesh limited</div> <div>31. Renata Ltd</div> <div>32. Navana CNG limited</div> <div>33. Janata insurance Ltd.</div> <div>34. RAK ceramics (Bangladesh) limited</div> <div>35. EXIM bank Ltd.</div> | <div>1. Amin mohammad group</div> <div>2. Esquire electronics Ltd</div> <div>3. ESPN electronics Ltd</div> <div>4. Crystal technology Bangladesh</div> <div>5. Moshiur securities</div> <div>6. Rock knitwears Ltd</div> <div>7. Oriental fasion Ltd.</div> <div>8. C.P. Bangladesh</div> <div>9. Babylon group</div> <div>10. Nestle Bangladesh Ltd</div> |

Appendix (C): Survey Questionnaire

Name of the Organization:

Listed/Non-Listed

PART- A Instruction: put tick mark in any one of following questions):

1. For how many years you are practicing Human Resource Accounting?
 - a) Since emergence of financial reporting
 - b) 3 decades
 - c) 2 decades
 - d) 1 decade
 - e) Still new concept.
2. If your organization practices HRA, which approach is followed by it?
 - a) Historical cost approach
 - b) Replacement costs approach
 - c) Opportunity costs approach
 - d) Economic value approach
 - e) None
3. Why HR not recognized separately in the financial statements?
 - a) Lack of appropriate model for valuation
 - b) lack of measurement scale
 - c) Resource constraints
4. Your organization records HR related costs as -
 - a) Assets
 - b) Expenses
5. Does your organization disclose quantitative information regarding HR in the Financial statements?
 - a) Always
 - b) Frequently
 - c) sometimes
 - d) rarely
 - e) never
6. If you do so, where you present this information-
 - a) Face/body
 - b) Foot note
 - c) Supplementary schedules
7. Does the HRA of your organization provide reports on a systematic, regular basis?
 - a) Always
 - b) Frequently
 - c) sometimes
 - d) rarely
 - e) never
8. Does the HRA of your organization provides information as and when management desire?
 - a) Always
 - b) Frequently
 - c) sometimes
 - d) rarely
 - e) never
9. Which one is the most objective in valuing HR?
 - a) Historical cost approach
 - b) Replacement costs approach
 - c) Opportunity costs approach
 - d) Economic value approach
10. Which one of the following is the most realistic method (in terms of accuracy)?
 - a) Historical approach
 - b) Replacement costs approach
 - c) Opportunity costs approach
 - d) Economic value approach
11. If you follow replacement cost approach, is there any reliable parameter for measuring the actual replacement cost of existing employees?
 - a) Yes
 - b) No
12. If replacement cost is followed, which one will you prefer?
 - a) Individual replacement costs
 - b) Divisional replacement cost
 - c) Organizational replacement cost
13. If economic value approach is followed, which one will you prefer?
 - a) Salaries approach
 - b) Earnings approach
 - c) Stochastic approach

PART-B: Please tick the following option where 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

| Aspects | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|
| HRA of your organization provides reliable information. | | | | | |
| Quantitative HR information is useful to the investor in making rational investment decision | | | | | |
| HR information should be disclosed in the financial statements separately | | | | | |
| The value of Human Resource should be revalued at regular interval | | | | | |
| The existing methods can appropriately measure HR value | | | | | |
| There should have a separate IFRS/BFRS for HRA | | | | | |
| HR related costs should be recorded separately | | | | | |
| HRA of your organization provides up-to-date information | | | | | |
| Opportunity costs of HR can be measured with reasonable certainty | | | | | |
| HRA of your organization provides information that meets decision makers' needs | | | | | |