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RESEARCH ARTICLE

Human Resource Accounting and Management

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Abstract

Economic developments of the last century led to the revision of the attitude to the employment of labor is taking place, you should now create wealth and add value to the new organization could guarantee. Central organizational strategy to efficiently utilize the capabilities of individual and group research to understand the strategy is. It is therefore essential legal mechanism to record and keep account of wealth, manpower, and is designed to help identify the possible value of human resources with the rest of resources in the commercial language i.e., the account of the comparison and reporting. Human resource accounting is an appropriate response to the needs of organizations. Effective use of human resources that is it in comparison with other privileged resources and have dynamic nature, independent living are factors for growing organization. I think you must know human nature and the next step is to capitalize on it, is clearly important.

Keywords: *Human, investment, Behavior of human, Human resource accounting and management.*

Introduction

Human resource accounting is the process of identifying and reporting the investments made in the Human Resources of an Organization that are presently not accounted for in the conventional accounting practices. In simple terms, it is an extension of the Accounting Principles of matching the costs and revenues and of organizing data to communicate relevant information. The Quantification of the value of Human Resources helps the management to cope up with the changes in its quantum and quality so that equilibrium can be achieved in between the required resources and the proven Human Resource Accounting provides useful information to the management, financial analysts and employees as stated below:

- Human Resource Accounting helps the management in Employment and utilization of Human Resources.
- It helps in deciding transfers, promotion, training and retrenchment of human resources
- It provides a basis for the planning of physical assets vis-a-vis human resources
- It helps in evaluating the expenditure incurred for imparting further education and training of employees in terms of the benefits derived by the firm.
- It helps to identify the causes of high labor turnover at various levels and taking preventive measures to contain it.
- It helps in locating the real cause for low return on investment, like improper or under-utilization of physical assets or human resources or both
- It helps in understanding and assessing the inner strength of an organization and helps the management to steer the company well through the most averse and unfavorable circumstances.
- It provides valuable information for persons interested in making long term investments in the firm.
- It helps the employees in improving their performance and bargaining power. It makes each employee understand his contribution towards the betterment of the firm vis-a-vis the expenditure incurred by the firm on him

Human capital in a knowledge-based organization and important role in finding and managing Human Capital and Knowledge Workers in organizations today, their success has become. Human capital is one of the basic components of intellectual capital Organization of the Text. Stuart "defines intellectual capital, intellectual components - knowledge, information, intellectual property experience, who can use it to create wealth.

Human resource management (HRM or simply HR) is a function in organizations designed to maximize employee performance in service of an employer's strategic objectives [1]. HR is primarily concerned with the management of people within organizations, focusing on policies and systems [2]. HR departments and units in organizations typically undertake a number of activities, including employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems) [3]. HR is also concerned with industrial relations, that is, the balancing of organizational practices with requirements arising from collective bargaining and from governmental laws [4].

HR is a product of the human relations movement of the early 20th century, when researchers began documenting ways of creating business value through the strategic management of the workforce. The function was initially dominated by transactional work, such as payroll and benefits administration, but due to globalization, company consolidation, technological advances, and further research, HR as of 2015 focuses on strategic initiatives like mergers and acquisitions, talent management, succession planning, industrial and labor relations, and diversity and inclusion.

In startup companies, HR duties may be performed by trained professionals. In larger companies, an entire functional group is typically dedicated to the discipline, with staff specializing in various HR tasks and functional leadership engaging in strategic decision-making across the business. To train practitioners for the profession, institutions of higher education, professional associations, and companies themselves have created programs of study dedicated explicitly to the duties of the function. Academic and practitioner organizations likewise seek to engage and further the field of HR, as evidenced by several field-specific publications. HR is also a field of research study that is popular within the fields of management and industrial/organizational psychology, with research articles appearing in a number of academic journals, including those mentioned later in this article.

In the current global work environment, most companies focus on lowering employee turnover and on retaining the talent and knowledge held by their workforce. New hiring not only entails a high cost but also increases the risk of a newcomer not being able to replace the person who was working in that position before. HR departments also strive to offer benefits that will appeal to workers, thus reducing the risk of losing corporate knowledge.

History

Antecedent Theoretical Developments

HR spawned in the early 20th century, influenced by Frederick Taylor (1856-1915). Taylor explored what he termed "scientific management" (later referred to by others as "Taylorism"), striving to improve economic efficiency in manufacturing jobs. He eventually keyed in on one of the principal inputs into the manufacturing process-labor-sparking inquiry into workforce productivity [5].

The human-relations movement grew from the research of Elton Mayo and others, whose Hawthorne studies (1924-1932) serendipitously documented how stimuli, unrelated to financial compensation and working conditions, yielded more productive workers [6]. Contemporaneous work by Abraham Maslow (1908-1970), Kurt Lewin (1890-1947), Max Weber (1864-1920), Frederick Herzberg (1923-2000), and David McClelland (1917-1998) formed the basis for studies in industrial and organizational psychology, organizational behavior and organizational theory, giving room[*citation needed*] for an applied discipline.

Birth and Evolution of the Discipline

By the time enough theoretical evidence existed to make a business case for strategic workforce management, changes in the business landscape (à la Andrew Carnegie, John Rockefeller) and in public policy (a là Sidney and Beatrice Webb, Franklin D. Roosevelt and the New Deal) had transformed the employer-employee relationship, and the discipline was formalized as "industrial and labor relations". In 1913, one of the oldest known professional HR associations-the Chartered Institute of Personnel and Development-was founded in England as the *Welfare Workers' Association*, then changed its name a decade later to the *Institute of Industrial Welfare Workers*, and again the next decade to *Institute of Labour Management* before settling upon its current name [7]. Likewise in the United States, the world's first institution of higher education dedicated to workplace studies-the School of Industrial and Labor Relations-was formed at Cornell University in 1945 [8].

During the latter half of the 20th century, union membership declined significantly, while workforce management continued to expand its influence within organizations. "Industrial and labor relations" began being used to refer specifically to issues concerning collective representation, and many companies began referring to the profession as "personnel administration". In 1948, what would later become the largest professional HR association-the Society for Human Resource Management (SHRM)-was founded as the *American Society for Personnel Administration* (ASPA) [9].

Nearing the 21st century advances in transportation and communications greatly facilitated workforce mobility and collaboration. Corporations began viewing employees as assets rather than as cogs in a machine. "Human resources management", consequently, became the dominant term for the function-the ASPA even changing its name to SHRM in 1998 [9]. "Human capital management" is sometimes used synonymously with HR, although human capital typically refers to a more narrow view of human resources; i.e., the knowledge the individuals embody and can contribute to an organization. Likewise, other terms sometimes used to describe the field include "organizational management", "manpower management", "talent management", "personnel management", and simply "people management".

In Popular Media

HR has been depicted in several popular media. On the U.S. television series of *The Office*, HR representative Toby Flenderson is sometimes seen as a nag because he constantly reminds coworkers of company policies and government regulations [10]. Long-running American comic strip *Dilbert* also frequently portrays sadistic HR policies through character Catbert, the "evil director of human resources" [11]. Additionally, an HR manager is the title character in the 2010 Israeli film *The Human Resources Manager*, while an HR intern is the protagonist in 1999 French film *Ressources humaines*. Additionally, the BBC sitcom *dinnerladies* main character Philippa is a HR manager.

Business Function

Dave Ulrich lists the functions of HR as: aligning HR and business strategy, re-engineering organization processes, listening and responding to employees, and managing transformation and change [12].

At the macro-level, HR is in charge of overseeing organizational leadership and culture. HR also ensures compliance with employment and labor laws, which differ by geography, and often oversees health, safety, and security. In circumstances where employees desire and are legally authorized to hold a collective bargaining agreement, HR will typically also serve as the company's primary liaison with the employee's representatives (usually a labor union). Consequently, HR, usually through representatives, engages in lobbying efforts with governmental agencies (e.g., in the United States, the United States Department of Labor and the National Labor Relations Board) to further its priorities.

To look at Human Resource Management more specifically, it has four basic functions: staffing, training and development, motivation and maintenance. Staffing is the recruitment and selection of potential employees, done through interviewing, applications, networking, etc. Training and development is the next step in a continuous process of training and developing competent and adapted employees. Motivation is key to keeping employees highly productive. This function can include employee benefits, performance appraisals and rewards. The last function of maintenance involves keeping the employees' commitment and loyalty to the organization.

The discipline may also engage in mobility management, especially pertaining to expatriates; and it is frequently involved in the merger and acquisition process. HR is generally viewed as a support function to the business, helping to minimize costs and reduce risk [13].

Careers

There are half a million HR practitioners in the United States and thousands more worldwide [14]. The Chief HR Officer or HR Director is the highest ranking HR executive in most companies and typically reports directly to the Chief Executive Officer and works with the Board of Directors on CEO succession [15,16].

Examine Personality and Self-Control

The study of human capital tends to focus on one "type," by which we mean that only a single individual difference is expected to represent human capital. Studies tend to conceptualize human capital in terms of a single (but broad and multidimensional) knowledge, skill, or ability [17]. For example, Ployhart, Weekley, and Ramsey [18] operationalized human capital in terms of service orientation that was comprised of personality and basic numerical ability. If the study of human capital is to incorporate the research on intelligence as information processing, then it will need to also examine self-control and the personality characteristics that may contribute to self-control. This will obviously require looking at multiple resources, which is something that the human capital literature has typically not done [19]. Interestingly, much of the contemporary HR research promotes HR policies and practices that offer autonomy, build trust, and increase involvement. These practices essentially offer more discretion to employees, but one may suggest that such discretion is likely to be helpful only to the extent that employees have sufficient levels of self-control. If correct, then many interesting questions come to mind. For example, can HR policies or practices take the place of self-control by guiding and constraining employee behavior? Does self-control matter more in the absence of appropriate HR policies or practices? Might self-control and HR policies and practices operate in a synergistic manner?

Complementarities

Intelligence research by Fagan [20] clearly shows that there are interrelationships among information processing, knowledge, and self-control, and these constructs jointly influence achievement. Combinations of resources may create a competitive advantage because they are more immobile, inimitable, and have less well-defined strategic factor markets than "stand-alone" resources [21]. In this manner, research needs to consider how the interrelationships observed at the individual level among information processing, knowledge, and self-control, may be manifested at the firm level to influence performance and competitive advantage. These resource complementarities may result in human capital being a strong determinant of competitive advantage because they are socially complex, causally ambiguous, and path-dependent [19]. Combinations of resources may create a competitive advantage because they are more immobile, inimitable, and have less well-defined strategic factor markets than “stand-alone” resources [21]. In this manner, research needs to consider how the interrelationships observed at the individual level among information processing, knowledge, and self-control, may be manifested at the firm level to influence performance and competitive advantage. These resource complementarities may result in human capital being a strong determinant of competitive advantage because they are socially complex, causally ambiguous, and path-dependent [19].

For our purposes, capabilities reference the extent to which a firm can manage or leverage its resources. These capabilities are often based on managerial competencies, for example, a manager's ability to appropriately value resources acquired within strategic factor markets [21]. Likewise, the management team's cognitive endowments and teamwork processes will have a fundamental influence on the management and use of resources. Thus, managerial cognition can be conceptualized as a Future research should build from existing work and incorporate information processing models of managerial cognition.

The first suggestion is the simplest but also the most profound. We suggest that whenever possible, human capital research move away from proxies of intelligence, such as GPA or educational level, and study intelligence directly. Proxies such as GPA are imperfect indicators of intelligence and contain a host of sources of contamination and deficiency (e.g., socioeconomic status; motivation). Intelligence is just one type of individual difference that may comprise human capital, but it is perhaps the most important one because it is the latent construct that underlies most of the proxies used in past research: education, GPA, and even some measures of *g*. In fact, despite decades of research on the consequences of intelligence, we know almost nothing about whether organizations that are comprised of more intelligent employees outperform those that do not [18].

Researches on intelligence and human capital are similar in that they seek to understand how variability in human characteristics contributes to variability in performance outcomes. They differ primarily in their level of analysis and the nature of the performance outcomes. Intelligence research tends to focus on individual level outcomes such as achievement, job performance, or educational performance. Human capital research tends to focus on individual earnings (in economics) or firm competitive advantage (in strategy). Despite these differences in level and outcome, intelligence plays a fundamental role. The recent research on psychological microfoundations of human capital resources explicitly recognizes the need for a better understanding of intelligence across all levels, and for multiple types of performance outcomes [19,22].

Kuncel and Hezlett [23] note that the prediction of occupational achievement is increased by taking into account personality traits that have little or no correlation with cognitive ability.

The present results answer the further questions posed by von Stumm et al. [24] and by Nisbett et al. [25] as to whether personality factors such as self-control are predictors of achievement, independent of the variance in prediction due to intelligence. Self-control is such an independent predictor. The present results also tell us that racial differences in occupational success might not be sought in differences in self-control or in differences in basic information processing ability. They are to be sought in cultural differences in access to information relevant for occupational success. The criteria for acceptance and advancement in occupational pursuits are likely to be based on conventional tests of general knowledge, tests favoring the racial majority. Minority members achieving the same level of competence as majority members on those conventional tests are likely minority members whose information processing abilities and self-control are greater, allowing them to make up for a cultural disadvantage in access to relevant information.

These findings may be used to understand how and why intelligence could contribute to human capital resources and thus competitive advantage. For example, it appears that information processing ability, knowledge, and self-control all contribute to individual achievement. If these same characteristics also underlie competitive advantage at the firm level, then a firm would need to accumulate or develop all three to create a competitive advantage. Further, the pattern of interrelationships among these three characteristics may also create complementarities that result in a firm-level human capital resource being highly organization specific and thus not obtainable in strategic factor markets [26].

Focusing on only one characteristic would likely obscure these relationships and seriously underestimate the extent to which intelligence underlies competitive advantage.

Alternatively, information processing, knowledge, and self-control could have different relationships to firm performance outcomes than those observed at the individual level. For example, generic human capital resources may be more valuable in times of organizational adaptation or environmental change than firm-specific human capital resources [27]. This means information processing or self-control resources could be more strongly related to firm performance when adapting to changing task or environmental demands than knowledge resources. In contrast, knowledge resources may be more valuable under times of stable economic conditions. Thus, the relative effects of information processing, knowledge, and self-control on performance may be moderated by broader task or economic conditions,) and organizational [27] levels.

It is also worth considering that the multilevel view of human capital resources realizes that firm resources emerge from individual level KSAOs [28-30]. Understanding the nature of the task context and emergence enabling states will be vital for understanding how information processing, knowledge, and self-control transform into unit-level resources. For example, those with greater information processing may attend to different types of HR practices or react to different types of task demands than those with less effective information processing. Similarly, those with greater self-control may show different types of social interactions than those with less self-control. In either case, the nature of emergence processes for intelligence may differ as a function of the information processing or self-control of members within the unit, and thus the likelihood that intelligence contributes to human capital resources and competitive advantage. in the need to combine intelligence and personality to predict achievement and points to conscientiousness, self-management and the ability to withstand delays in reward as examples of aspects of personality contributing to achievement.

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May also contribute to occupational success, While the results of these studies are impressive as to the importance of self-control in success in various situations, the generality of their findings is limited by the question of whether self-control contributes variance to the prediction of achievement which is independent of that contributed by intellectual ability. von Stumm et al., 2011). Nisbett et al. [24,25] note in a recent review of findings in the field of intelligence that motivational factors such as self-control may be influencing achievement in academic pursuits as well as in other life outcomes in addition to the influence of intelligence on achievement.

More contemporary human capital research is starting to recognize the psychological "microfoundations" of human capital resources [28,30,31]. That is, rather than relying on human capital theory conceptualizations of individual differences, the emphasis is becoming more of one that connects RBT to psychology [19]. This, in turn, is creating an appreciation for individual differences widely studied within psychology (e.g., intelligence, personality), which historically were not treated as forms of human capital. Ployhart and Moliterno [29] developed a theoretical framework that connects strategic resources to psychological-based individual differences. They define human capital resources as "a unit-level resource that is created from the emergence of individuals' knowledge, skills, abilities, and other characteristics (KSAOs)" .

In turn, the economics approach emphasized the study of education and experience to examine how these characteristics helped explain wage differentials over time (see Becker, 2011). Such breadth speaks to the importance of intelligence in science and practice. These different disciplinary perspectives each offer unique insights, but the research has tended to be more *multi*disciplinary than *inter*disciplinary [19]. That is, intelligence is not conceptualized, operationalized, or understood the same way within psychology, economics, and strategic management, and each field remains fairly independent of the others. This is particularly troubling because research on human capital has the opportunity to illuminate how individual differences such as intelligence influence the performance of firms and even societies.

The question of whether self-control influences occupational success independently of the contribution made by information processing ability in populations where there is a wide range of intellectual functioning is illustrated in a recent empirical study conducted by Fagan [20]. This study was intended to discover how information processing abilit, extent of past knowledge, self-control and racial-ethnic status interrelate to determine occupational achievement. Specifically, a set of three studies including 487 employed adults, representative of the general population as to race, with a mean age of 43.6 years (*SD* 9.0), 190 males and 297 females, were tested for their ability to process new information as to the meanings and uses of words, for the extent of their existing knowledge of word uses and meanings, and for their responses to questions about their sense of self-control. The general approach was to give the participants multiple choice tests of their ability to process new information concerning word meanings. Following a brief training, the participants received a set of multiple choice tests on the newly learned material. They were also tested for their existing general knowledge of word meanings. The tasks used in the present studies to estimate either the ability to process new information or to gauge the extent of past knowledge were representative of complex, verbal tasks commonly used on standard IQ tests. Achievement was estimated by ratings of occupational status based on norms for socioeconomic indices for detailed categories within occupational classifications. Self-control, independent of the tendency to give socially desirable answers, was measured by using various self-report scales. The analyses showed that greater occupational status was associated, independently, with better information processing ability, more past knowledge, greater self-control and to membership in the racial–ethnic majority. The extent of a person's knowledge was due (in large part) to their information processing ability and was greater on the part of the racial majority. Self-control did not vary with processing ability or with knowledge and was, in fact, somewhat stronger for minorities.

There is no reason to expect that managers are different in their basic information processing than any other groups of people. However, the *context* within which these processes may occur is likely to be quite distinct. Managers are challenged by environments that require collaboration and teamwork, involve poorly-defined problem spaces, and have a lack of necessary resources (including time). Basic research based on controlled simulations of these environments could be conducted to understand the degree to which information processing ability, specific product knowledge, time, degree of collaboration required, attitudes toward teamwork, and variations in problem space contribute to or determine managerial success.

When your boss sits you down for your annual performance review, you hope the feedback honestly reflects your performance. But extensive research by Steve Scullen, professor of management and international business at Drake University, suggests the evaluation may say more about your boss than it says about you.

The research was first published 15 years ago, but it still has profound impact on the way business is done. Scullen and his research colleagues analyzed the performance ratings of nearly 5,000 managers who had each been evaluated by six coworkers. Raters sometimes agreed, but often differed in the scores they assigned to the same colleague. The researchers found that 65 percent of the variance in ratings was attributable to personal idiosyncrasies and bias of individual raters, and only 25 percent to actual employee performance.

"In other words, one colleague might give you low marks on 'strategic planning,' but that doesn't mean that another one would come to the same conclusion," Scullen says. "Much of that variation stems from raters' diverse perceptions of the importance of strategic planning, of their own skills toward strategic planning, and other personal factors that might have nothing to do with the quality of work you performed for those colleagues."

The key findings recently inspired Deloitte, a global professional services firm with 65,000 employees, to significantly restructure its performance appraisal process. Deloitte's ongoing initiative was highlighted as a "Big Idea" in the April 2015 issue of Harvard Business Review: https://hbr.org/2015/04/reinventing-performance-management.

"We've seen organizations trying to address the human dimension of performance appraisals in a variety of ways," Scullen says. "Some try to address the problem through training; other organizations host 'calibration sessions' where they put raters together and have them talk about an employee, to reach more of a group consensus on performance. These are just a few of many approaches."

But subsequent research shows that over-relying on annual evaluations can be costly and often ineffective for companies. That's why Deloitte is streamlining their appraisal process in a way that de-emphasizes annual reviews in favor of more frequent, and more action-oriented, mechanisms of performance feedback. Team leaders are asked to evaluate their team members at the end of every project; or, for longer-term projects, once every quarter.

"Once-a-year goals are too 'batched' for a real-time world, and conversations about year-end ratings are generally less valuable than conversations conducted in the moment about actual performance," wrote Marcus Buckingham and Ashley Goodall, co-authors of the recent Harvard Business Journal article, titled "Reinventing Performance Management."

Deloitte's new evaluations don't invoke the typical rating scale of high-to-low (or effective to ineffective) but instead ask raters to say what action they would take related to their team member in the future-for example, whether the rater would award their colleague the highest possible compensation increase and bonus, if the money was coming out of the rater's own pocket.

While it's too early for the company to report definitively on the effectiveness of their undertaking, Scullen says it's interesting because it dovetails with research that supports increased frequency of evaluations.

"It's very important that supervisors talk to their employees often," Scullen said. "Discuss performance-the good, and the not so good—as often as you can. Never surprise your employees at appraisal time with criticisms that should have been shared previously."

Scullen says supervisors increase the reliability and value of evaluations if they set clear expectations up front, discuss the standards that will be used for assessing performance, establish a regular schedule for taking notes on an employee's performance, and consistently listen to their employees' perspectives on what is going well and not-so-well.

He said,"If you do all of that", the end-of-year performance review should be more of a formality than anything else."Scullen recommends the following considerations for employees who want the most meaningful performance review possible:

- Ask early on for a discussion of what your boss expects from you.
- Make regular notes about your performance. Your boss may or may not remember your accomplishments, so it's important for you to keep stock of them.
- Communicate often and with diplomacy. Be sure you understand what your boss feels you are doing well, and what needs improvement. Without making excuses, be sure your boss understands any performance obstacles you are facing.
- Remind your boss of your accomplishments. When possible, diplomatic reminders may make it easier for your boss to appraise your performance

Identifiable intangibles capitalized and amortized systematically; identifiable intangibles capitalized and amortized non-systematically; identifiable intangibles capitalized and not amortized; identifiable intangibles written off in a lump sum against retained earnings or reserves; etc. An increase in the number of companies recognizing identifiable intangible was also shown.

The purpose of this paper is to review research on managing people within new ventures and to highlight additional questions that have not yet been addressed. Within each section below, we provide a table that summarizes academic journal articles and book chapters about each area of HR in an entrepreneurial context and discuss key questions that need additional study. In these tables, we distinguish between theoretical and empirical papers and note whether each article discusses small or medium, and emerging or established firms, if such a distinction could be found. After reviewing prior research in the areas of recruitment and selection, compensation, training and development, performance management, organizational change, and labor relations, we suggest that we do not yet have much theory or data concerning issues of training, performance management, organizational change, or labor relations in small and emerging firms.

Therefore, our understanding of key HR The purpose of this paper is to review research on managing people within new ventures and to highlight additional questions that have not yet been addressed. Within each section below, we provide a table that summarizes academic journal articles and book chapters about each area of HR in an entrepreneurial context and discuss key questions that need additional study. In these tables, we distinguish between theoretical and empirical papers and note whether each article discusses small or medium, and emerging or established firms, if such a distinction could be found. After reviewing prior research in the areas of recruitment and selection, compensation, training and development, performance management, organizational change, and labor relations, we suggest that we do not yet have much theory or data concerning issues of training, performance management, organizational change, or labor relations in small and emerging firms. Therefore, our understanding of key HR Challenges in emerging ventures, including establishing firm identity and legitimacy, attaining critical skills and capabilities, maintaining flexibility, and developing sustainable practices is limited. Further, underlying these functional areas are three fundamental aspects of human resource management we do not yet understand in this context: retention and ongoing employee issues, the integration and interaction among HR practices, and the development and changes in HR practices throughout firm emergence.

After reviewing what we already know about managing no founder employee assets in new ventures, and recognizing what we have yet to understand, these areas for additional inquiry and for greater synergy between HR and entrepreneurship will be discussed. First, we explore further the distinction between small and emerging ventures and explain our approach to reviewing relevant Literature.

Liabilities of smallness and newness are real, but distinct Entrepreneurial firms face unique burdens, based on their youth and small size at inception. These two liabilities, shared by many entrepreneurial ventures, present distinctly different challenges, both for the entrepreneurial firm and for human resource management within the firm. Young firms face the liabilities of newness, or the challenges of entering unknown industries or groups.

In small and emerging firms, founders do not talk about HR, but rather as a flow of interrelated activities that they deal with concerning their employees, activities that fluctuate and change over time. In applying the “muddle through” strategy, many CEOs stumble upon synergistic ways to manage their personnel that do not easily fit into our preconceived Traditional HR notions. We suggest that a great deal of empirical data should be gathered concerning what these CEOs are actually doing and the impacts of those activities on employee satisfaction, commitment, productivity, and firm performance.

Area of HR What we know about this What we do not know about this Performance appraisals Formal appraisals are usually not done in SMEs How are employee performance deficiencies handled in SMEs?

Employee issues are often handled arbitrarily what are equity, fairness, or justice perceptions within SMEs, and how does this impact employee or organizational performance? Organizational change SMEs experience a lot of change how do HR systems change to grow with the organization? SMEs have a harder time coping with economic downturns than do large firms what are the key transition points in emerging and ongoing HR systems? Changes in organizational practices are very destabilizing to SMEs:

Turnover, likelihood of failure, financial performance Do these follow typical life cycle models?

Labor relations The presence of unions in SMEs going through an IPO process may have a positive impact on performance Does the threat of unionization prompt SME managers to focus on worker-friendly HRM practices?

Presence of union elections leads to greater $$ allocation to training and development Do the presence of written personnel policies and/or their systemic implementation reduce? threat of unionization? In SMEs where a union has lost an election, various innovative HRM Practices significantly increase.

Model on Human Resource Accounting

This model prescribes Human resource accounting approach for two categories of employees.

- Employees, who are at a strategic key decision making position such as MD, CEO (Top Executives)
- Employees, who execute the decision taken by top executives

Model value of Human Resources as sum of below-mentioned three parts:

- Real Capital Cost part
- Present value of future salary/wages payments
- Performance evaluation part

Three Components of Intellectual Capital

Structural capital (organizational): customer capital and human capital. Human capital is one of the most dynamic elements in the framework of intellectual capital as the sum of individual capabilities, knowledge, skills and experience of the staff and management of a company is defined organizations.

Human Capital Metrics

- The financial metrics such as sales and financial performance.
- Standard output of goods and services produced, services provided to customers, the number of errors, customer satisfaction, service quality.
- Measures the time delay, absence.

Known Criteria for Evaluating

- Non-monetary evaluation of human resources: Non-monetary measures could include skills in the organization, a list of key personnel and their credentials, or the knowledge, skills, health and job performance organization. Collection of non-monetary measures, most notably by Likert Rnsys charged. Other form of non-monetary model by "Vlyng" has been developed. The dedication to goals such as productivity, human resource development and staff satisfaction, a programming model based on the objectives formulated.

- Some other method of measurement include:
  The economic value (current)
  Replacement value
  Value of the coefficient
  The theory of auctions
  Historical cost
  A comprehensive system of accounting, human resources

Components of Intellectual Capital

The model name of the place was considered the intellectual capital consists of three main components, which are interacting with each other to create value.
Structural capital
Customer capital
Human Capital

- **Structural Capital (Organizational)** Capital structure, including the capacity to understand the market needs and rights, such as patents and know-how embedded in the structures, processes and organizational culture encompasses.

- **Reporting Data Related to Human Resources Customer capital (link):**

Investor communications, including external dependencies such as customer loyalty, reputation and relationships with suppliers, it is resources. Human capital: Human capital capabilities, skills and expertise of the members may be called human.Provided to beneficiaries is defined. The overall objectives of human resource accounting.

Recognize the value of human resources Measuring the value of human resources Reporting data related to human resources Table 1: Value-added human resources 85 years Value of human resources in the first period -Profit (loss) jobs (1182210) Profit (loss) 1,335,004 employed Profit (loss) 186 788 Productivity HR equity 339,582

Specimen's chemical composition need not be reported if the main purpose of a paper is to introduce a new measurement technique. Authors should expect to be challenged by reviewers if the results are not supported by adequate data and critical details.

Methods of Reporting

Four Ways transient reflecting investments in human resources at the company's annual financial reports exist about investments in human resources can be:

The board of the general meeting of shareholders.

Report of intangible assets.
Not audited financial statements.
To make the basic financial statements.

Data Analysis

The Population of senior managers of the Human Resources: Research Institute of Nuclear Science and Technology in Tehran which 100 were selected by purposive sampling. The results of opinions about the factors affecting the implementation of HR managers E-HRM That Using the Software expert choice Sensitivity were analyzed.For the facilities of the input data to expert choice, we have designed a system code as the following, Table. 1

Table 1: Some of the ranking items

Sub audits code		Code	
		G	**Effective Executive E-HRM**
W_1 W_2 W_3	Complexity of work Working autonomy The importance of work	W	**Working factors**
I_1 I_2 I_3	A person familiar with IT Individual education Attitude towards change	I	**Individual factors**
E_1 E_2 E_3	Technical environment Unreliability Familiarity with information technology skill	E	**Environmental factors**
O_1 O_2 O_3 O_4	Support for high-level officials Organizational size Organizational Culture Organization Resources	O	**Organization factors**
IN	Advantage E-HRM **IN** Compatibility E-HRM	IN	**Innovation E-HRM**

Research Findings

After collecting and analyzing information with the expert choice software, the following results have been found. The Hierarchical tree is shown in Fig. 2

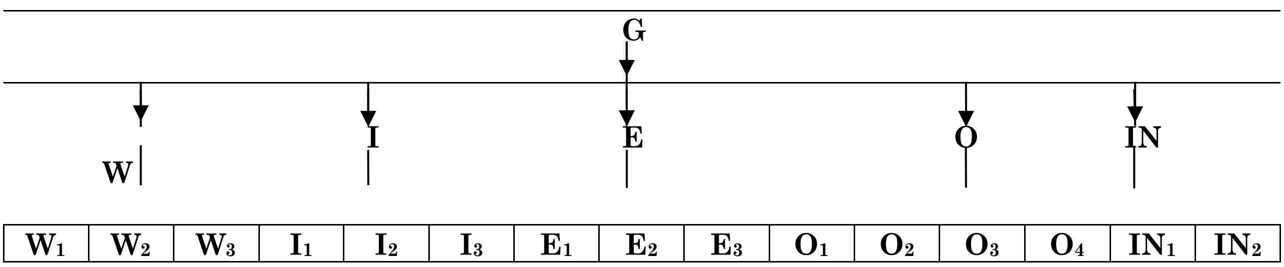

Fig. 2: The hierarchical tree

The founding from the expert choice software shows that the main criteria including Working factors (W), Organization factors (O), Environmental factors (E), Individual factors (I), and Innovation E-HRM (IN) have the highest weight, respectively.

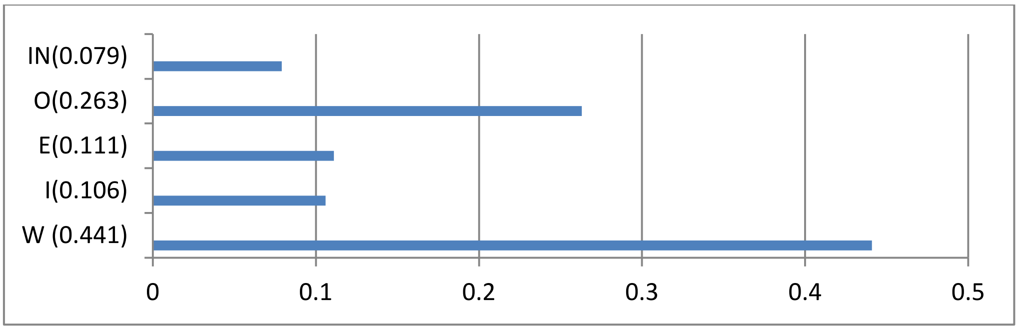

Fig. 3: Weighting of the main criteria

With respect to the founding elements, among the working factors, the complexity of work (W_1), the importance of job (W_3), and the working autonomy had the most weighted elements, respectively.

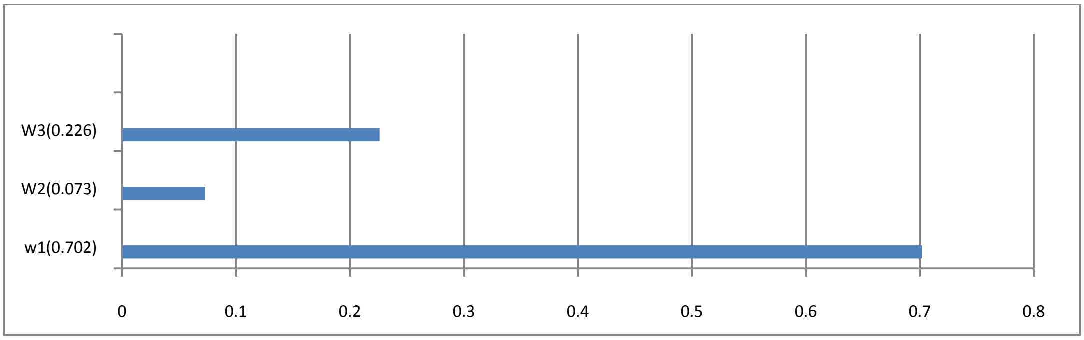

Fig. 4: Weighting criteria of working factors.

Conclusion

Promoting human capital and its impact on various aspects of organizational performance and broader level of economic and social development of society is no secret. This investment includes a set of competencies for improving knowledge skills in order to achieve the program's outcomes. Information processing approaches to intelligence offer many implications for the understanding of human capital in organizations. At the same time, the study of information processing approaches within dynamic organizational contexts may contribute to a better understanding of intelligence. The strategy literature's examination of human capital as a source of competitive advantage has led it to search for the micro foundations of human capital resources. The intelligence of employees offers one of the most valuable psychologically-based micro foundations because it has the potential to be valuable, rare, inimitable, and non-substitutable.

So too should our scholarship concerning human issues in entrepreneurial Ventures include a more careful and comprehensive understanding of the evolving and dynamic nature of HR management in small and emerging enterprises. In short, our responsibility as scholars is to design carefully thought-out integrative studies that explore what we do not yet know about managing no founder employees in entrepreneurial ventures.

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