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ASPECTS, OBJECTIVES AND IMPORTANCE OF HUMAN RESOURCES ACCOUNTING

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ABSTRACT:

Human resources counting is art of human valuing, recording and presenting systematically the worth of human resources in the books of account of an organization. The valuation of human resources along with other assets is also required in order to find out the total cost of organization. is basic purpose is to facilitate the effective management of human resource by providing information to devlelop, acquiring, retain, utilize, and evaluate human resources.

KEYWORDS: Human resources , organization , acquiring, retain.



ASPECTS OF HUMAN RESOURCES ACCOUNTING

There are two aspects of human resources accounting are as follows

- 1) Cost of human resources.
- 2) Contribution human resource to the organization.

COST OF HUMAN RESOURCE:- cost of human resources includes:-

- 1) Cost of man power planning
- 2) Placement
- 3) Selection
- 4) Training
- 5) Development
- 6) Wages
- 7) Welfare activities

Contribution human resources to the organization:- - monetary values of employee service which can be measured by labor productivity or value

added by human resources. When contribution of employee is more than the cost, it is considered as positive performance and if cost is more than contribution it can be said negative performance.

OBJECTIVES OF HUMAN RESOURCES ACCENTING:-

There are various objectives of human resources accounting are as given below.

- TO provide qualitative information of human resources.
- For better human resource planning.
- Assisting in developing effective management practices.
- To measure the costs incurred on human resources by organization.
- To evaluate the return on

- investment on human capital.
- Increasing managerial awareness of the value of human resources.
- To help the persons interested in the human resources are giving a return equivalent to their worth or not.
- Assisting in effective utilization of manpower.
- Help in monitoring the utilization of human resources.
- To know whether the human resources have been properly utilize and allocated.
- To communicate the organization and the public at large about the worth of human resources of an organization.
- Aid in human assets analysis.
- To provide information of changes in the structure of

manpower to the management.

- Finding appreciation or depreciation among human resources.
- To furnish decision marks with cost value information so that decision about developing, acquiring and training as well as maintaining of human assets can be cost effective.
- To provide basis to the future investors in making better decision about investment in human resources.
- For better decisions about people, based on improved information system.
- To facilitate effective and efficient management within an organizing for human resources.
- Enable management of the organization to effectively monitor the use of human resources.
- Help in decision making and implementation of management principles by clarifying the financial significances of various choices and practices.
- Enabling management to monitor the use of human resources.

IMPORTANCE OF HUMAN RESOURCES ACCOUNTING:-

- Gaining knowledge about cost of employee.
- Discloses the value of human resources.
- Useful for proper interpretation of return return on capital employed.
- Gaining knowledge about total contribution from employee.
- Useful in managerial decision-making.
- This system can increase productivity because human skills, talent are considered valuable assets.
- Useful to management for implementing best methods of salary and wages.

CONCLUSION:-

Human resources accounting is important for measurement of works of employee. The human resources accounting is important for performance appraisal. Through which human resources accounting we can aware about cost and contribution of employee. Human resources accounting more useful to management for decision- making.



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