

## FACTORS AFFECTING THE AREA OF HRM ACCOUNTING DISCLOSURE IN COMPANIES

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### Abstract

Human resources are one of the important aspects in the process of achieving certain goals. Human resources are meaningful to function in carrying out operational activities, using other resources in carrying out business strategies to the fullest. This research is included in quantitative descriptive research. Descriptive research is a way to check the status of a group of people, objects, and a set of circumstances, a system of thought, or a class of events in the present. Human resources that are managed well by an organization will create maximum revenue for the industry. Human resources (HR) are the main elements of the organization in other elements such as capital, technology, and money because humans themselves regulate other people. Therefore, the management of human resources in the organization is a very important matter. When detailed more specifically, the aspect behind the success or failure of an industry is human. So humans are the determinants in the industry. For this reason, the appreciation for the wealth of human resources in the industry is absolutely necessary to be recognized. Human resource accounting as an approach was originally defined as the process of identifying, measuring, and communicating data about human resources in order to facilitate efficient management within an organization.

**Keywords:** accounting, HR, company, good governance

### I. Introduction

Human resources are one of the significant aspects in the process of achieving certain goals. Meaningful human resources are very functional in carrying out operational activities, utilizing other resources in carrying out business strategies to the fullest (Warno, 2011). In the 1960s, the idea of overriding human resource accounting emerged, which was put forward by RensisLinkert, director of the Institute for Social Research of the University of Michigan (Rianto, 1990). Human resource accounting as an approach was originally defined as the process of identifying, measuring, and communicating data about human resources in order to facilitate efficient management within an organization.

Scientists and experts in the field of accounting are trying to create an objective model of human resource accounting measurement. For Suwanto (2006) to be able to present the value of human resources, is to explore human resources whose monetary value can be determined. For Brummet (2006), the background is the following factors: 1) The concept of modern economic theory which thinks that humans are Human Capital who has the ability, knowledge and experience. 2) The position of human resources that continues to be needed and grows rapidly.

These two aspects are what motivate scientists and experts in the field of accounting and management to be interested in conducting studies or research to develop accounting concepts, models, principles, and methods that aim to measure and analyze the costs and values of human resources in the industry. Suwanto, 2006).

In terms of size ties to human resource accounting disclosures, the researcher refers to the research attempted by (Widodo, 2014), which proves that partially size has a positive effect on human resource accounting disclosures. If the size continues to be large, then the disclosure of human resource accounting continues to be large. Another industry characteristic that can influence the size of human resource accounting disclosures is the managerial ownership structure.

In large-scale manufacturing companies, human resources are an important factor in the process of achieving company goals, which is to generate maximum profit for the long term. Quality human resources play a very important role in carrying out the company's operational activities, utilizing other resources within the company, and optimally executing business strategies [1]. However, cases of violations of human resources (labor) often occur in Indonesia. According to [2] violations of labor rights by company management are carried out by reducing wage payments and terminating employment (PHK). Examples of cases of violations against workers occurred in the manufacturing company PT Krakatau Steel, Tbk. Workers from various Krakatau Steel labor unions held a demonstration by blocking the entrance to the PT Krakatau Steel industrial area, Cilegon City, Banten [3]. The demonstration against the unilateral layoffs (PHK) of 2,860 employees unilaterally by PT Krakatau Steel. In fact, starting on June 1, 2019, 529 outsourcing employees have been dismissed for unclear reasons and the company has carried out the policy unilaterally. The existence of violations by management by unilaterally layoffs, reducing wage payments, not giving severance pay, and not paying attention to the health and safety of employees indicates that there are human resource accounting problems. This is because human resource accounting includes employee salaries and the amount of employee retirement benefits [4] Human resource accounting can help solve most of the problems of employees in corporate organizations [5]. Therefore, disclosure of human resource accounting is important because it can facilitate the proper use of the company's human resources so that company employees are compensated fairly. One of the company characteristics that can influence the size of the disclosure of human resource accounting is the GRI guidelines or GRI guidelines. According to [6]. Global Reporting Initiative (GRI) is a non-profit organization that works towards a sustainable global economy by providing sustainable reporting guidance. Currently, GRI has issued the G4 Guidelines, which states that companies make reports consisting of three indicators (10) (PDF) Determinants of Human Resource Accounting Disclosures.

Size of human resource accounting disclosures is the managerial ownership structure. According to [18], management ownership is the proportion of shareholders from management who actively participate in making company decisions. According to the alignment of interest effect, the more shares managers have, the more aligned the goals of

managers and shareholders will be [19]. Managers will be more motivated to look for profitable projects, so managers will not disclose complete information to the public. On the relationship between managerial ownership structure and human resource accounting disclosure, the researcher refers to research conducted by [20], which shows that, partially, managerial ownership structure has a negative effect on human resource accounting disclosure. If the higher managerial ownership structure, the lower the human resource accounting disclosure. Based on this description, the researcher takes the fifth hypothesis: H5: Managerial ownership structure has a negative effect on human resource accounting disclosure. Characteristics of companies that can affect the size of human resource accounting disclosures is product diversification. The definition of product diversification according to PSAK No. 5 of 2000 concerning Segment Reporting is a company component that can be differentiated in producing products or services and that component has different risks and rewards from the risks and rewards of other segments. The company's diversification strategy generally encourages the disclosure of additional information in the annual report. (10) (PDF) Determinants of Human Resource Accounting Disclosures: Study on Manufacturing Companies on The Indonesia Stock Exchange.

## II. RESEARCH METHODS

This research is included in quantitative descriptive research. Descriptive research is a procedure in researching the status of a group of people, an object, a set of conditions, a system of thought or a class of events at this time (Nazir, 2003: 63).

Descriptive research is the collection of bottom-up information in a descriptive method that does not need to find or explain the relationships between variables, make predictions, or make meanings of implications, although research that aims to determine these things and can also be descriptive methods (Suryabrata, 1983). : 21).

The object of this research is the accounting of human resources in the industry. The procedure for collecting information that we use is a library research method sourced from studies via the internet

## III. RESULTS AND DISCUSSION

Human resources that are managed properly by an organization will create optimal income for the industry. Human resources (HR) are the main elements of the organization in the field of other elements such as capital, technology, and money because humans themselves manage the others. Therefore, the management of human resources in organizations is a very meaningful matter (Hariandja, 2002). When detailed more specifically, the aspect behind the success or failure of an industry is human. So humans are the determinants in the industry. For this reason, appreciation for the wealth of human resources in the industry is absolute to be recognized (Arfan, 2008).

Based on information found on the internet, "Management of Human Resources Every place or industry, one industry to another must be different. Surely we have our own mechanism in

managing our resources. The human resources we have are filtered through a process that has been authorized by existing regulations. Starting from the fellowship, for example, we look at the incoming applications.

In carrying out the management of human resources, it is definitely needed for the progress of the industry to be achieved. The results of searches from the internet must prove that it is true that human resources really have a big influence in an organization and industry, such as Ariandja's statement (2002), the management of human resources in organizations is a significant matter. There is training that is expected to be really infused with knowledge by the workforce so that it can be applied when they work and can be useful for many people.

#### IV. CONCLUSION

Human resource accounting as an approach was originally defined as the process of identifying, measuring, and communicating data about human resources in order to facilitate efficient management within an organization. These two aspects are what motivate scientists and experts in the field of accounting and management to be interested in conducting studies or research to develop accounting concepts, models, principles, and methods that aim to measure and analyze the costs and values of human resources in the industry. Suwanto, 2006).

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