

A Study On Human Resource Accounting Practices And Its Financial Implications Of Roadmap It Solutions

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Abstract- This study “A Study on Human Resource Accounting Practices and Its Financial Implications of Roadmap IT Solutions” focused on the importance of valuing human resources as key organizational assets by measuring, evaluating, and interpreting their financial worth and contribution to overall performance. Using secondary data from 2019–2024 and analytical tools such as trend analysis, standard deviation, coefficient of variation, and ratio analysis, the study assesses the company’s HR and financial performance. The results show a steady increase in human resource value, employee strength, and profitability, indicating effective HR utilization, although a slight decline in the Return on HRV ratio highlights the need for better alignment between HR investments and income generation. Overall, the study concluded that Human Resource Accounting is a vital approach for enhancing transparency, improving HR decision-making, and supporting sustainable growth in the competitive IT sector.

Keywords- Employee strength, Financial performance, Human resource accounting, and Profitability

I. INTRODUCTION

In present scenario, despite the global change, Human Resource Accounting is major issue for research & analysis in management. It primarily identifies the aspects of the progress in the company. Human Resource Accounting (HRA) is a process of identifying, measuring, and reporting the value of human resources in an organisation.

It recognises that employees are valuable assets whose skills, knowledge, abilities, and experience significantly contribute to organisational performance. Unlike traditional accounting, which focuses mainly on physical and financial assets, HRA aims to quantify the economic value of people and present it in financial statements or internal reports. By doing so, organisations gain a deeper understanding of the cost and contribution of human resources, helping them make better decisions related to recruitment, training, development, and retention.

II. OBJECTIVES OF THE STUDY

- To study the gender wise distribution of roadmap IT solutions.
- To analyse the financial performance and human resource value measures.
- To examine and analyse the human resource valuation ratio of roadmap IT solutions.

III. REVIEW OF LITERATURE

Dr.B.R.Deshpande (2024): “Human Resource Accounting (HRA): A Conceptual Study on Human Capital”. The study emphasizes the need to recognize human resources as valuable assets. It highlights that traditional accounting practices ignore human capital valuation and calls for developing proper HRA methods to include human assets in financial reports.

Kirti Aggarwal (2024): “Human Resource Accounting Practices of Indian Companies.” This investigation evaluates HRA techniques used by major Indian firms such as BHEL, HPCL, Infosys, and Satyam. It reports that many companies prefer the Lev & Schwartz model for HR valuation, yet struggle to integrate HRA into formal financial reporting. The study anticipates increased adoption of HR measurement frameworks in corporate disclosure as experience with these models grows.

Vaishnavi Sharma & R. P. Singh (2024): “Human Resource Accounting Practices in India: Significance for Strategic HRM.” This descriptive study discusses how HRA supports strategic HR management in Indian firms. It outlines how human resources' expertise, innovation, and skills contribute to transforming other resources into value added products and services. The paper also discusses challenges in implementing HRA systems within organizations.

S. Viswanath (2023) – “Quantification of Human Resources: A Systematic Review of HR Accounting in India”. The study provides a systematic review of HRA literature in India,

focusing on valuation methods, disclosure indices, and performance linkages in various industries. It emphasizes that human resource valuation is critical for intellectual capital management and highlights the need for adopting standardized models for consistent HR reporting.

Bhattacharjee & Das (2022) – “Human Resource Accounting Practices in India and Across the Globe: A Systematic Review”. The paper compares global and Indian HRA practices, identifying their impact on productivity, profitability, and corporate reputation. It suggests that firms integrating HRA into their financial systems gain a competitive advantage through better HR planning and performance assessment.

IV. RESEARCH METHODOLOGY

Research Design:

This study uses analytical research design

Data Collection:

Secondary data:

Secondary data refers to information that has already been collected, processed, and published by someone else for purposes other than the current research.

- Financial reports of Roadmap IT Solutions.
- Published articles, research papers, and journals on HRA.
- Books and websites relating to HRA practices.

Tools and Technique:

- Trend analysis.
- Standard deviation.
- Co-efficient of variation.
- Ratio analysis.

Period of Study:

The sources of data are from the reports of the company from the year 2019-2020 to 2023-2024.

V. DATA ANALYSIS AND INTERPRETATION

1. Table showing gender wise distribution of employees.

YEAR	MEN	PERCENT	WOMEN	PERCENT	TOTAL
2020	129	67.18	63	32.81	192
2021	140	66.37	71	33.64	211
2022	153	66.23	78	33.76	231
2023	167	64.98	90	35.01	257
2024	182	64.31	101	35.68	283
MEAN	154.2		80.6		234.8
S.D	21.07		15.11		36.16
C.V	13.66%		18.76%		15.60%

(source:secondary data)

Interpretation

The total number of employees has shown a consistent increase from 192 in 2020 to 283 in 2024, indicating organizational growth. The number of male employees increased from 129 in 2020 to 182 in 2024, showing steady growth. However, their percentage share decreased slightly from 67.18% in 2020 to 64.31% in 2024, indicating a relatively slower growth compared to women.

Female employees increased from 63 in 2020 to 101 in 2024, which is a significant rise of 60.3%. Their percentage share increased from 32.81% to 35.68%, showing a positive move toward gender balance. This shows that the variation in female employees is higher than that of male employees, which aligns with the rapid growth in female representation.

2. Table showing the value of financial performance and hrv:

Year	Revenue	Net Profit	Emp Cost	Hrv	Net Worth
2020	71.05	58.50	10.50	32.37	17.98
2021	75.20	60.68	11.75	36.16	19.24
2022	80.19	62.90	12.99	39.91	22.01
2023	85.73	65.12	13.95	42.82	25.21
2024	91.40	68.34	15.32	46.98	31.50
MEAN	80.71	63.10	12.90	39.64	23.18
S.D	8.12	3.83	1.88	5.68	5.41
C.V	10.05%	6.07%	14.56%	14.34%	23.32%

(source:secondary data)

Interpretation

From the above table, the revenue is increased from ₹71.05 cr in 2020 to ₹91.40 cr in 2024. The co-efficient of variation is 10.05% showing low variation, indicating stable revenue growth over the years.

The net profit grew from ₹58.50 lakh in 2020 to ₹68.34 lakh in 2024. The co-efficient of variation is 6.07%

Lowest variation among all factors, showing consistent and predictable profitability.

The employee cost of the company is increased significantly from ₹10.50 cr in 2020 to ₹15.32 cr in 2024. The coefficient of variation is 14.56% Moderate variation, suggesting an upward trend in HR investments as the workforce expands.

The human resource value of the company increased from ₹32.37cr in 2020 to ₹46.98 cr in 2024. The coefficient of variation is 14.34% Moderate variation, indicating increasing employee contribution to value generation in line with higher employee costs.

The net worth of the company increased from ₹17.98 cr in 2020 to ₹31.50 cr in 2024. The coefficient of variation is 23.32% Highest variation, reflecting significant improvement in financial position and retained earnings over time.

3. HR Valuation ratio:

Year	Total income to hrv	Value of hr per employee (in lakhs)	Employee cost to hrv	Net worth to hrv	Return on hrv
2020	0.018	16.85	0.324	0.55	1.80
2021	0.016	17.13	0.324	0.53	1.67
2022	0.015	17.29	0.325	0.55	1.57
2023	0.015	18.53	0.325	0.58	1.52
2024	0.014	20.33	0.326	0.67	1.45

(source:secondary data)

Interpretation

The HR Valuation Ratio table presents the trend of various human resource-related financial indicators for the years 2020 to 2024. The data shows a gradual decline in total income per employee, falling from 0.018 in 2020 to 0.014 in 2024, indicating that the income contribution from each employee has slightly decreased over the years.

In contrast, the value of HR per employee has shown a consistent increase, rising from ₹16.85 lakhs in 2020 to ₹20.33 lakhs in 2024. This suggests that while income generated per employee is reducing marginally, the overall value or importance of employees to the organisation has increased, possibly due to better skill development, training, or increasing market value of talent.

The employee cost to HRV remains relatively stable, fluctuating only between 0.324 and 0.326, showing that the organisation has maintained a consistent spending pattern on employees relative to their value.

The net worth to HRV ratio shows a healthy upward trend from 0.55 in 2020 to 0.67 in 2024, indicating that the contribution of HR value toward the company's overall net worth is improving.

However, the return on HRV has gradually decreased from 1.80 in 2020 to 1.45 in 2024. This shows that although HR value is increasing, the returns generated from this value are slightly declining, possibly due to rising HR expenses, competitive pressures, or reduced profitability per employee.

VI. FINDINGS

- The percentage of male employees is slightly declining and the percentage of female employees is gradually increasing.
- The human resource value of the company increased from ₹32.37cr in 2020 to ₹46.98 cr in 2024. The coefficient of variation is 14.34% Moderate variation, indicating increasing employee contribution to value generation in line with higher employee costs.
- The HR valuation analysis shows that the total income per employee decreased, while the value of HR per employee increased steadily from 2020 to 2024. The employee cost to HRV remained almost constant, and the net worth to HRV improved over the years. However, the return on HRV gradually declined, indicating that although employee value is rising, the financial returns from this value are reducing.

VII. SUGGESTIONS

- The consistent growth in HRV supports the need to develop long-term employee retention strategies to maintain this value.
- There should be an effective utilization of human resources to increase the financial performance.
- HRV can be used as a tool for forecasting future human resource needs based on projected profit and cost trends.

VIII. CONCLUSION

The study reveals that Human Resource Accounting (HRA) is vital in recognizing employees as key organizational assets. Roadmap IT Solutions Pvt. Ltd has shown steady growth in financial performance and human resource value

(HRV) from 2019 to 2024, with rising HRV per employee reflecting improved efficiency and contribution, alongside increased female representation indicating progress in workforce diversity. However, the declining Return on HRV and Total Income to HRV ratios suggest that revenue growth has not fully matched HR investments. Overall, the company demonstrates strong HR practices and a growing workforce but should focus on improving HR cost efficiency and linking HRA more closely with strategic decision-making to sustain long-term growth.

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