OVERVIEW OF THE RELATIONSHIP BETWEEN HUMAN RESOURCE ACCOUNTING AND STAFFS' JOB PERFORMANCE IN MILITARY UNIVERSITY OF IMAM ALI

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ABSTRACT

Human resource accounting is an informational system which vitally enables the mangers in making decisions related to human resources and materialization of human resources and materialization of the organizational objectives. The current research is intended to study the relationship between human resources accounting and employees' job performances in Iman Ali Epaulet University, Tehran, Iran. A descriptive and correlation based research method has been used. The statistical community of the research includes 300 among whom 168 employees at the university were randomly sampled.

In order to collect data, the non – monetary questionnaire and data related to monetary value of the employees were used. The face validity and content validity of the research tools were confirmed by the experts. The reliability was confirmed by Chornbach correlation statistical test and regression. It was found that monetary value of the human resource and non – monetary value of human resource were positively, directly and significantly correlated with employees' job performance. Also, the results form regression analysis indicated that such variables as monetary value and non – monetary value predict the employees' job efficacy. Among them, the monetary value plays more roles in defining employees' efficacy of job performance.

Keywords: *Human Resource Accounting, Monetary Value of Human Resource, Non – Monetary Value of Human Resource, Performance*

INTRODUCTION

Organizational performance to inhuman resources including equipment, type of technology, rate of investment and liquidity rely on human resources, that the management strives to use human factors to exploit from inhuman resources (Tabarsa & Mohammadi, 2008). Manpower has been assumed as the leading wealth at organizations, so that achievement in utilization of this wealth in process of production of goods and services can be an origin for development and growth within organization, mentioned that the organization is spontaneously conducted towards crisis in addition to waste of resources and loss of opportunities under lack of creation of suitable infrastructures for exploitation from these resources (Bullen, 2010).

Performance and effectiveness of management at any organization implies the ability of that organization on how to provide, develop, allocate, maintain and utilize the existing resources, for which it requires proper information on organizational resources (Davani, 1996). Human resources are accounted as the most precious asset within organization. Yet, the same as calculating value of other assets, we have comprehensive information on status of physical and financial resources; having information on extent of economic value of rare human assets, extent of expenditures considered for fostering experts and so on are assumed as weaknesses in current accounting systems (Noroush, 1996).

Therefore, managers must have a deep understanding from value of human assets so as to use human resources in an efficient and suitable way and collect comprehensive information on human resources within organization regarding the need for information for decision making upon selection, appointment and improvement of human resources through enforcing human resources accounting and provide them for decision makers within organization in order that the managers have expectations well suited with value of human resources. In addition, human resource accounting has been mentioned as a method to evaluate performance of management in exploitation from human resources (Minssen & Schmidt, 2007).

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Problem Statement

Since the major duty of accounting is measuring, registering and reporting economic activities within units and organizations and major duty of financial reporting is representing useful economic information to managers, investors and so on, the information on human resources have been ignored, such that accounting more likely serves in a political, social and economic structure (Eldon, 1992). Political, social and economic structure has been widely intertwined with each other, that these systems must work out as open systems and affect each other in order to sustain on their activities. With regard to the assumption undergoing management as the brain of organization and accounting as the heart of organization and information as the blood of organization, if healthy blood with a powerful heart does not reach to brain, the brain cannot adopt rest of decisions and instructions timely. Nowadays, decision making within large organizations is of great importance such that some researchers at the area of management science have introduced Managing Organizational Network as the science for decision making (Mehregan, 1994).

By development of organization and expansion of duties and responsibilities of management, decision making has been mentioned with high risk. The outcomes derived from decision making have not limited to organizations in most cases, resulting in adverse economic and social outcomes (Grirffin & Mckinely, 1998). On the other hand, maintenance of manpower has been mentioned as one of the most important concerns within organizations, because results from research indicate that the cost that must be paid for substitution of an efficient manpower goes beyond the cost for their maintenance (Tajik, 2012), thus staffs satisfaction must be drawn into attention.

It can perhaps assume staffs' job satisfaction as the most important element for sustainability of any organization. Since issue of human resources is of great importance in some organizations including military centers (Military University of Imam Ali), the present research seeks to examine relationship between human resource accounting and staffs' job performance.

Theoretical Literature and Literature Review

Accounting refers to accounting education system that measures activities and performance of an institute based on economic values and represent the results of activities and performance of economic enterprise for users' decision making (Batra, 1996). Unfortunately, nowadays accounting systems do not represent any information on human resources which are accounted as valuable assets of an organization in financial reports (Alimadad & Malek, 2009). Nowadays, lack of measurement, evaluation and report of human resources value has been mentioned as the reason for adoption of inefficient decisions by managers within organizations, so that effects of managers' decisions on human resources value are not examined due to measurement of economic value of human resources. Managers just pay attention to quantitative variables in their decision makings and neglect qualitative variables. Hence, managers' decisions might seem useful, yet practically can damage to organization, resulting in weakening the organization's human resources (Tang, 2005). On the other hand, measurement of human resources value causes increasing performance of managers and more accurate planning and more optimal exploitation from human resources within organization, through which the decisions upon acquisition, improvement and substitution of staffs are adopted properly (Pajohi, 2007). Nowadays, knowledge has been appeared as the most precious asset within organizations, so that human resources have been mentioned as the origin for knowledge. Evaluation of ability and performance of these assets assists the organization in turning points in production of wealth, under which there will be the time to assist the managers in this difficult evaluation through human resources accounting instruments (Haji, 2007). Hence, one of the most important faults found in accounting systems can be lack of reporting human resource value of an institute in financial statements. For this, a majority of accountants and managers sought to report human resources values in financial reports, under which human resources accounting were proposed. Further, utilization of documentary methods which engage in evaluation of manpower without intervention of personal feelings and views is of great importance. Feature of human resources represented with vitality causes complicatedness in evaluation of performance of human resources (Mir, 2004). On the other hand, most of performance evaluation methods have been proposed based on professional judgments by

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evaluator that reduce defense capability. Therefore, quantitative methods should have been more likely used.

One of applications of human resources accounting can lie in evaluation of staffs' performance as intra-organizational application (Haji, 2007). A variety of research has been conducted based on importance of human resources accounting.

Khani (1997) examined effect of representation of information on human resources accounting in management performance in point of view of skilled managers at governmental organizations across Iran, whereby the results from aims indicate a significant relationship between variables.

Bagheri (1998) examined role of human resources accounting in financial reports of companies, whereby the results from research indicated useful information in representation of information on human resources accounting in financial reports. With regard to the background proposed at the area of human resources accounting and role of human resources accounting in improvement of organization's performance, the present research intends to examine the relationship between Human resource accounting and staffs' job performance in Military University of Imam Ali; to achieve this, the questions below are taken into consideration:

1-is there a significant relationship between Human resource accounting and staffs' job performance in Military University of Imam Ali?

2- Is there a significant relationship between monetary value of human resources and staffs' job performance in Military University of Imam Ali?

3- Is there a significant relationship between non-monetary value of human resources and staffs' job performance in Military University of Imam Ali?

MATERIALS AND METHODS
Method
The present research is an applied research in sake of aim and a descriptive correlation in sake of method. The statistical population consists of 300 staffs working in Military University of Imam Ali. Since the issuance approved by committee of ministers is used in this research, the statistical population (300) consists of the staffs who have bachelor degree, of which 168 were selected as the sample group via Cochran's sample size formula. Since the issuance approved by committee of ministers is used in this research, the statistical population (300) consists of the staffs who have bachelor degree, of which 168 were selected as the sample group via Cochran's sample size formula.

Table 1: Parameters for calculation of sample size

Sample size	d	q	p	z	N
168	0.05	0.5	0.5	1.96	300

The Instruments for Data Collection
Early investigations to detect human resource accounting valuing method, apply each of methods and select a suitable method for human resource valuing were conducted via domestic and foreign sources. Overview of technical articles at the area of human resource accounting and methods to apply human resource accounting published in journal of accountant and Journal of Management Studies Reviews as well as overview of books and sources pertaining to the subject of research were developed. Replacement cost method was used to collect data pertaining to monetary value of human resources and the sum of individual skills and abilities method was used to collect data pertaining to non-monetary value of human resources in Military University of Imam Ali; further Non-Monetary Measurement inventory was used. Assessment score is used to assess the staffs' performance that the score is allocated to them based on annual performance of staffs and different criteria. Replacement cost method is used to measure monetary value. Replacement cost implies value of the resources that must be lost to replace new human resources with current human resources within organization. In other words, value of human resources replacement is the very expenditures for replacement of existing human resources within organization (Hassan, 1998).

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In this research, Felem Holtes' pattern which introduces the replacement cost as the costs for staffs' turnover, education, selection and appointment of new personnel. To measure non-monetary value, questionnaire and calculation of extent of staffs' trainings and experiences are used. In point of view of Felem Holtes, sum of individuals' abilities and skills and the determinant criteria for the person's value include knowledge, experience, education and the abilities such as decision-making, creativity, communication, adherence to corporate ethics, work participation, motivation, organizational commitment and the importance of organizational rewards. To examine validity of questionnaire, face and content validity of questionnaire was confirmed by experts; reliability of questionnaire was confirmed via Cronbach's alpha with coefficient of 85%, indicating suitable reliability of questionnaire.

Table 2: Result of Cronbach's alpha test

No of questions	Cronbach's alpha
35	0/85

Analysis Method
Data were analyzed via software SPSS under descriptive (mean, median, standard deviation and so on) and inferential (Pearson and regression correlation) statistics.

RESULTS AND DISCUSSION
Findings
Descriptive findings for research variables

Table 3: Central and dispersion indicators of research variables

Research variable	No	Median	Mean	standard deviation	Skewness	kurtosis
adherence to corporate ethics	168	5	4/3869	0/7496	-0/858	-0/369
decision-making	168	3	3/2738	0/6258	-0/317	0/247
motivation	168	4	4/0833	0/6604	-0/217	-0/235
work participation	168	3	3/0893	0/6270	-/081	-0/056
organizational commitment	168	4	3/6786	0/7839	0/183	-0/667
creativity	168	4	4/0476	0/6363	-0/039	-/503
communication	168	4	4/3274	0/5738	-0/157	-0/643
importance of organizational rewards	168	3	3/2738	0/0131	0/057	-0/372
Staffs' performance	168	175/335	173/5367	11/2946	-1/125	1/656
Non-monetary value	168	222/500	6369/229	52/8847	0/696	-0/224
monetary value	168	823	6250/904	201/1577	1/411	3/711

With regard to findings of descriptive statistics, the results below are elaborated:
1-comparison of mean of research variables indicates that maximum and minimum mean has been allocated to non-monetary value (6369.229) and importance of organizational rewards (0.0131).
2-positive Skewness indicates that the distribution is higher than normal distribution.
3-comparison of standard deviation for the research variables indicates that the highest dispersion has been allocated to monetary value, non-monetary value and performance, respectively.

RESULTS
Inferential findings for the research variables

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Kolmogorov-Smirnov Test

Table 4: Results of Kolmogorov-Smirnov Test

Variable	adherence to corporate ethics	decision-making	motivation	work participation	organizational commitment	creativity	communication	importance of organizational rewards
No of statistics	168	168	168	168	168	168	168	168
Mean	/38694	3/2738	/08334	0/0893	/67863	4/0476	4/3274	3/2738
Standard deviation	/74960	0/6258	/66040	0/6270	/78390	0/6363	0/5738	1/0131
Maximum absolute deviation	0/355	0/348	0/294	0/324	0/253	0/304	0/335	0/243
Maximum positive deviation	0/207	0/348	0/294	0/324	0/253	0/304	0/335	0/243
Maximum negative deviation	-0/335	-0/259	-0/283	-0/295	-0/213	-0/292	-0/260	-0/197
Z	4/341	4/507	3/814	4/206	3/280	3/936	4/341	3/155
Sig	0/000	0/000	0/000	0/000	0/000	0/000	0/000	0/000

With regard to the results of table 4, as obtained values for z-statistics are significant at 0.00 level, it can deduce that research variables follow the normal distribution, thereby it can use parametric tests to analyze data.

The first question: is there a significant relationship between human resource accounting and staffs' job performance in Military University of Imam Ali?

Table 5: The correlation between human resource accounting and staffs' job performance

Explanation		staffs' job performance
	Pearson correlation coefficient	0/336
human resource accounting	Two-range significance level	0/000
	No	168

Table 6: The results of regression coefficients

Model	Non-standard coefficients		standard coefficients	t-value	Significance level
	B	Standard error	Beta		
Fixed value	156/182	3/859	------	40/475	0/000
human resource accounting	0/015	0/003	0/336	4/603	0/000

With regard to above analyses, it can deduce that the first research question is confirmed. Analyses indicated that there is positive, direct and strong relationship between human resource accounting and staffs' job performance; further the variable of human resource accounting affects staffs' job performance in Military University of Imam Ali, mentioned that the independent variable just elaborates 11% of total variance of dependant variable.

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The second question: is there a significant relationship between monetary value of human resources and staffs' job performance in Military University of Imam Ali?

Table 7: The correlation between monetary value of human resources and staffs' job performance

Explanation		staffs' job performance
monetary value of human resources	Pearson correlation coefficient	0/344
	Two-range significance level	0/000
	No	168

Table 8: The results of regression coefficients

Model	Non-standard coefficients		standard coefficients	t-value	Significance level
	B	Standard error	Beta		
Fixed value	156/076	3/792	------	41/1460	0/000
monetary value of human resources	0/019	0/004	0/344	4/716	0/000

With regard to above analyses, it can deduce that the second research question is confirmed. Analyses indicated that there is positive, direct and strong relationship between monetary value of human resources and staffs' job performance; further the variable of monetary value of human resources affects staffs' job performance in Military University of Imam Ali, mentioned that the independent variable just elaborates 11% of total variance of dependant variable.

The third question: is there a significant relationship between non-monetary value of human resources and staffs' job performance in Military University of Imam Ali?

Table 9: The correlation between non-monetary value of human resources and staffs' job performance

Explanation		staffs' job performance
non-monetary value of human resources	Pearson correlation coefficient	0/273
	Two-range significance level	0/000
	No	168

Table 10: The results of regression coefficients

Model	Non-standard coefficients		standard coefficients	t-value	Significance level
	B	Standard error	Beta		
Fixed value	160/162	3/758	------	42/624	0/000
non-monetary value of human resources	0/058	0/016	0/273	3/652	0/000

With regard to above analyses, it can deduce that the third research question is confirmed. Analyses indicated that there is positive, direct and strong relationship between non-monetary value of human resources and staffs' job performance; further the variable of non-monetary value of human resources affects staffs' job performance in Military University of Imam Ali, mentioned that the independent variable just elaborates 7% of total variance of dependant variable.

Results of Friedman test to Prioritize Components

Results of Friedman test which are used to compare means of several dependant populations have been represented in table 11. In table below, mean of ranks for each of dimensions of non-monetary value via Friedman test has been represented. As seen, dimension of communication has the highest rank.

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Table 11: Results of Friedman test

Components	mean of ranks
adherence to corporate ethics	6/11
decision-making	3/01
motivation	5/44
work participation	2/53
organizational commitment	4/26
creativity	5/30
communication	6/14
importance of organizational rewards	3/20

Conclusion

The present research has been conducted aiming at investigating the relationship between Human resource accounting and staffs' job performance in Military University of Imam Ali. Findings indicated that there is a significant relationship between monetary value of human resources and staffs' job performance, that the findings of this research are consistent with findings of research by Abbas and Karimi (2010). With regard to these results, it can say that measuring, assessing and reporting value of human resources are of great importance, thus managers must have self-awareness from value of human assets so as to use the human resources in an efficient way. Further, managers must provide comprehensive information pertaining to human resources for decision makers within organization regarding need of management to information for decision making upon selection, appointment and improvement of human resources through human resource accounting (Mason & Smith, 2007). Further, findings indicated that there is a significant relationship between non-monetary value of human resources and staffs' job performance, that the findings of this research are consistent with findings of research by Foroughi & Ahmadi (2011). With regard to the obtained results, it can say that the managers must pay a particular attention to qualitative variables in their decision making upon staffs, because this causes not harming to the organization and not results in undermining human resources within organization(Tang, 2005); further, this causes increasing managers' efficiency and accurate planning and optimal exploitation from human resources within organization, whereby the decisions upon acquisition, improvement and substitution of staffs will be adopted properly (Pajohi, 2007).

With regard to the results from research, suggestions below are elaborated to increase efficiency at Military University of Imam Ali:

1-it is suggested considering a restructure in Military University of Imam Ali

2-it is suggested considering a commission with involvement of experts in organizational chart of university so as to examine staffs' performance per year

3-it is suggested providing human resource accounting information system to provide information for the managers in a centralize way

4-it is suggested considering educational need assessment for staffs to improve their deficiencies at job area

5-it is suggested separating the costs pertaining to investment in human resources from other costs at accounting sector of university

6-with regard to the results of research, it is suggested conducting necessary investigations about the rewards paying to the staffs and job participation within organization.

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