

HUMAN RESOURCE ACCOUNTING PRACTICES LEADS FIRM PERFORMANCE

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ABSTRACT

Purpose: The purpose of this research effort is to understand various effects of human resource accounting practices on firm performance through retention.

Design/Methodology/Approach: A questionnaire-based field survey was conducted to collect data from 103 owner/managers from a random sample of Auto sector located at 4 cities of Punjab state of India. The multiple correlation and regression statistical test were used to analyze the derived 5 hypotheses in conjunction with SPSS 16 software to evaluate the findings.

Findings: This research finds detailed significance of human resources accounting practices on firm performance which mediate via decision making planning capabilities. It covers 4 aspects mainly include, employee valuation planning capabilities, employee performance planning capabilities, employee productivity planning capabilities and employee retention planning capabilities. Simply study emphasis from beginning to end of all applied human resource management practices effects on firm performance. It has tried to understand human resource valuation effects on employee performance and later outcomes on firm profitability through employee productivity. Study also indicates decision making capabilities effects on employee retention a HR term in financial performance point of view.

Research Limitations/Implications: This quantitative study is exploring an analysis of service sector particular at selected Auto sector and suggests antecedents to understand impact of HRA practices on firm performance. Used variables have been selected as per best available sources of literature and based on researcher's knowledge. Further study is also required to identify other critical areas to evaluate different effects. Here limitations of practicality and opportunism in the sampling also acknowledged.

Practical Implication: Certainly findings of the study indicate to undertake more research efforts to justify the effects of decision making capabilities on firm performance which also leads various consequences at later stage due to less productivity and employee dissatisfaction.

Originality/Value: Present paper contributes to the understanding how HR retention in volume of firm performance often faces issues which is actually a gape of Human resource accounting applications. A combination of few selected constructs which is designated as decision making capabilities in the study are essentially require to implement for getting sound financial performance.

KEYWORDS: Human Resource Accounting, Decision Making Capabilities, Employee Valuation, Employee Performance, Retention, Firm Performance