THE RELEVANCIES AND APPLICABILITY HUMAN RESOURCES ACCOUNTING IMPLEMENTATIONS UNDER HEGELIAN DIALECTIC

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Abstrak: Relevansi dan Aplikabilitas Implementasi Akuntansi Sumber Daya Manusia melalui Dialektika Hegel. Diskursus tentang Akuntansi Sumber Daya Manusia telah dimulai sejak 1960an sejak Rensis Likert menjelaskan pengakuan sumber daya manusia dalam pelaporan keuagan. Walaupun demikian, kontroversi tetap muncul, khususnya berkenaan dengan konsep pengukuran, ketiadaan standar akuntansi serta definisi aset. Riset ini ditujukan menganalisa perdebatan antara kedua teori yang beroposisi melalui dialektika Hegel. Kontroversi tersebut dianalisa melalui reviu literatur dan bukti empiris yang selanjutnya digunakan untuk memformulasikan sintesis untuk memfasilitasi implementasi akuntansi sumber daya manusia yang relevan dan dapat diaplikasikan.

Abstract: The Relevancies and Applicability of Human Resources Accounting Implementations Under Hegelian Dialectic. *The discourse on Human Resource Accounting has started as far as 1960s when Rensis Likert outlined the recognition of human resource on financial reporting. However, controversies also emerge, mainly concerning about the concept measurement, absence of accounting standard, and assets definition. This research is aimed to analyze the debate between two opposing theories under Hegelian Dialectic. Analysis of the controversies through both literature review and empirical evidences are then utilized to formulate synthesis to facilitate relevant and applicable Human Resource Accounting implementations.*

Keywords: Human Resource Accounting (HRA), Human Asset, HRA Measurements, Hegelian Dialectic

Over the year, industrial activities have grown rapidly aligned with the development of technology. New invention and innovation have led to continuous demands on new products. It is a fact that every creation of sophisticated product or service requires existence of brilliant experts. Human resources who have capability to controls technology become the industry ultimate weapons rather than the technological devices itself (Ionel, Alina, and Dumitru 2010; Hitten 2008; Murad 2009; Singh 2009). Inevitable information distributions have simplified the expertise learning which motivate technology duplications among industries. Hence, intellectual ability for innovation purpose is considered important. Integration of intellectual and knowledge-based ability related to the interpretation of more difficult information which are aimed to support managerial strategy or decision making are desperately needed.

Facing this reality, management is generally aware that there are close relationships between qualified human resources and companies success. Although recently machine and automatic devices take major part on practical activities within most company, human still become the controller. Human roles on certain industrial activities sometimes can not be exchanged with robots and machines.

Combination of good physical assets such as machines and technologies, with intellectual as-

Jurnal Akuntansi Multiparadigma
JAMAL
Volume 3
Nomor 2
Halaman 161-331
Malang, Agustus 2012
ISSN 2086-7603

sets grant the company's going concerns without ignoring efficiency, productivity, and competitive power factors (Murad 2009: 38). Undoubtedly, human resources play primary function within any business, as well as any other entities or organizations. On the contrary, it has always been considered as a 'soft issue' whose contribution could not be measured in tangible monetary terms (Mishra and Rath 2009). The intangibility leads to the absence of such resource recognition on the financial statements while the physical assets definitely inserted (Kaufman and Geroy 2007: 38; Singh 2009:440; Talebi, Gilaninia, and Mousavian 2012: 1301).

In 1960s, the issue of human resource values for business has emerged as new principle around scholar. Rensis Likert from United States began the study of Human Resource Accounting (that in this study from now on will be referred to as HRA). The concept defines human resource as valuable intangible assets then directly attracts further researches and explorations. In accordance with the perceptions, various possible measurements were invented and implemented by some companies. However, the concept of HRA is not always supported.

According to Deb (2009) on Avazzadehfath and Raiashekar (2011: 2), criticism and disappointments have also greatly flourished conflicting ideas. The contra arguments mostly reveal HRA's limitations and weakness. Gilbert (1970) for example, declares that each HRA measurements that are offered have their limitations. Peterson (1972) also strengthens the arguments by stating that there are no perfect measurements yet on the HRA, although the application might be beneficial. Further, some scholars also opinionate the disagreement on the human recognition as assets, supported by both the assets definitions according to the standards and the nature of human itself.

This means that there are those who support (see for example Sadan and Auerbac 1974; Baron 2011; Flamholtz 1971; and Vakharia 1995) and those who do not support (see for example Liao 1974; Jauch and Skigen 1974; Baker 1970; and Tsay 1977) HRA concept. This situation can therefore be analyzed using Hegelian dialectic which account for the supporting and non supporting argument to reach a resolution or synthesis.

Modernization has brought many changes on human life; one of them is the existence of technology which simplifies people actions. However, certain actions still need human handling instead of machines, especially for activity which related to intelligence and potential. The industries must be aware that human as the resource of intellectuality is an ultimate capital for business key driver to formulate company's power (Murad 2009: 38). In the end, the principle of knowledge-based economy places knowledge-holders as the most valuable assets for organization.

The concept of HRA was first developed by Sir William Petty in the year 1691(Singh 2009: 440). Hundred years later, around 1960's Rensis Likert from United States emerges the ideas to consider human resource as assets rather than expense. American Accounting Association Committee on Human Resource Accounting (1973) defined HRA as the process of identifying and measuring data about human resource and communicating this information to interested parties. HRA also can be described as an attempt to assess and measure the real costs by commercial enterprises and other organizations in order to recruit, select, hiring, train, breeding and develop human assets (Talebi, Gilaninia, and Mousavian 2012: 1301).

Years after the concepts formulation, scholars begin to figure out the possibility of HRA implementation by introducing human capital as long term investments in accordance with the business insight. The first company that applied HRA concept is R.G. Barry Corporation in Columbus, Ohio, USA in 1967. The applications are different to the conventional practice that mainly recognizes human capital asset on financial report. Besides, perception of human potential as intangible asset has been developed, especially on the idea about capitalization for those financing. Therefore, all of the expenditures for human resource management are also realized as investments while the conventional practice generally considers them as disbursement.

Although there are different opinions about the existence of substantial progress in the application of HRA, many stakeholders agree on the need for a better transparency of investments in human capital (Johanson 1999). In addition, the transparency expected will avoid management from unfavorable condition where the company is undervalued. If the disbursement is recognized as cost or expense, there are distortion on the revenue determination because no company will invest substantially if the employees are

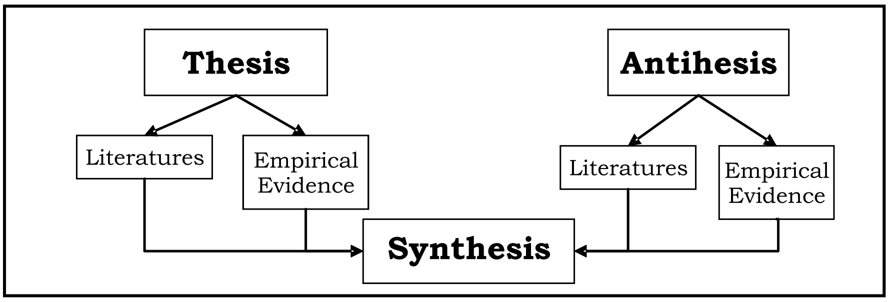

Figure 1. Research Framework

not human capital that are considered as assets (Islahuzzaman 2006).

METHOD

Georg Wilhelm Friedrich Hegel (1770-1831) understands that there are inevitable and inherent controversies come along with every change. Beside, Rees (1998) as cited on Grech (2004) admit how "any two elements in contradiction cannot be dissolved into one another but only overcome by the creation of a synthesis that is not reducible to either of its constituent elements". The collissions which often come from incomplete and unstable concept formulation generally left unsolved, triggers advocates generate more supports for the idea.

Hegelian dialectics is driven by an argument (thesis), a counterargument (antithesis) and lead to synthesis formulation as resolution. When there are collissions among thesis and antithesis, predetermined solution based on human logic are needed. The philosophical approach analyzes each argument and changes in totality then postulates mediation as bridges for the contradictions. However, Hegel argues that due to human logic, the synthesis results on new thesis rather than final truth. Due to the comprehensiveness, the dialectic largely impacts theories and issues development from various multi disciplines.

The use of Hegelian dialectic in accounting research is not new. Kamayanti and Ahmar (2011) have used the method to analyze the function of Corporate Social Responsibility. Rodrigues and Craig (2007) also utilized Hegelian dialectic to assess international accounting harmonization in their paper. The concept of HRA has emerged for decades, supported enrichment on the principles essences. However, the support for HRA applicability and relevance are also followed by its criticism. In response to the contradictions, the research is purposed to analyze the background of HRA supports (thesis) as well as the concept criticism (antithesis) to obtain and formulates applicable HRA (synthesis), as shown on research framework below.

The research was conducted through literature review and empirical evidence. Literatures that related to the HRA concept should be collected to building concept and framework of the research. Literatures then being classified and abstracted into two large clusters: supportive argument (thesis) and non-supportive one (antithesis). In the end of the research, analysis of the contradiction shifted as the basic of synthesis formulations. The synthesis creation expected will facilitate mediation and resolution for the HRA whole implementation.

Since the research's main purpose is to figure out HRA applicability under Hegelian dialectic approach, professional judgment and perspective are needed as empirical evidence. Therefore, interview with some professional should be conducted. By considering the practicability, experienced accounting lecturers (lector qualification), especially who has his/her own business as informants. In addition, the interview toward an entrepreneur, as representative of business people was also established. The interview was conducted to obtain the real business people perspective toward HRA concepts and captures how the employer consider human resource role.

RESULTS AND DISCUSSION

In the era of 1970s after HRA theory emergence, the concept catches scholar's attention quickly. The interest about human nature as well as the HRA forecasted contributions trigger researchers to extend their arguments. No wonder, the topic is then broadly discussed, and resulted on many developments as well as complains. However, almost all of the advocates agree that HRA concepts beneficial enough to be implemented.

According to Flamholz (1971: 40) one of the concept primary advocates claimed that despite the obvious interdependence between overall organizational goals and the management of manpower, managers is typically handicapped by a lack of relevant, timely, and reliable information about their human resources. The development of HRA system allows managements to realize that employees indeed company's number one asset (Vakharia 1995: 40) by engages human assets on financial reports. The emerging theory of embodied human capital encompasses the human capital capacity sets of individuals as well as the interaction effects of combining specific individual capacity sets in search of optimal outcomes (Kaufman and Geroy 2007: 42). As a result, each organization takes serious attempt to disclose its HRA information to insiders and outsider parties. In fact, it is becoming an integral part of management report (Mamun 2009: 40).

Another HRA contribution is as management's devices to obtain information about their current human resources program results as evaluation to support next period's strategy. The idea is supported by Johanson and Mabon (1998) who indicates that expressing human resource interventions in financial or cost benefit terms is more effective than using soft accounting information such as data on job satisfaction (Bullen and Eyler 2010: 5). Reliable and relevant measurements in human resource values can serve as a more effective technique in manpower planning (Caddy 1975: 27). Gilbert (1970: 25) also agrees that the method applications will protects the company from poor managements.

The concept of HRA generally speaking can be examined from two dimensions: HRVA and HRCA: 1) Human Resources Value Accounting (HRVA) is divided into monetary and non-monetary measurement. Although the monetary more popular on the theory development, non monetary functioned more. The non-monetary measurements commonly reflected on ranks, rates, and descriptive assessment during employee performance evaluations. Sarwoko and Senastri (2009) declare that the measurements also used to simplify the assessment of employee motivations, characteristics, roles, boredom, and capability. The value generally is obtained through direct observations, interview, or set of questionnaires such as IQ and English tests. 2) Human Resources Cost Accounting consists of all budget estimation for all acquisitions and development activities, such as training, recruitment, allocation, selection, hiring, separation, placement, learning, and educational expenses. Besides, there are also HRCA models which focused on some alternatives cost such as replacements and opportunity costs. However, since certain costs are difficult to be measured, Lev and Schwartz on Islahuzzaman (2006) developed compensations-based methods for determining human resources value.

It is very unfortunate that even developed country has limited human resources applications. With employment cost typically 40 and 67 percent of most organizations cost, it's surprising that measuring the value of human capital is so low on most companies' business agendas (Strategic HR Review 2005:1). Yet, research by Deloitte convey that more than 40 percent of organizations in United Kingdom still do not see human capital measurements as a priority and 20 percent of large firms never expect to report on it within annual reports (Strategic HR Review 2005:1).

Surprisingly, the HRA concepts begin to be noticed in developing countries such as India. A report shows that in India, approximately 73% of National Income is utilized to compensate (Mishra and Rath, 2009). Although human resources accounting has not been introduced so far as a system in India, supports from local scholar to the concepts improvements has flourish. Many Indian professionals such Parameswaran and Jothi (2005), Mishra and Rath (2009), Avazzadehfath and Raiashekar (2011), Singh (2009), and Khan reflect their arguments and idea through research and journals to develops or refine the concepts. Those International contributions made to the field of HRA have resulted in growth of both the field HRA and the wider study of human capital, human resource metrics, intellectual capital, and organizational management (Bullen and Eyler 2010: 13).

In additions, research has found that not only industries but also governmental and military area admits that human is the most valuable component on the organizations. Government agencies could not achieve their mission without human brainpower and yet, there is no generally accepted standard for measuring and reporting (Berkowitz 2001: 12). The opinion is supported by a survey held on 1974 in Washington DC by Puett and Roman (1976, 658) which aimed to figure out the broader effects of human assets on public sectors. The survey established on 117 interviews on the top management, 47 organizations which include 17 in industry, 24 in military, and 6 governmental agencies and resulted 88.7% of the respondent agree that human valuation is valid and feasible.

Regardless the risk of failure and misinterpretation, some companies or organizations begin a pilot project which include HRA on their financial systems. According to Flamholtz, Searfoss, and Coff (1988), Touche Ross & Co has experimented a pilot project since the management basically interested in the replacement cost and how the valuation can affects human resource management. Other sectors which begin to apply HRA are the professional football clubs. As reflected on the financial statements disclosure, the player contractual prices usually capitalized as intangible assets on the clubs balance sheets. This recognition can be found on Everton, Juventus, Aberdeen, and Tottenham Hotspur financial statements.

HRA measurement is an important component in the concept remembering scholar such as Ulrich (1997) on (Pfeffer 1997: 357) whose logic opinionates that a person can not manage what they can not measures. Researchers agreed that most valuable measures are therefore those that help to identify the performance levels and inform the people management actions that will maximize them (Baron, 2011: 2). Managers need information which will permit them to assess if and to what extent they are appreciating, conserving or depleting their human assets (Flamholtz 1971: 42). Traditional output measures are grossly inadequate when dealing with highly educated service workers who produce intangible outputs and are valued for relatively abstract skills such as creativity and problem-solving (Vakharia 1995: 38).

In another hand, current HRA is not capturing the full extend but rather estimate with reasonable degree of confidence (Bukowitz, Williams, and Mactas 2004: 46). New model and concepts, interdisciplinary in nature, are useful to economists, human resource professionals, and social scientists to construct human capital development instrument decision (Kaufman and Geroy 2007: 38). Hence, continuous researches are still continuing to discover the best measurements for HRA concepts.

On the opposing site, HRA is viewed as one of fascinating yet frustrating concepts since it has great appeal but because of practical application problems has not been widely implemented in organizational practices (Bassett 1972: 21). Contrast to the invention as resolution, many contradictions and controversies arises which represent disagreement as well as the concept failures. To conclude, there are at least nine factors as focus or reasons of the criticism as well as contradictions:

Jauch and Skigen (1974) declare that human is not an asset. Miller and Wurzburg (1995) supports the opinion by elaborates that employees are not owned by the company. Human resource differs with assets since it does not reflect the definition of an asset. According to FASB Concept Statement 6, paragraph 25, assets are probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or event. Human beings are not purchased or owned by the company (Fleming 1977: 25). While assets must be capable of being exchanged (Liao 1974: 20) the exchange of human being will not be exist considered the ethics, appropriateness, and logical thinking.

In addition, human cannot be amortized (Pophal 2003: 54). Not only unethical, the amortization of human resource is irrelevant since logically the increase of working time will also increase the employee experience, technical skills, characteristics, and learnings. Some criticism such as which declared by Jauch and Skigen (1974) persist that there are no assurance of the future benefits. There are unpredicted situation such as death, permanent illness, retired, resigns, or fired which vanish the costs real value while still stated on the financial statements.

Some advocates such as Miller and Wurzburg (1995) opinionate that HRA leads to the difficulty of measuring productive capacity. In facts, HRA allows industries to measure employee in monetary terms. However, since every individual costs differ widely, each single differences should be recognized (Bassett 1972: 28). In addition, Fleming (1977: 29) also argues that HRA adaptation should include everyone rather than be limited to selected groups. However, the real implementation of the tracing will need a lot of works, information, data, and time without vigorous effects.

Rather than doubting about human contributions, the problem is how to quantify it. Most proponents focus on quantitative measurements while it actually never gives exact value of every human (Flamholtz 1971). Human consist of some complex characteristics, personality, talents, and skills such as intelligence, mood, education, behavior, experience, moral, loyalty, wisdom, technical skills, sincerity, and attitudes that cannot be express in monetary term (Singh 2009). Mamun (2009: 35) also supports that it is very tough to quantify the expertise, knowledge and competence of human resource as these matters are not physical assets of a company.

Further, Jauch and Skigen (1974: 33) claim that commonly not the labor force that valued, but the wealth consumed to carry the selected member for certain positions. This is logical since the employees with largest capitalization sometime are not being properly utilized but rather are sitting in the staff room professionally developing themselves (Peterson 1972: 22). By measuring the human value far from the reality, financial presentation based on HRA may be much more misleading rather than helpful (Jauch and Skigen 1974: 36).

There are many methods proposed for HRA measurements but none of the currently proposed system of HRA appears to be suitable for inclusion in certified financial system (Peterson 1972: 20). Tsay (1977) states a measure useful for one type of decision and may not be relevant for another. The implementation of only a single measurement for all kind of decision making will be pointless and irrelevant. There are many researchers who publish the weaknesses of HRA measurements: a) Gilbert (1970), Jauch and Skigen (1974) and Bukowitz, Wlliams, and Mactas (2004) elaborate that although most companies apply salary capitalizations which invented by Hekimian and Jones, the salary does not have direct impact to the employee performances. Employee with the same salary might have different contributions for employer. b) Jauch and Skigen (1974) states that capitalizing the cost of acquiring is less appropriate because in fact, people intelligence and reliability are what make a person valuable rather than attempt from company such as on legal contracts. Beside, an employee can be developed through experiences and educations which increase their quality exceed the acquisition cost. c) Bukowitz, Wlliams, and Mactas (2004) declare that even contribution model is more relevant than cost model; it has been harder to estimates. The information is not readily existed, nor has there been a baseline forecasting model for the valuations. d) Murad (2009) has critical though about human resource amortization. The length of amortization period mostly based on management consideration while how long a person work on certain position cannot be estimated. Even a legal contract shall not escape from the risks of death, physical defects, or forced resignations. e) Talebi, Gilaninia, and Mousavian (2012) argue that one of the reasons of lack HRA implementation worldwide caused by lack of appropriate methods of recording and reporting about the benefits and costs related to human resources.

Bukowitz, Wlliams, and Mactas (2004) agree that one of the reasons of HRA adaptation reluctance is it's double edged effects. On positive side, HRA is worthy for decision making process in compliance with financial accounting. On the negative side, the concept only give retrospective viewpoint which identical with false precision. In addition, Hanson (1997) in Mamun (2009: 36) describes, because of poor measurement and inadequate reporting, human resources run in the risk of being undervalued internally by managers and externally by capital markets. The opinion strengthened by F.A. Nicholls (1975) in Idrus (1992: 11) who elaborates that adding one more doubtful valuation will stretch the balance sheet beyond its limitations and make it less, not more useful.

The nature of human encompasses appreciation as noble and respectful creature among others. On the other hand, human valuation potentially offends the people's perception of their intrinsic values since it indirectly transforms human to money value. Although Pyle (1971), the head of HRA development team in the R.G. Barry concept formulation as well as the director of HRA at the Institute of Social Research, denied that research group was trying to put a dollar value on human being, the human valuation still does not broadly accepted. The criticism keep coming, for example from Liao (1974: 22) who declares that deriving a direct monetary value or human resources as is done for asset valuation in accounting is inappropriate because it does not necessarily reveal the nature of an employee's value to the firm.

The user implicitly assume that a single measurements model is useful for all purposes while actually even internal report aimed differently from that of external (Tsay 1977). The different purposes also resulted on the different perspective and method utilized on the report creation. According to Tsay (1977), the internal emphasize decision making while external reporting focused on performance measurements. On the other hand, performance measurements which also used to attract investors mainly concern about what has been accomplished by the company on the former year. HRA which consist of measurements for cost and value based on human resource existence mostly only facilitate the external report decision making. Some HRA information may support the internal, but only in limited areas.

Fleming (1977) states that all of HRA measurements devices are found wanting in one or more fundamental ways, a generally accepted tool has yet to be found. There is no standard method which can be followed to capitalize the investment on human assets (Singh 2009: 440). The Institute of chartered accountants of India as well as Nigeria and Scandinavian has not issued an accounting standard for the measurement and reporting of human resources of an organization (Singh 2009; Yahaya 2007; Werner 2002). Another international standard such as GAAP and IFRS also does not particularly regulate how to report human resource accounting. Until the regulatory bodies exert, it is unlikely that many organization will voluntarily disclose data on intellectual capital (Werner 2002: 1056)

Most academicians include Yahaya (2007) insists that there should be a uniform and consistent method of qualifying the value of human resources as well as reporting of Human Resource Accounting. However, no system of HRA has been perfected and it may not provide uniformity in financial statements (Peterson 1972:19). Virtually impossible to devise a standardized statement appropriate to the needs of differently decisional context (Baker 1974: 17). As a result, standardization is probably worthless rather than beneficial for both internal and external report users.

As conclusion, Pilenzo (2009: 71) agrees that theory although conceptually sound, has never been fully accepted or defined. Now, most criticism stressed that meaningful quantification does not seems practicable. Attempted quantification would seem to achieve more in misleading than in the clarification caused by numerous uncertainties on the valuations (Baker 1974). The concept could be created that would more accurately reflect human capital as a value added component in all organization (Pilenzo 2009: 71), which only can be realized after continuous improvements and innovations.

Rather than only the theories and research, empirical evident related with the topic required to figure out the real and actual perception about the concept. For the information purposes, the interview conducted toward three informants who work not only as accounting lecturers but also audit partners with years of audit experiences. As states previously, Touche Ross & Co. as one of the big eight accounting firm ever conducted a HRA pilot project around 1980s. Since the prior implementation within accounting firm's entity existed, the reaction of audit partner as informants about HRA implementation are considered relevant. In addition, an interview toward local entrepreneur with more than 10 years experience was also held to obtain comprehensive insight. The theory was invented in United States results on other country especially developing one such as Indonesia still needs time to familiarize with the concept.

From the four informants, only one who partially support the implementation of HRA system. Basically, the informant agrees with the implementation of HRA concept on her business. She also realizes that her employee is one of her main asset since without them the business will be nothing. However she prefers to only considers the investment of human resource rather than human assets since the second term possibly not only unethical but also force employee to feel unappreciated. The informant understands that such investment in form of education and training will gives value added to the person integrity, leadership, credibility, and the other quality is needed to prepare the person for a new higher responsibility within the business.

Surprisingly, lectures who were also practitioners generally have the same perceptions toward HRA which partially different with the entrepreneur mindsets. Although they recognize the human resource important values, most of the antithesis informants believe that human is not an asset based on the definitions. Beside the assets definition related with terms "control" and "ownership", the absence of standardization and unperfected valuation encouraging their disapproval toward the concepts.

The first informant states that the HRA concepts are only exist in theoretical and research domain. If there is implementation, it still on the pioneering stages which requires many improvements and developments, mainly about the concept valuation. The capitalization is unsuitable since any action include human resource handling worth cost. Therefore it is more proper to report employee-related value off-balance sheet or on the disclosure of financial statements.

The second has rigid personality, shown on his rejection to being informant as well as refusal of the human resource accounting implementation based on the interpretation of theoretical and standard basis. He basically agrees that human resource is important, but the valuation even will be erased for audit or tax purposes which obviously should be conducted under standards.

The last informant also elaborates that human resource is an important element for a company. On the other hand, the HRA concept collide the human resource terminology with the nature of asset. Unlike the asset definition, human can not be fully controlled or owned. Beside, the lack of proper valuation also became the obstacle of the concept. The terminology of human capital also inappropriate since classify human as capital means there are possibility for the object being exchanged or traded. The informant explains that he does not support the concept, but the implementation for managerial purposes is understandable as long as the information is relevant and useful.

The bias on the HRA definitions spreads misinterpretasion of the concept essence. The American Accounting Association Committee on Human Resource Accounting clearly defines HRA without directly notes human resource as assets while the most researcher such as Ionel, Alina, and Dumitru (2010) believes that HRA involves recognizing human assets. Human consideration as assets is absolutely irrelevant refers to the essence and nature of assets. Beside, both the definition and explanation of the concept are not limits the implementation only to the money aspects. However, most industries and academicians only focus on how to convert the information to monetary terms while non-monetary data often contributes more.

CONCLUSION

HRA is relevant to business because human resource is considered "asset" as one of the crucial factor for an industry (Hardiansyah 2009). Beside the concept also protect the company from poor managements (Gilbert 1970). Hereby, I agree with the HRA re-levancies with certain conditions. First, consideration of human as assets should be further evaluated. Assets definition does not appropiate to represent human. The terminology of assets requires a "thing" to be "owned" and "controlled" which obviously does not comply with human resource nature (Jauch and Skigen 1974; Miller and Wurzburg 1955; Liao 1974; Fleming 1977, Brummet 1970). Human also can not be exchanged and can not be amortized. The terminology of "investment on human assets" seems logical since it does not violate the human essence. However, if the terms and HRA concepts want to be implemented, a new definition about asset should be created. Refer's to the asset 1960's definition for example which more focused on the future economic benefit rather than being controlled or owned (Evans 2003).

Second, there should be clear separation between Human Resource Value Accounting (HRVA) and Human Resource Cost Accounting (HRCA). In my opinion, HRCA is much more relevant rather than HRVA since "human value" can not be easily captured while "human cost" is easier to be measured. However, HRCA also has complexities. HRCA usually recognized as "investment on human resource" (Parameswaran and Jothi 2005) while it absolutely different. I prefer to utilized the terms of "investment on human resource" which only involve education and training since it directly related with employee value added qualities and also performance improvements. In addition, another qualitative and non-monetary assessment such as ranks, performance appraisal, or rate will also be relevant as surrogates for HRVA valuation.

HRA concept is applicable, since some organization such as R. G. Barry, Canada's Pension Plan, AT&T, Professional Football Clubs, and Touche & Ross Co success on the implementation (Flamholtz, Searfoss, and Coff 1988; Islahuzzaman 2006). However, there are some point that become my concerns. Currently, each of proposed measurement has weakness and there are still no apporpriate measurement for HRA concepts (Peterson 1972; Tsay 1977; Jauch and Skigen 1974; Burkowitz, Williams, and Mactas 2004; Murad 2009; Gilbert 1970; Talebi, Gilaninia, and Mousavian 2012). I personally disagree with Peterson (1972) and Brummet (1970) which declare that human should be amortized. Human can not be amortized (Pophal 2003) because it is both unethical and irrelevant. Continuous development still conducted and new measurements keep proposed. However, there are no such measurement that can captures all aspects of human value. Therefore, borders for HRA implementation to only focus on human investment cost are required to support the concept applicability.

Beside, current standardization such as GAAP, PSAK, SAK, and IFRS does not regulate any HRA implementation (Islahuzzaman 2006; Bullen and Eyler 2010; Yahaya 2007; Singh 2009; Werner 2002; Fleming 1977; Talebi, Gilaninia, and Mousavian 2012). This standardization absences discourages organizations as well as public attention toward HRA concept. Therefore, for more implementation of HRA on industries and organizations, acounting standard related with the concept is required.

In order to fulfill all interested parties purposes, the research agrees with Flamholtz (1971) which suggest a double report systems. Flamholtz believes that double reports: one with and one without HRA will facilitate this problem, but only that far. Adding his concepts, I suggest that the first report contains financial information according to standard and can be utilized for legal, audit, or tax purposes. The second one will partially applies HRA concept by inserting "investment on human resource" account. The account will only reflect some human resource expenditures such as acquisition, training, and educational cost to avoid collission with the "human assets" terminology. However, this kind of reports can only be limitedly published, such as for managerial or investors purposes.

It is realized that the research has limitation; one of it is the lack of information since HRA implementation still rare. Beside, lack of learning, education, training, and publication related with the topic lead to lack of understanding about HRA concept. However, this is the reality of accounting education. Generally there are no certain course about HRA which is expected will stimulates student's thought about the feasibility of the measurements as well as the advantages of HRA implementations.

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