

The Challenges in Applying Human Resources Accounting in Auditing Companies (Field Study in Jordan)

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Abstract

The study aimed at determining the challenges facing auditing companies in Jordan concerning the application of human resources accounting in Jordan. To this end, a questionnaire consisted of (12) challenges that might face auditing companies which depended on previous studies were used. The sample contained (156) auditors holding auditing professional practice certificate in Jordan (Jordan Certified Public Accountant). Various statistical tests in SPSS were employed for analyzing data, testing hypotheses, and finding a statistically significant difference concerning study sample. The study deduced the existence of challenges in the application of human resources accounting in auditing companies in Jordan. Such challenges were divided into humanitarian and accounting challenges. The researchers recommend conducting further studies in order to find clear mechanism for dealing with human resources.

Keywords: Human resources accounting, Auditing Companies.

1. Introduction

Every company, factory, or institution need its human resources in order to perform its job and executes its duty whose role is manifested in planning, organizing, supervising, executing operations, and monitoring. In addition, human resources are considered the primary role of company's success, profitability, and the continuity in performing its function. Accordingly, human resources acquired a great importance in companies particularly among those people who make job difference i.e. qualified and skilled people.

Based on the foregoing, human resources have the right to express them and manifest their importance. It could be achieved by thanking and providing awards according the accounting aspect by determining the financial value, demonstrating its measurement mechanism, or revealing such value in financial statements until the information reach stakeholders in order to know that companies have valuable things rather than tangible things, such as buildings, equipment, machines, etc.

Human resources accounting for demonstrating, such things that are existed in a company, providing human resources their right. It is worth mentioning that human resources accounting recognize, measure, and report about such things by considering it as a company asset. Also, human resources become as a humanly capital instead of financially capital which fall under intangible assets.

Regardless the importance of both human resources and accounting, several studies revealed the challenges of applying them, neglecting their measures, and their disclosure vulnerability. All of which have prompted the researchers the desire to detect the challenges that might hinder the application of human resources accounting.

2. Problem of the Study

According to Sharma and Shukla (2010) human resources occupy an important part of companies because their success depends on these resources due to its effective impact in accomplishing business as a result of their qualifications and skills. Owing to the importance of human resources, they have to be effectively monitored, managed, and controlled in a precise scientific method that is achieved by human resources accounting in terms of the effective recognition, measurement, and monitoring in order to use human resources as well as provide information about the costs of decision making for the purpose of obtaining and developing them to attain the highest levels of efficiency. Besides, Sirisetti and Mallesu, (2012) added that developing an effective practice for measuring human resources by classifying them financially. The above mentioned objectives, namely: recognition, measuring, controlling, management, monitoring, and the report on human resources could be achieved only by practical application.

On the other hand, several studies (Bonsu et al., 2019; Monday, 2017; Al-Sharief, 2013) pointed out the challenges indicators, such as neglecting its measurement i.e. the non-existent of a basis for measurement and evaluation, disclosure vulnerability which triggered the researchers to examine the challenges encountered in applying them. Moreover, the increase interest of human resources in auditing companies. All of which have led to formulate the problem of the study as the challenges in applying human resources accounting in auditing companies.

3. The Purpose of the Study

The primary purpose of the study is confined only in determining the challenges confront auditing companies in the application of human resources accounting.

4. The Significance of the Study

Bullen and Eyler (2010) indicated that the significance of the study is stemmed from the role that human resources play in company's productivity and growth. In addition, the interest of its investment on the long run that is represented in profit-making, particularly its essential role in making internal administrative decisions.

5. Hypotheses of the Study

The study is represented in primary hypothesis that are derived from both the problem and the significance of the study, namely:

There are no challenges facing auditing companies in the application of human resources accounting.

6. Population and Sample of the Study

The auditor of Jordanian Association of Certified Public Accountant (2019) pointed out that population of the study is represented in working auditing companies in Jordan. On the other hand, the inspection unit, which are related to Jordanian Association of Certified Public Accountant, is represented in (428) legal auditors practicing auditing profession whereas (170) questionnaire were randomly distributed on the above mentioned inspection units who are existed in auditing companies across Jordan. Most importantly, (156) completed questionnaire were retrieved that are valid for analysis.

7. Methodology of the study

The study used the descriptive analytical approach which aims at providing an accurate description for the problem of the study, determining the sample, collecting data by one of the study tools that are represented in questionnaire, and then analyzing the collected data in order to reach out to the conclusions.

7.1 Methods of Data Collection

The data were collected by employing two methods since each method depends on the type of the collected data, namely: prepared data that were obtained from arbitrated research taken from scientific journals, books. In addition, preliminary data that were obtained from preparing a questionnaire that consist of two sections. First, auditors' personal data such as, experience, scientific qualification, and vocational certificate. Second, the challenges facing auditing companies in the application of human resources accounting.

7.2 Statistical Tests

SPSS program was used and a number of tests were implemented, namely:

- 1. Cronbach's Alpha test** which was used for determining the degree of internal consistency between questionnaire paragraphs. Such degree amounted to (87.60%) which means the existence of high degree consistency among them.
- 2. One-Sample Kolmogorov-Smirnov test** was used to determine if the data were naturally distributed. The whole findings constituted more than 0.50 which means they were naturally distributed.
- 3. Frequencies and percentages** were used to determine the frequencies and percentages for sample characteristics which are represented in experience, scientific qualifications, and vocational certificates. Knowing that the whole study sample hold certified certificates for practicing Jordanian certificate public accountant profession in Jordan (see study findings).
- 4. Descriptive Statistics** were used to determine the whole of questionnaire paragraphs which represent the challenges facing auditing companies in the application of human resources accounting.
- 5. One Sample T-Test** was used to determine either the acceptance or the rejection of the study hypothesis.
- 6. ANOVA test** was used to determine if there is any statistically significant differences among the sample characteristics.

7.3 The Validity of the Study Tool

The study tool was submitted to a number of arbitrators from faculty members in Jordanian universities and a number of expertise auditors. After that, it was amended according to their recommendations.

8. Definition of Human Resources Accounting

There are various definitions for human resources accounting. According to Bonsuet. al. (2019) is defined as recognizing and measuring the data connected with human resources and conveying them to the users of accounting information. In addition, Puspitaningtyas (2017) indicated that human resources accounting are considered as a recognition of human resources value and measure as well as the evaluation of information related with human resources costs. Also, he considered it as a method for measurement and evaluation to the investment in human resources.

Also, Inua and Oziegbe (2018) pointed out that human resources accounting is considered as information system that define, measure, follow, and analyze the possibilities of humanity and deliver the resulted information to the company's stakeholders. In addition, it determines for each employee the cost and the expected value in the future.

Surarchith and Vaddadi (2019) indicated that human resources accounting is regarded as the accounting system for senior management which is used for measuring both the cost and the value of human resources in the company, considering it as valuable resources for the company which is used for demonstrating organization investments of human resources that might make a profit in the long run.

Based on the foregoing human resources accounting is not only considered as an accounting and information system for recognizing and measuring an important indispensable element of the company, namely human resources, but also delivering them for the users of information. The important of such element is manifested in producing value for the company in the future and making a profit.

8.1 Human Resources Accounting and Human Capital

Olajideet. al. (2018) indicated the close connection between human resources accounting and human capital by considering human capital as one of monetary theory for determining the resources in human resources accounting. Accordingly, Hilormeet. al. (2019) regarded human resources as an inexhaustible capital which adds an additional value to the company and achieves its strategic goal which is viability and continuity in markets. Also, such resources create value by coordinating and managing other capitals to enable companies to achieve its goals.

Aseinet. al. (2019) added that regardless the fact that human resources are considered intangible assets, the human factor gives the life to companies, creates harmonious environment for improving efficiency, effectiveness, and economy in the usage of company's resources.

Kanade and Harwani(2018) pointed out that he process of human resources evaluation seeks through human resources accounting to broaden the scope of recognition that human capital is an essential factor for company's profitability and development whether on the long term or short term.

9. Review of Related Literature

The above mentioned studies tackled a number of important issues which determined the challenges (determinants) concerning the application of human resources accounting due to the non-existent of universally accepted basis for evaluation, registration, and report on the information of human resources accounting in company's financial statements. In addition, the previous studies touched upon the negligence of accounting registration and the dire need for evaluating it. Also, the study discussed the challenges in applying it which are represented in the weakness and the inadequate disclosure of human resources of financial statements.

1- Bonsu et al. (2019) conducted a study entitled 'Exclusion of Human Resource Accounting in Statement of Financial Position and its Effects on Performance: Empirical Evidence of Ghana'. Their study aimed at determining the factors (challenges) leading to the exclusion of human resources accounting from financial position statement. Moreover, it examined the impact of human resources accounting companies' performance. For this objective, the study used published statements for the entire companies listed in Ghana stock market in the period 2015-2018. To this end, regression model was used for statistical data analysis. The study deduced to determine the factors (challenges) leading to the exclusion of human resources from the statement of financial position, namely: the non-existent of clear and defined guidelines for measuring the costs and the value of human resources, the non-existent of an international accepted method for evaluating human resources.

In spite of the challenges facing the inclusion of human resources, they contribute positively in company's financial growth that have positive impacts on the property rights revenue. The study recommends International Accounting Standards Board to discuss the important considerations for the inclusion of human resources in the statement of financial position.

2- Inua and Oziegbe (2018) carried out a study entitled 'Human Resources Accounting Attributes and the Financial Performance of Quoted Banks in Nigeria'. This study aimed at demonstrating the impact of human resources accounting on banks' performance included in Niagara. The financial reports for 18 incorporated commercial banks for the years 2009 to 2017. To do so, regression analysis was used and the impacts of certain human resources accounting features were examined, such as the costs of employees, manager's rewards, the number of employees, company's size by financial performance on banks. The findings showed that there is a statistically significant difference between the costs of employees, the employees' strength, company's size, and bank's financial performance by return on assets. On the other hand, there is no statistically significant differences between managers' rewards and bank's financial performance. In other words, such reveals that manager' rewards does not have a relation with profitability which, in turn, means the necessity to reconsider the rewards made to managers. The study recommends adopting a better system for providing better benefits for employees that lead the workers more inclined to appreciate their employers, commitment, and activity's productive participation which, in turn, triggers the organizational performance. Furthermore, the necessity to inhibit the evaluation of injustice performance among employees (human resources) because it will reduce staff motivation.

3- Ganesh (2018) conducted a study entitled 'HR Accounting – An Empirical Approach'. The study sheds the lights on the trends in human capital and its relation with skill level. To this end, the study was applied on cars sector due to its important role in economy. Lev and Schwartz economic model was employed to reach the value of human capital. The study recommended that human capital has a great importance of companies because skilled workers in human capital have a greater impact and value than unskilled workers. The achieved development in International Accounting Standards Board supports the possibility of providing financial reports with the information that is represented in measuring intangible assets in future.

4- Monday (2017) conducted a study entitled 'Human Resources Accounting: Issues, Benefits and Challenges'. This study aimed at examining the issues that are embodied in evaluating human resources which is considered one of the most valuable assets in commercial organizations. Furthermore, the study concentrates on the issues, interests, and challenges which hinder the implementation concerning the disclosure of human resources accounting in demonstrating company's financial position. The study revealed the models of human resources evaluation in most companies did not take into account any method for registering accounting information related with the books of account or disclosing them in company's financial statement. However, the information of human resources accounting are attached in a complementary manner with financial data which are neither considered as assets nor integrated properly companies' financial statement. This is a concern for many practitioners of accounting profession. The study deduced the non-existent of a universally accepted foundation for evaluation, registration, and report the information of human resources accounting in company's financial statement. The study recommends the great need for developing human resources accounting system that is acceptable for professional accountants, managers, investors' decision makers, debtors, and other stakeholders.

5- Ekundayo and Odhigu (2016) conducted a study entitled 'Determinants of human capital accounting in Nigeria'. This study sought to investigate the determinants of human capital accounting in Nigeria. The data of the study obtained from the annual report of 30 company incorporated in The National Stock Exchange of India Limited as indicated in 31 December 2014. The study came up with the conclusion that staff size have a significant impact on human capital accounting and positively affect the company's efficiency, sustainability, and profitability. Also, the study found that training cost has a considerable impact on human's capital. The study recommends taking employees' training locally and globally because it will enable them to acquire the successive developments in specialization field.

6-Alrazem (2016) study entitled 'Specific Characteristics the Degree of Disclosure on Human Resources in the Financial Statement of Jordanian Public Industrial Companies'. The study aimed at knowing. The study aimed at knowing the Specific Characteristics the Degree of Disclosure on Human Resources in the Financial Statement of Jordanian Public Industrial Companies and its impact on the extent of disclosure. The study adopted analytical descriptive approach. For this objective, the study developed an indicator for measuring the extent of disclosure of human resources in financial reports for the above mentioned companies. To do so, least square regression line model was used for hypotheses testing. The study applied on industrial shareholding companies incorporated in Amman financial market for the whole sectors for (65) companies during the period between 2011 and 2014. The findings showed that extent of disclosure of human resources in annual financial reports for Jordanian shareholding companies

was weak. Another crucial finding that extent of disclosure of human resources in annual financial reports positively influenced in various independent variables with the following characteristics (firm size, degree of liquidity, profitability). On the other hand, the findings showed that extent of disclosure of human resources in financial reports negatively influenced in two independent variables, namely: financial leverage and company's age.

7-Haddad (2015) study entitled 'Human resource accounting from the perspective of measurement and disclosure and its application in the Algerian enterprises - theoretical and practical study -'. The study sheds the lights on human resources accounting which revolves around economic value for human resource by capitalizing human resources that achieve future benefits instead of considering it as burdens taking due to financial period. The female researcher touched upon the concept of human resources, its objectives, and its historical developments. Similarly, measurement and accountant disclosure on human resources models with the possibility of applying them in Algerian institutions. The study came up with the following conclusions. One of which is the possibility of applying human resources accounting within international accounting standard No (38) pertaining to intangible assets. The institution shall choose more appropriate model for its activity and its natural resource nature which contributes in providing information more close to reality. In respect of applying it in Algerian institutions the study found that applying human resources accounting needs to upgrade mindset, economic thought, and guarantee the transparency of disclosed accounting information as a primary step. Also, the study developed a proposal concerning the application of human resources accounting effectively in case of applying its content.

8- Enyi and Akindehinde(2014) carried out a study entitled 'Human Resource Accounting and Decision Making in Post-Industrial Economy'. This study aimed at investigating the potential impact of human resources accounting on decision making and the method of evaluating information supposing that companies in post-industrial economy will work with the competitive economic environment that demand taking effective decisions at the appropriate time to guarantee the success and sustainability. The study conducted on (16) Nigerian banks. To this end, (400) questionnaire were distributed on the employees of human resources, accounting, and revising managements in the major center of banks. However, (238) were retrieved. The hypotheses were statistically tested by using regression analysis which indicates the existence of statistically significant relation between human resources accounting and management resolutions (decision-making process). Based on these findings, the study found the need to evaluate human assets and incorporate its value in financial statements such as other intangible assets.

9-Zwaylef (2014) conducted a study entitled 'Factors Affecting the Level of Human Resource Accounting Disclosure in the Financial Reports of Banks in Jordan'. This study aimed at revealing the impact of concerned factors with bank characteristics represented in size, age, nature of the activity, profitability, nationality in the level of disclosure on human resources in annual financial reports for banks in Jordan in 2010, and revealing the level of disclosure on these resources in annual financial reports for (25) banks in Jordan. To this end, content analysis approach was used for determining relevant paragraphs of human resources that have been truly disclosed in these reports. Also, polynomial regression was used for hypotheses testing. The findings revealed that general disclosure level on human resources in financial reports for working banks in Jordan was intermediate. Besides, the moral influence of bank characteristics represented in size, age, profitability, nationality in the level of this disclosure if there is no statistically significant impact for bank working activity in the level of disclosure of human resources in these reports.

10-Al-Khaffaf (2013) study entitled 'Accounting Problems in the Measurement and Disclosure of Human Resources in the Knowledge Economy- Analytical Study-'. The study sheds the lights on accounting problems for measurement and disclosure of human resources in the light of economy based on knowledge and experiences. Also, it aims at revealing appropriate accounting solutions by three primary axis, the essence of accounting in human resources, the problems of accounting measurement for human resources, the problems of disclosing it. The study indicated the importance of human resources accounting despite the limitation of practical endeavors due to the measurement problems. The study is confined only on tackling the internal purposes for management resolution service. Also, the recognition of human resources as assets in project and demonstrating them in financial statement have various impacts on demonstrating the outcome of project works with greater credibility. In addition, the study suggests group of solutions for some problems facing the project in case of applying human resources accounting.

11- ElSharif (2013) study entitled 'Possibility of the application of the accounting system for human resources in industrial companies'. The study concentrates on the importance of human resources accounting as an information system in economic units which helps in organizing the data of human resources and employing them in order to be produced as beneficial information in making more effective decision pertaining human resources. Particularly when the integration between human resources accounting and the information system of human resources management is achieved in these units.

The sample consisted of Libyan industrial companies in Benghazi City as a represent sample of industrial companies. A questionnaire was used as a tool for data collection. The findings showed that decision makers in working companies in Benghazi City are completely aware and concern in the importance of accounting in human resources. Regardless their awareness, there is a negligence of accounting standards pertaining to human resources.

10. Findings and Discussion

The findings of the study were divided into four parts as illustrated below:

10.1 First Part: Characteristics of the Sample

Table No. (1)
Frequencies and Percentages for Characteristics of the Sample

Statement	Frequency	Percentage	Accumulative Percentage
Experience			
Less than 3 years	48	30.80%	30.80%
3 years to less than 6 years	40	25.60%	56.40%
6 years to less than 9 years	32	20.50%	76.90%
9 years and above	36	23.10%	100.00%
Total	156	100.00%	
Scientific qualification			
Diploma	12	7.70%	7.70%
Bachelor	108	69.20%	76.90%
Master	36	23.10%	100.00%
Doctoral	0.00	0.00	0.00
Total	156	100.00%	
Vocational Certificates			
JCPA	156	100%	156%
Total	156	100%	

As shown in Table (1), the whole of study sample are the required members for conducting study who also have Jordanian Certified Public Accountant in Jordan. Also, it is indicated that whole members are distributed in terms of experience on the above mentioned categories i.e. those whose experience less than 3 years to those whose experience more than 9 years. In respect of scientific qualification the majority of sample have bachelor certificate which represents the most preferable and accepted scientific degree among the member holding professional practice certificate. This demonstration shows the diversity of study sample in terms of its characteristics. Such diversity gives a well representation study community, thus enhancing the confidence of interested bodies, researchers, and readers in this study in terms of its data and findings.

10.2 Second Part: challenges facing auditing companies in the application of human resources accounting**Table No. (2)****Descriptive Statistics and the level of significance for challenges**

Challenges No.	The order	Challenges	Means	Standard Deviation	The Level of Significance
1	2	There is no accounting unanimity on the method of revealing human resources in financial statements.	4.10	0.547	High
2	9	Management failure to follow up accounting developments concerning human resources accounting.	3.05	1.179	Medium
3	6	There is no accounting agreement on a unified method for measuring human resources.	3.64	1.003	Medium
4	8	Considering human resources as an asset is inappropriate because in case of job quit or death in such case the employee will cause irreplaceable loss.	3.31	0.884	Medium
5	3	Non-humanitarian case: the feeling of human resources member of frustration, who has been given a little value, which reduces his productivity.	3.97	1.254	High
6	4	The uncertainty in the mechanism for dealing with human resources in connection with time passing. Will the value of human resources Amortize anticipation of job quit or death? Will the value of human resources increase as a result of acquiring increased experience in work field?	3.95	0.717	High
7	1	Management cheat might intervene (mediation and non-transparency) in the evaluation of human resources.	4.51	0.714	High
8	10	The challenge to deal with human resources as asset in its accurate meaning because they are not possessed.	2.92	1.461	Medium
9	5	The demand of some human recourse with a low evaluation for compensations and rewards.	3.67	1.251	Medium
10	12	Jordanian laws "tax and companies" constitute a barrier to companies as a result of the non-recognition of human resources as assets (it is necessary to render the article referring to such point in case if agreement.....).	2.77	1.002	Medium
11	7	There is no accounting agreement on the method of human resources evaluation at the end of the year.	3.59	0.929	Medium
12	11	Managers and employees lack of education concerning physical evaluation of human resources.	2.87	1.544	Medium
General Average			3.53		

The adopted mechanism for the responses of the study sample and the significance level should be provided before clarifying the findings related with the challenges facing auditing company in the application of human resources accounting.

To this end, Likert Scale was adopted to distribute the responses of study sample (Sekaran and Bougie, 2013) as indicated in the Table below:

Table No. (3)
Distributing the responses value of study sample according to the LikertScale

Response	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree	General Average
Value	5	4	3	2	1	3

The general average (3) is considered the boundary between the study sample which indicate either their agreement or their disagreement concerning the challenge of the paragraph. The significance level for the questionnaire paragraphs is determined according to the following equation: $\{(Highest\ response - lowest\ response) / \text{number of levels}\}$ in order to become $\{(5-1)/3=1.33\}$. The significance level are distributed according to the following Table:

Table No. (4)
The Significance level and its extent

The Significance level	Low	Medium	High
Extent	1 to 2.33	2.34 to 3.67	3.68 to 5.00

As indicated in Table (2), the challenges in the application of human resources accounting in auditing companies. The overall trend among the sample of the study embodied in the approval on (8) challenges out of (12) with diverse means which surpassed the general average (3) and fall under both medium and high significance level. Such challenges are classified as follows:

First: Challenges related with human (humanity) such as:

1. Mediation and non-transparency in the evaluation of human resources.
2. The human resource feeling of frustration who has been given a little value.
3. The demand of human recourse with a low evaluation for compensations and rewards.
4. The incurred losses by the company due to human resource death or job quit.

These challenges might be considered as complicated challenges due to its correlation with human since the human is a combination of contradictory feelings and emotions which would be difficult to control. Also, it is difficult for the whole employees to accept specific thing due to their mode of thinking variation.

On the other hand, the human nature wishes to obtain best positions and rewards with minimal effort. Hence, the weakness of human nature demonstrates in employing illegal means such as mediation which has a negative impact on both the evaluation and demonstration of human resources with inflated value which lead to inflate assets value artificially. Last but not least, the death which is considered one of the most significant factor because it is out of human control which, in turn, lead to the company loss because of losing its human resource for eternity.

Second: Challenges related with accounting process (accounting) such as:

1. There is no accounting unanimity on the method of revealing human resources in financial statements.
2. The uncertainty in the mechanism for dealing with human resources with time passing (amortization, increase the value).
3. Accounting disagreement on a unified method for measuring human resources.
4. The accounting disagreement on the method of human resources evaluation at the end of the year.

These challenges lead to another trend which completely differs than previous challenges, namely: preliminary measurement of human resources, registration and evaluation of such resources after initial recognition, and their accounting presentation.

The above mentioned functions are considered one of the most employed accounting functions for expressing financial transactions in general since every transaction should contain these functions (measurement, registration and evaluation, presentation). The solutions for these challenges should be on a global scale rather than local or regional scale which demand the intervention of authorities, committees, or competent global councils which laid the foundations, amendment, or development on accounting treatments because such challenges are connected with the core of accounting profession.

10.3 Part Three: the differences in study field are attributed to the characteristics of the sample

ANOVA test was conducted in order to show the statistical significant differences in the responses of the study sample. The findings indicated that there is no statistically significant differences among the responses of the sample in terms of experience as indicated in significance level value that is higher than 5%. However, there is statistically significant differences in terms of academic qualification as indicated in the significance value less than 5% as illustrated in Table No. (5):

Table (5)

The Differences in the responses of the study sample in terms of experience and academic qualification

NO.	Characteristics		Least Squares	DF	SIG
1	Experience	Among groups	1.823	3	0.067
		Within groups	37.871	152	
		Total	39.694	155	
2	Academic Qualification	Among groups	1.815	2	0.028
		Within groups	37.879	153	
		Total	39.694	155	

It suggests that the responses of the whole participants whether those with little or big experience are identical. However, their responses differ in terms of academic qualification; such difference was for the interest of master holders and then bachelor on the cost of diploma holders. Such finding is clearly demonstrated in means value which implies that master holders is more comprehensible and able to deal with questionnaire paragraphs. After that, bachelor holders then diploma holders as indicated in Table (6) that shows the means for vocational certificates.

Such finding clarifies the educational reality at Universities because study plans are varied in terms of their interest in particular subjects in which the debate continues according to their scientific degrees. Hence, the interest increases when the scientific degree increases i.e. diploma, bachelor, master, and then doctoral.

Table (6)

Descriptive Statistic Findings for Scientific Qualification

No.	Characteristic	Academic Qualification	Sample	Means	Standard deviation
1-	Academic qualification	Diploma	12	3.33	0.719
		Bachelor	108	3.59	0.503
		Master	36	3.70	0.384
		Total	156		

10.4 Part Four: hypothesis testing

Hypothesis study: "There are no challenges facing auditing companies in the application of human resources accounting".

Table No. (7)

The Findings of study hypothesis

Calculated T	Scheduled T	SIG	Result	Means
13.079	1.990	0.000	Rejected	3.530

The above mentioned Table shows that calculated t-value is higher than scheduled t-value which accounted for 1.990. Also, sig. value is lesser than 5% significant level. According to the resolution base, the null hypotheses has been

rejected and the alternative hypotheses has been accepted when increasing calculated t-value than scheduled t-value and Sig level that is lesser than 5%. Thus, the resolution is to reject the null hypothesis and to accept the alternative hypothesis which indicates that there are challenges facing auditing companies in the application of human resources accounting.

This finding is consistent with various studies such as Bonusaet.al. (2019) study which determined the challenges leading to the exclusion of human resources from financial center position such as the non-existent of clear and defined guidelines for measuring the costs and value of human resources, the non-existent of universally accepted method for evaluating them. Monday (2017) confirmed this finding which indicated the non-existent of broadly accepted basis for evaluating, registering, and reporting them.

This study agrees with Al-Shareef (2013) study which indicated the measurement negligence of human resources which suggests the non-application. Also, Al-Razam (2016) and Al-Khafaf (2013) studies which indicated the level of weak disclosure to the human resources. Such weakness is resulted from the application weakness.

11. Findings

The study came up with a number of challenges facing auditing companies in the application of human resources accounting. These challenges are divided into both humanitarian and accounting challenges, namely:

1. Management cheating in terms of mediation and non-transparency in evaluating human resources (humanitarian challenge).
2. There is accounting unanimity on the method of demonstrating human resources in financial statements (accounting challenge).
3. The feeling of human resource of frustration, who has been given a little value, which decreases his productivity such case could be called as non-humanitarian case (humanitarian challenge).
4. The lack of clarity about dealing mechanisms with human resources with time passing concerning as amortize its value in anticipation of job quit or death, or the cases that might increase its value as a result of acquiring the increased experience in job field (accounting challenge).
5. Compensations and rewards that might be claimed by certain individuals who have been given a little value (humanitarian challenge).
6. There is no accounting agreement on a unified method for measuring human resources (accounting challenge).
7. There is no accounting agreement on the method of human resources evaluation at the end of the year (accounting challenge).
8. The incurred losses by the company due to human resource death or job quit (humanitarian challenge).

It has been agreed that some terms do not constitute a challenge against auditing companies in the application of human resources accounting, namely:

1. The challenge to deal with human resources as asset in its accurate meaning because they are not possessed.
2. Managers and employees lack of education concerning physical evaluation of human resources.
3. Jordanian laws "tax and companies" shall not constitute a barrier to companies for recognition of human resources as assets.

It is obvious that the item "management failure to follow up accounting developments concerning human resources accounting" received neutral response i.e. has not been included under the above mentioned classifications.

12. Recommendations

1. Directing administrations towards monitoring accounting developments concerning human resources accounting.
2. Conducting studies as attempts for finding clear mechanism to deal with human resources.
3. Held human resources training courses for educating managers, employees, and those interested in human resources, current accounting method, and the findings of recent research.
4. Finding solutions for the challenges facing the application of human resources accounting on a global scale by bodies, committees, or competent global assemblies that determine, amend, or develop the accounting treatments.

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