

Analysis of the Application of Human Resources Accounting to Profitability in the Company's Financial Statements at Pt. Khatulistiwa Mulia Indonesia

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ABSTRACT

Current economic growth can have an impact on the rise in Profitability in a government agency's or a company's Financial Statements. The purpose of accounting is to provide a method for calculating and reporting economic data for use in decision-making within an organization. Since the 1960s, people have been talking about the latest innovations in accounting, particularly in what is known as Human Resource Accounting (ASDM) or Human Resource Accounting (HRA). Accounting theory development gave rise to ASDM, with the difference being that ASDM's growth has continued to focus on human resources as both a source and a component of a company's success. Human Resource Accounting is defined as the process of identifying data about Human Resources and disseminating this data to relevant parties (Belkaoui, 1995). The definition of Belkaoui itself means Human Resource Accounting aims to identify the value of Human Resources, Measuring human costs and values contributed to the company, and assessing the influence of understanding this information and its impact on human behavior towards an organization and on the financial profitability of the Company. This study used a descriptive qualitative method of data analysis and was conducted at PT. Khatulistiwa Mulia Indonesia in Malang, East Java. In order for accurate bookkeeping and a clear presentation of all the information gathered, the firm must first establish a system for recording and organizing all of the data it collects..

Keywords: Human Resource Accounting, Financial Statements, Profitability



INTRODUCTION

Economic Development Opportunities Rapid progress in this field means it has the potential to improve the efficiency of any organisation, be it a government or a private business. Accounting is a mechanism for generating financial data that can be used to guide operational decisions. Accurate data instructs decision-makers on how to most effectively use limited resources to drive the economy and businesses. Business decisions depend on many factors, but selecting and deciding them may be difficult. Parties have enough power to send representatives to make business decisions. Organisations that use human-owned resources do so in a way that is successful, efficient, and above all, compassionate. For an organisation to succeed in the short, medium, and long term, it must first be established, and then its leaders must ensure that its members have access to the greatest possible planning resources. In this way, the corporation or organisation will find it difficult to provide the necessary amount of manpower.

Since the 1960s, the discussion about recent innovations in the field of accounting, especially Human Resource Accounting (HRA), has grown substantially. ASDM at that time was born as a result of the development of accounting theory, only the development is still looking at the point of view of Human Resources (Source Power Humans) and paying attention to Human Resources as a component and goodwill for the company. The goal of this project is to help businesses better understand which sources of power have experienced an increase in value over a period of time. Human resource accounting, as defined by Flamhotz in Tunggal (1995), involves recording employees as resources for the business. In other words, accounting can be seen as the basis of any humanly run power structure. which translates to: Human Resource Accounting is the source of all organisational power, and this is why we use a unique kind of accounting to track our progress as individuals and collectives. Accounting and Auditing Standards Board Committee on Human Resources (American Accounting Association)

Human resource accounting is defined by (Belkaoui, 1995) as the procedure of collecting and disseminating relevant statistics and data. Belkaoui's definition itself implies that human resource accounting aims to identify the mark of human resources, measure the cost and value of humans provided to the company, and examine the effect of understanding that information and its impact on human behaviour on any organisation.

Human Resource Accounting can be defined as a field of accounting that is centred on people as an organisation's source of power based on the definition established by Human Resource Accounting earlier. The ability to accurately measure and report source power is critical to any company that relies on it. Accounting for power and energy does not use operating cost measures but rather cost or capital expenditure measures. Since the selection, hiring, training, and growth of employees' capacity to do their jobs effectively all contribute to a company's bottom line, it is important to assess Human Source Power so that the company can recognise its potential as a valuable asset.

Meanwhile, financial statements are the end product of accounting and are intended to disseminate information about the company's finances or operations to stakeholders. PSAK No.1 specifies several different types of financial statements, including but not limited to the following::

1. Statement of Financial Position

2. Statement of Profit or Loss and other Comprehensive Income
3. Report on Changes in Equity
4. Report on Cash Flow
5. Notes to Financial Statements

Using data from pre-existing financial statements of various types The financial status of a company is an integral part of the whole Because it is necessary to determine the financial condition of the assets, liabilities, and equity of an entity at a specific date or time. According to PSAK, you are required to disclose a sound financial situation. Regarding four defining features Describe financial practices that comply with PSAK, including:

1. Can Understand
2. Can be Compared with
3. Relevant
4. reliable

In order for a report to be considered acceptable, it must fulfil the four criteria set out earlier.

Anissyafira Ula Paramadina (2021) also investigated the effect of Accounting Source Power Man on business results in previous research, finding that the use of this concept improves financial results. Where in the Financial Reporting System the Company can Collect Internal Profit. This happened at PT Perkebunan Nusantara II Tanjung, where Morawa applied accounting, power, and people to boost company profits.

Accounting as a Source of Economic Power: An Application St. Isnaiati's study (2019) on PG. Modjoagung Tulungagung includes findings on people. The findings of this study reveal the effects of using the power source of accounting as an application. Which person's Report to Management on Financial Performance showed an increased Return On Assets (ROA) or Return On Equity (ROE) As a result, the company's profits increased during that time period.

After the initial investigation, the team settled on PT Equator Mulia Indonesia as the case study organisation due to its status as a "Company that currently runs Human Resource Accounting and exists" There is some bureaucracy involved in listing power as an asset in the financial statements, as it must first meet certain conditions before the corporation can claim it as an asset. This is because until now, accountants have not been able to agree on whether or not the source of Power Man is included in the assets of the Company as listed in the balance sheet, even though the Company's operations have a significant effect on the welfare of its employees. Power management plays an important role in ensuring that the day-to-day operations of the company run smoothly The company's strategic goals and objectives are met, provided the organisation has access to reliable and effective resources. Managing people as a valuable source of strength is essential for any company. When a business loses a human resource professional, it suffers significant financial losses due to the opportunity costs of having to replace them. The company's ability to maintain operations and generate profits will be jeopardised, and it will lose the opportunity to utilise renewable resources.

At times like these, it is imperative for businesses to have access to competent professionals who can ensure the smooth operation of the company. A party's administration can benefit from careful planning and oversight when it comes to ensuring that its sources of power are being developed, allocated, stored, utilised,

and evaluated effectively and in accordance with its stated objectives. Not only that, but it also helps build Quality Resources from the Depths. Mulia Khatulistiwa Indonesia also provides training before players enter the field, so as to improve their physical fitness. In particular, this refers to the fact that PT. Equator Mulia Indonesia, the company in question, conducts training of several types according to its current division. A person who is a security expert and field coordinator is present thanks to the efforts of the Garda Pratama division.

Following the aforementioned context setting, the researcher actively encourages a deeper understanding of Human Resource Accounting in its immediate and ongoing application within the Company. That's why he had to do research using that name. "Analysis of Human Resource Accounting Application to Profitability in the Company's Financial Statements (Study of PT. Equator Mulia Indonesia).

STUDY THEORY

1. Definition of Human Resource Accounting

The term "human resource accounting" refers to the process by which businesses and other organisations determine how much they have spent on people who are further counted as assets. The main purpose of human resource accounting is to offer support for productive management of HR operations. Managers will be inspired to make good HR-related business decisions if they have access to the data they need to learn more about attracting, training, placing, utilising, rewarding, and valuing employees..

2. Draft Accounting Resource Personnel

The draft Accounting Power Man should mention a few including:

1. Measurement, i.e. Human Resource is measured by various methods namely: historical method, cost replacement method and compensation method.
2. Recognition, i.e. Human Resource is recognised as an Asset from which the company is an asset Itself is a source of power that is controlled by the entity as a result of past events and is expected to provide economic benefits in the future..

3. Financial Definition Report

"financial statements are reports that reveal the company's current financial position or within a certain period of time," concluded Kasmir in (Winarno, 2017). Financial statements are defined as "reports that summarise the financial status of the results of an accounting process over a certain time and are used as a communication tool for interested parties" (Suteja, 2018). That's why businesses and other organisations rely on financial statements to help them plan for the future.

a. Definition of Profitability

Profitability in business can be defined as the ratio of a company's income to its total assets and capital, or alternatively as the capacity of an entity to generate profits.

This ability to generate profits is what Toto (2011:118) calls profitability. The requirements for different methods of measuring profit can lead to different ways of conceptualising profit.

Profitability, as defined by Agus (2010:122), is the ratio of a company's

earnings to the value of its assets and capital. Based on these figures, it can be assumed that profitability is an objective usage ratio of profitability, as determined by industry insiders.

According to Cashmere (2012: 197-198) the purpose of using the profitability ratio for companies is:

1. To measure or calculate the profit earned by the company in One specific period;
2. To evaluate the company's profit position in the previous year with the current year Now;
3. To evaluate the development profit over time;
4. To assess the amount of net profit after tax with own capital;
5. To measure the productivity of all company funds used

One indicator of a company's potential to generate profits is the quality of its access to capital, both in the form of loans and internal resources. The following are various forms and indicators of profitability as explained by Harahap (2011: 304):

1. $Margin\ Keuntungan = \frac{Pendapatan\ Bersih}{Penjualan}$
 $Profit\ Margin = \frac{Pendapatan\ bersih}{Penjuala\ n}$

This figure shows how big the percentage of net profit per sale is. The greater this ratio, the better because it is considered that the company's ability to earn profits is quite high..

2. $ROA = \frac{Laba\ Bersih}{Total\ Aset}$

This ratio describes the turnover of assets as measured by sales volume. The greater this ratio, the better it is, which means that assets can rotate faster and make a profit.

3. $ROE = \frac{Laba\ Bersih}{Ekuitas}$

This ratio shows what percentage of net profit is earned when measured against the owner's capital. If it is greater then it is ok.

LEARNING METHOD

This method study uses descriptive and qualitative strategies. As Yusuf (2014: 329) says, qualitative research is distinguished by its attention to factors such as meaning, definitions, concepts, characteristics, symptoms, symbols, and descriptions of symptoms, as well as the use of various methods, its emphasis on the whole person, its commitment to quality over quantity, the use of the Lot method, and its presentation in narrative form..

Object of research

Located at Jalan Kuntobasworo VIII/5 in Polehan, Malang, East Java, PT Khatulistiwa Mulia Indonesia is used as a research site.

Data Collection Technique

Information was collected for the research using the following techniques: Get some useful information, such as:

- a. Documenting procedures entails collecting relevant data from sources such as company archives and written records and then organising them into a coherent whole using a moderated tree structure.
- b. Interview method, or the collection of information by personal questions posed to employees of PT company. Praise Indonesian Equator

- c. Observation is a technique where people, objects, and events are recorded to identify and document recurring patterns in their behaviour.

Data Analysis

The following summarises the data analysis procedures used in this study:

- a. Data collection
Researchers at PT Equator Mulia Indonesia in Malang, East Java, were interviewed and observed for this study in order to obtain the necessary data..
- b. Data reduction
A complete and accurate report of field data collection and analysis. Information can be collected through interviews, observations, and written notes. In data reduction, researchers select the most relevant and useful information from what they have to focus the findings of their study..
- c. Data Presentation
Presentation of data, namely explaining the results of interviews and observations in the form of descriptions that are brief and easy to understand so that researchers can draw conclusions.
- d. Conclusion Picture
The findings of the study signify that the researcher has arrived at a novel and interesting conclusion after carefully considering the available facts.

RESULTS AND DISCUSSION

1. Accounting recognition of human resources

One of the uses of Human Resource Accounting is the recognition of Human Resources as an asset, because Human Resources are company assets that will make a significant contribution to the company's bottom line in the future. It is widely recognised at PT Khatulistiwa Mulia Indonesia that its people are one of its most valuable assets because of the long-term economic benefits they generate. This is so if the following conditions are met, as stated in paragraph 7 of the recommendations of PSAK No. 16:

1. It is probable that the entity will derive future economic benefits from the asset; And
2. The cost can be measured reliably.

2. Human Resource Accounting Measurement

The purpose of measurement is to establish the suitability of a particular object for inclusion in a particular Report. Subjectively, it is important to measure the power coming from a particular source, the method is used. There are many methods, both monetary and other. While scholars focus on one particular monetary strategy, that method is subdivided into several different subfields.

According to Hutagaol (2009) to measure the strength of human resources, researchers use three methods, namely

2.1 The Historical Cost Model)

How much a company's intellectual property is worth can be estimated by totalling up all the money spent on acquiring, protecting, and developing that property. Intellectual capital consists of three parts: human capital, structural capital, and relational capital. In this approach, the value of human capital is determined by summing up the monetary expenditure that workers have incurred in the form of social and other expenditures..

2.2 The Replacement Cost Model

in technical terms A substantial amount of cash in Indonesian rupiah or its equivalent must be surrendered in exchange for a guaranteed replacement of the same type of asset. Intellectual property is valued by calculating how much it would cost to replicate in its physical form. However, there is a catch: You won't find a replacement for intellectual capital that doesn't involve breaking the bank.

2.3 Compensation Model

Financial Reward Scheme This will enable proper valuation of intellectual property and remuneration for it in the end. The value of intellectual capital is not fully taken into account here, as this article mainly calculates the value of human capital. Here is the calculation formula:

$$V_t = \sum_{t=r}^T \frac{I(t)}{(1+r)^{t-r}}$$

Information:

V_t: Value of a person's resources at age

I (t) : The person's income until retirement

R : Discount rate for one person

T : Retirement age

3. Serving Accounting Resource Personnel

With the help of a clear and organised report layout, as well as comprehensive information about Accounting Human Resources, using the report should not be difficult. In the future, don't bother remembering anything about Accounting Resources. This is because it facilitates the direct communication of parties related to the Financial Statements in decision-making. For the Asset side, which is valued as a sign of the Company's investment in the future, the Company's Financial Statements include costs related to Human Resources.

4. Before and After Comparison of HR Accounting application
Table 4.7 Annual Report

Laporan Laba Rugi			
PT. Khatulistiwa Mulia Indonesia			
31 Desember 2021			
Ak. Konvensional		Ak. SDM	
Pendapatan	Rp 250.000.000	Pendapatan	Rp 250.000.000
Fee manajemen	Rp 22.770.000	Fee manajemen	Rp 22.770.000
Total	Rp 272.770.000	Total	Rp 272.770.000
Beban Usaha		Beban Usaha	
Beban pegawai (gaji)	Rp 207.000.000	Beban pegawai (gaji)	Rp 207.000.000
Beban peralatan kantor	Rp 4.050.000	Beban peralatan kantor	Rp 4.050.000
Beban perjalanan dinas	Rp 500.000	Beban perjalanan dinas	Rp 500.000
Beban administrasi	Rp 500.000	Beban administrasi	Rp 500.000
Beban pajak	Rp 32.500.000	Beban pajak	Rp 32.500.000
Total	Rp 244.550.000	Total	Rp 244.550.000
Biaya SDM	-	Biaya SDM	Rp 50.000.000
Total	Rp 244.550.000	Total	Rp 194.550.000
L/R	Rp 28.220.000	L/R	Rp 78.220.000
Amortisasi SDM	-	Amortisasi SDM	Rp 41.710.000
L/R	Rp 28.220.000	L/R	Rp 36.510.000

Source: Processed Data, 2023

Some conclusions about the company's profitability from the information provided. When the company used Accounting Source Power Man, its profit and loss statement was only Rp 28,220,000. In contrast, the company's profit rose to Rp 36,510,000 after implementing Accounting Source Power Man. This shows that the Accounting Source Power Man experience increased the company's profit by 3% after it was implemented, and the improved results were fine. For this reason, we know that the ROA, ROI, and ROE benchmarks can all be affected by the results of the basic Accounting used by the Company and this affects decision making.

CONCLUSIONS

Scientists can infer information about a topic from an examination of the study results and a summary of its background material. As a result of the researcher's efforts, we can draw the following conclusions:

1. Although not yet fully operational, PT Equator Mulia Indonesia is considered to have fulfilled its basic accounting requirements at this time.
2. PT. Equator Mulia Indonesia's recognition is given in accordance with relevant Human Resource Accounting. This is because HR is considered by the company as a resource.
3. PT. Equator Mulia Indonesia's evaluation is conducted in accordance with relevant Human Resource Accounting. On the other hand, PT Mulia Equator Indonesia.
4. Human Resource Accounting standards have been followed in Pt.

Equator Mulia Indonesia presentation. In terms of assets, this is where you will find Human Resources.

The data of this research was collected through interviews, participant observation, and other forms of open documentation with informants or research subjects. The research was conducted in accordance with the guidelines set by Widyagma University of Malang, and the researcher received permission from relevant parties, including PT Khatulistiwa Mulia Indonesia from Malang, East Java. However, there is a caveat to this research.

1. As only those who have a stake in the issue at hand are likely to give permission for interviews, the researcher's ability to choose which informants to interview is limited. As a result, not many people could be contacted for information in this study (only three).
2. Information obtained from PT. Due to the impossibility of demonstrating the entire equator, the researcher had to rely on informants to obtain as much data as possible to provide valid and valuable research for many different groups. The field of Human Resource Accounting has seen little study over the past five years.

Analysing the aforementioned details and findings leads to the following recommendations for future scholars interested in achieving similar results. Again, it goes as follows:

1. To ensure the analysis of their findings is as accurate as possible, researchers should double-check their sources and, if necessary, select different individuals to interview.
2. serious order of Financial Statement Presentation The refinement of PT Khatulistiwa Operasi Mulia Indonesia has paid off, and the company's future in Measurement looks bright. The future of Source Power Man has the potential for higher precision.
3. Set up a system that allows regular communication between managers and employees, both as a means to address ongoing issues and as a forum for employee feedback. Greater future growth in Accounting Human Resources will occur if people help each other and give each other feedback on their respective projects.

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