

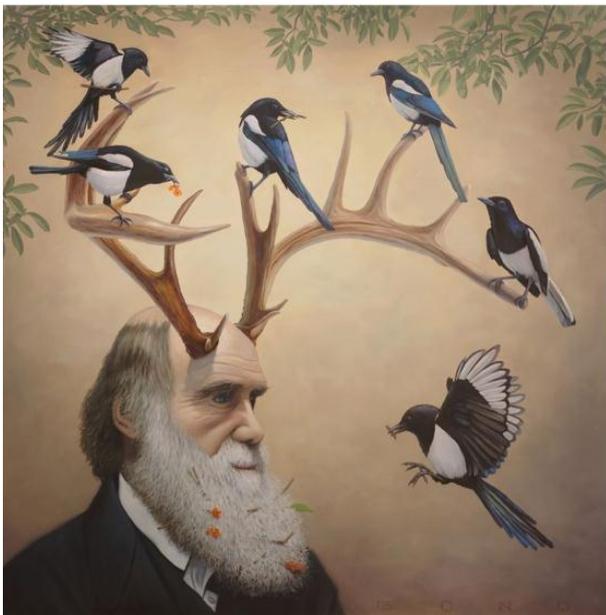
# opción

Revista de Antropología, Ciencias de la Comunicación y de la Información, Filosofía,  
Lingüística y Semiótica, Problemas del Desarrollo, la Ciencia y la Tecnología

Año 35, 2019, Especial N°

# 22

Revista de Ciencias Humanas y Sociales  
ISSN 1012-1537/ ISSNc: 2477-9385  
Depósito Legal pp 198402ZU45



Universidad del Zulia  
Facultad Experimental de Ciencias  
Departamento de Ciencias Humanas  
Maracaibo - Venezuela



# **The impact of application of human resources accounting in reducing costs and reducing the phenomenon of career slack: An applied study in industrial companies**

**Lect. Ammar Ghazi Ibrahim Al-Ezzi.**

**University of Diyala /College of Administration and Economics.**

**ammarghazi@ecomang.uodiyala.edu.iq**

**Dr. Amina Ibrahim Khalf**

**Baquba Technical Institute/ Middle Technical University**

**dr.amena321@gmail.com**

**Dr. Khawla Hadi Utaiwi**

**Diyala Health Directorate**

**Khwldktwrt@gmai.com**

## **Abstract**

**Sagging employment (disguised unemployment) is the presence of inflation in the number of employees or employees in government institutions and departments, whether they are industrial or service institutions to perform a specific job, and therefore, if this excess number is dispensed, there is no impact on that work neither in terms of quantity nor how this phenomenon has great risks to the progress and development of the institution, department, or employer in which they work, because any development or progress in it depends on creativity at work and not inactivity and sitting only waiting for the salary to be received.**

**Here comes the role of human resources accounting and its role in reducing production costs through the distribution of workers and employees in the need of these institutions for their specialties and expertise and the distribution of surplus of them in other institutions that need their services and expertise and thus will in turn reduce production costs and achieve the goal of these institutions. The study reached several conclusions, one of the most important of that was through the study, which shows that there is persuasive unemployment (job slack) by having some employees and workers receive their salaries and bonuses annually against a very weak production level and even if there is production in some factories, it does not cover the cost of their salaries and their wages.**

The most important recommendations were investing human resources that enhances the value of the company and its financial position as it leads to an increase in the company's capital by investing their experiences in developing production or investing them in other companies that need their services to eliminate job slack (disguised unemployment).

Keywords: Human Resources Accounting; Costs; Career Slouch

## **El impacto de la aplicación de la contabilidad de recursos humanos en la reducción de costos y el fenómeno de la holgura profesional: un estudio aplicado en empresas industriales**

### Resumen

La caída del empleo (desempleo disfrazado) es la presencia de inflación en el número de empleados o empleados en instituciones y departamentos gubernamentales, ya sean instituciones industriales o de servicios para realizar un trabajo específico y, por lo tanto, si se distribuye este número en exceso, no hay impacto en ese trabajo ni en términos de cantidad ni de cómo este fenómeno tiene grandes riesgos para el progreso y el desarrollo de la institución, departamento o empleador en el que trabajan, porque cualquier desarrollo o progreso depende de la creatividad en el trabajo y no de la inactividad y sentado solo esperando que se reciba el salario.

Aquí viene el papel de la contabilidad de recursos humanos y su papel en la reducción de los costos de producción a través de la distribución de trabajadores y empleados en la necesidad de estas instituciones por sus especialidades y experiencia y la distribución del excedente de ellos en otras instituciones que necesitan sus servicios y experiencia y así, a su vez, reducirá los costos de producción y alcanzará el objetivo de estas instituciones. El estudio llegó a varias conclusiones, una de las más importantes fue a través del estudio, que muestra que hay un desempleo persuasivo (falta de trabajo) al hacer que algunos empleados y trabajadores reciban sus salarios y bonos anualmente contra un nivel de producción muy débil e incluso si hay producción en algunas fábricas, no cubre el costo de sus sueldos y sus salarios. Las recomendaciones más importantes fueron invertir recursos humanos que mejoren el valor de la compañía y su posición financiera, ya que conduce a un aumento en el capital de la compañía al invertir sus expe-

riencias en el desarrollo de la producción o en otras compañías que necesitan sus servicios para eliminar la falta de trabajo. (desempleo disfrazado).

Palabras clave: contabilidad de recursos humanos; Costos; Carrera Slouch

## The First Section

### Research methodology and previous studies

#### 1-1 Research Methodology

##### 1-1-1 Introduction

Recent years have witnessed wide changes and great challenges, accompanied by a fundamental transformation from an industrial economy based on a knowledge-based economy. In the midst of this transformation, the institution's view of the human element changed and realized its importance, and it became viewed by it as its most important financial resource. Developing and training this resource and increasing its efficiency and preservation, and despite the importance that human resources have gained at the economic and administrative level, the influx of these resources, especially in developing countries, especially Iraq, has become one of the most important problems facing government institutions, especially industrial ones. This is due to the closure of many factories after the deterioration of the industry due to the wars and conditions that occurred after the year 2003, which led to inflation in human resources from employees and workers in companies or industrial institutions. Hence the importance of human resources accounting and its role as a mechanism in addressing the weaknesses of the accounting system followed from Before these institutions regarding the issue of measuring and disclosing human resources and the costs of human resources in these institutions or companies.

##### 1-1 -2 Research Problem:

Most of the state's governmental institutions, whether industrial or service, do not have the components of an accounting system for human resources that includes measuring human resource costs and comparing them to the value of production, whether it is the production of a specific good or the provision of a service and in order to address the problem of the study the following question has been asked:

((What is the impact of the application of human resources accounting in reducing costs and reducing the phenomenon of "flabby unemployment"?)

##### 1-1-3 Importance of Research:

This study derives its importance from highlighting human resource accounting and explaining its impact in comparing human resource costs

with production and reducing costs in terms of adopting an accounting system for human resources that works in turn to reduce the phenomenon of career slack (disguised unemployment) in government institutions.

#### 1-1-4 Research Objectives:

The research aims to explain the impact of human resources accounting in reducing the phenomenon of slack employment (disguised unemployment), and that this is followed through a system of human resources that in turn distributes human resources according to production units and distributes the surplus to other production or service units that need these resources.

#### 1-1-5 Research Hypothesis:

The first hypothesis: The application of human resources accounting affects the reduction of production costs through the distribution of human resources according to the institutions' need for them.

The second hypothesis: The application of human resources accounting has a positive effect in reducing the phenomenon of slack employment (disguised unemployment) in government industrial enterprises.

#### 1-1-6 Community and Study Sample

The research adopted the data provided by (Diyala State Company) and below the definition of the study sample: The Light Engineering Industries Complex was established in Diyala Governorate in (1974) and named at that time (the Industrial Complex), which included a number of the following production plants that opened in ( 1978) The start of operation in a number of these factories, such as (the iron factory, the fan factory, the candle mug factory, the electrical meter factory)

In (1983) an additional factory was opened for the production of electrical transformers (power transformers, distribution transformers), and this achievement was followed by the development of the Al-Qudah Factory from setting up a new factory in place of the old one in 1984. All of these factories were merged under the name of Al-Qadisiyah facility in ( 1990). In the year (1998) the Arkoun factory was opened for the purpose of producing gas arkon and oxygen, and in the same year the facility was transferred to the companies system and according to the General Companies Law No. 22 of 1997 amended under the name of Al-Qadisiyah Company.

In 2003, the optical plant was opened. The company name was changed to Diyala State Company for Electrical Industries, and in 2013 a factory for electronic standards was opened and in 2015 it was called (Diyala State Company).

## 1-2 Previous Studies

1-2-1 Belaidi, 2019 (The role of human resources accounting in managing risks resulting from lack of capacity and knowledge competence in Islamic banks - Sharia speculation as a model)

The research dealt with the importance of knowing the high level of risks facing Islamic banks, and among these risks are the lack of knowledge capacity and competence, and it is one of the most prominent risks facing it due to the lack of guarantees and the difficulty of determining the infringement and default, and the lack of a system that is appropriate for the feasibility study and evaluation of projects. Here, the role of the contribution of human resources accounting in hedging and managing these risks and minimizing them, which in turn provides all historical, current and future information, is clarified, so the aim of the research is to shed light on the nature, nature and types of risks to which speculation is exposed in Islamic banks, the implications of them, and the extent of the contribution of resource accounting Humanity in managing or limiting these resources.

1-2-2 Saleh, 2018 (Mechanisms of generating unemployment in Iraq, its types and calculating disguised ones: an analytical study for the period 2003-2015)

The research aimed to try to provide a quantitative analysis of the causes of unemployment in Iraq and the mechanisms of its generation, as well as a review of the most important types of its apparent and continuous twin and try to quantify convincing unemployment quantitatively and analyze its causes, and the research reached several conclusions that the unemployment problem in Iraq is generated by the interaction of the overall structural imbalances that the economy suffers from The Iraqi in particular the disruption of the production structure and the ensuing shortcomings in the labor-absorbing sectors. This came as a result of the disruption of the foreign trade structure represented by the unbridled tendency towards import, which led to almost complete cessation of production and the decline in oil exports, and You are the most important recommendations that the best solution to overcome the problem with as a composite character, can be taken by many measures the most important support and diversification of the productive sector growth so as to ensure the optimal use of resources.

1-2-3 Obaid, 2017 (The impact of human resource accounting on cost reduction)

The research dealt with human resource accounting and its impact on reducing costs in the military, and then explaining the reality of training and

development in the institution. The research reached several conclusions, the most important of which was that if the employees in the military were trained with a cadre from within the institution, the training costs do not appear as the training staff does not charge The Iraqi means any wages for that training, as the associates are dispatched to courses outside the country in order to develop them and raise their efficiency as the foreign training staff receive wages in hard currency for each associate who is trained, and the most important recommendations were that human resources are a wealth not only for units Economic, but to the state itself, and whenever its skills were upgraded, this led to contributing to economic progress, as well as the need to train competent Iraqi cadres to train them outside the country for the purpose of developing them and benefiting from their experiences in training employees within the country, which contributes to saving the cost of the foreign trainer.

1-2-4 Jabr, 2015 (The relationship between forms of corruption and disguised unemployment) is an applied study in the Baghdad Provincial Council.

The aim of the research is to study the phenomenon of corruption that threatens all organizations, public or private, and in all countries of the world. The research dealt with this phenomenon by identifying its forms and its effects and its relationship to disguised unemployment. The research reached several conclusions, the most important of which was the existence of a direct and moral correlation between corruption of all kinds (administrative and financial) And persuasive unemployment as well as there is a significant impact of corruption on persuasive unemployment. The most important recommendations were to elect administrative leaders who believed in fighting corruption at its roots, and not reforming the state of corruption. Fighting is intended to radically change the cultural and social components in our Iraqi society.

## The Second Section

### Theoretical Framework for Human Resource Accounting

#### 2-1 The concept and definition of HR accounting:

The concept of human resources: Administrative thought in recent theories recently moved towards systems theory, where this organized theory is treated as an integrated entity consisting of overlapping parts that have an organic relationship between them that interact, influence and influence and the human component is the most important input that the organization uses in implementing its operations and obtaining outputs Or

business results. It takes into account all psychological and social factors and their impact on productivity and performance, and therefore the role of the manager in human resource management is not limited to supervision only. Rather, it includes developing the organization and individuals together and maintaining the technical and humanitarian aspect together. (V.Kalpana, 2016: 16)

2-2 Definition of human resource accounting: I have been given several definitions of human resources accounting, we can summarize as follows: The American Accounting Association has defined human resource accounting as: “the process of defining and measuring data on human resources, and providing administrative units concerned with this information” (Al-Hayali, 2015).

It is also defined as: “It is a process of measuring and preparing reports on human dynamics in the organization, which is the process of assessing the human resources situation in the facility and measuring change in this case over time, as it is a process of providing information about individuals and groups of the facility to decision-makers, either within the facility or Outside It ”(Ali, 2003: 265). / Flamholz defined it as “means accounting for individuals as resources in the project, and it is based on measuring the cost and value of the individuals in this project” (Al-Hayali, 2015, 289).

3- The goal of human resources accounting:

The overall goal of accounting as a management tool is to provide the correct and timely information about the financial and competitive position of the organization. This is taking into account the environmental framework - organizational and technological - in which the organization operates. Human Resources Accounting also aims to provide the necessary information about the human component of the organization, which helps management to make sound decisions regarding that element. It also aims to draw the attention of management to the importance of human resources in the measurement, evaluation and development of these resources. (Buqfa, et al., 2019)

2-4 The importance of human resources accounting

There are a set of factors that are attributed to the concern with human resources accounting:

1- The interest in accounting literature in the concepts and methods of accounting for human resources that represent the basic assets of most of the facility, especially the service establishment

2- With the increase of technical progress, the individuals' need for education and training and acquiring the skills and experiences that increase the value of human capital increased, in addition to some organizations spending on operating and developing technical and administrative methods and the skills of workers, believing that the return from these investments represents future benefits that individuals obtain (Al-Sharif, 2013: 13).

2-5 Hypotheses of human resources accounting: HR accounting is based on the following assumptions (Al-Saqr, Thamer Adel, 2013: 167):

1- The human element is an important resource of the institution.

2- The value of human resources is affected by the leadership style of management, where the productivity of workers depends on capabilities and skills, on the one hand, and desires and inclinations on the other.

3- Information on human resource accounting in the cost and value of human resources is necessary for the effectiveness and efficiency of the organization's management. The information contained in human resources accounting is of great importance in the monitoring and evaluation processes in the short and long term, whether the organized management or external dealers.

4- The employment of human resources is considered an economic cost to the Foundation in return for services and benefits obtained in the future, so these costs and services can be translated into cash, and shown in the financial statements (Al-Saqr, Thamer Adel, 2013: 168).

2-5 The criteria for evaluating human resources: We find that there are four elements or criteria that must be present in the thing in order for it to be considered an asset of the project and these elements are: (Lakhshin, 2018: 543)

2-5-1 The ownership criterion: In order for the resource to be considered an "asset" of the project, the project must have the property ownership of this resource in other words, as stated in the International Accounting Standards, the establishment imposes control over an asset if it has the authority to obtain economic benefits and can limit Others have access to these benefits and this control usually stems from legal rights.

2-5-2 The standard of productive ability (or service): The purpose of obtaining physical assets is to use them in the production process or provide a service to the project (by contributing to the production process) There is no doubt that the work component as one of the input elements in the production process is the most Importance in the project, on the one hand, it is one of the inputs to the production process, and on the other hand, the ability of the human component to influence resources or other produc-

tion elements, and this focuses ultimately on the production of units, goods produced, and various services provided by the human component, which helps to achieve the main goal of the project.

2-5-3 The standard for future services: This standard is based on the definition of the original as being “future services” and this definition includes three elements:

- There should be expectation of future economic benefits, and human resources can achieve economic benefits through its production capacity and the ability to influence other resources.

- That the project has the right to receive these benefits, and that the project has the legal right to use individuals under the contract, and therefore the project has the right to receive these benefits.

The ability to measure these benefits, as benefits from human resources work can be measured in different ways. Thus, we find that human resources are a source of future economic benefits, and these benefits can be measured in a number of ways.

2-6 Measurable or identifiable: The definition of a resource as the basic necessity must be identifiable or measurable in order to distinguish it and separate it from other resources, and this identification or measurement is often expressed in monetary units. The measurement process aims to measure future economic services flowing from the supplier (Maria, 2010: 16).

As for human resources, it has found several ways to measure future economic services, including: (Baqafa, et al., 2019).

2-6-1 Methods of evaluation and accounting measurement of the costs of human resources: There are many ways to measure the cost of human assets, including:

2-6-2 The historical cost method: means the actual costs that were expended for obtaining human resources, such as summoning, selecting, employing and training workers.

2-6-3 The replacement cost method: The replacement cost for human resources is defined as “the sacrifice the organization incurs today to replace human resources instead of the ones that exist now.”

2-7 Accounting Disclosure of the Cost of Human Resources (Boudla, 2016: 37)

The inclusion of financial reports on all the information necessary to give the users of these reports a clear picture of the accounting unit (Shirazi) means that the absence of financial statements from any data related to

human resources, in terms of their adequacy or the extent of the adequacy of the period to another constitutes a lack of information for the readers of the financial statements .

Note that this information is not available to investors because the traditional financial statements do not include any information on human resources, in addition to that, traditional accounting considers spending on investment in human resources as administrative expenses instead of counting them as capital expenditures and this means not showing human resources in the facility's financial position list .

For example, if discretionary budget and normative costs neglect important aspects such as employee motivation and ambition, this causes frustration for them, which affects productive relationships. Despite this criticism in the traditional accounting function. However, all that is there is that accountants are beginning to pay attention to behavioral concepts and acknowledge the influence of the psychological and social aspect of decision-making, but without this appearing in a digital form in the financial statements. (V.Kalpana, 2016: 15).

### The Third Section

#### The Concept of Slack Career (disguised unemployment)

3-1 The concept of unemployment: it is a social phenomenon that is difficult to measure accurately and it means that there are no places of work places for people who are able to work and economically it means more work than the job demand.

Unemployment also means the absence of legitimate job opportunities for those who desire it, as it means leaving some of the possibilities available to society without exploitation and this is considered a waste of resources.

The International Labor Organization has set many conditions for an individual to be unemployed:

- 1- The person is of the specified age for the economically active population.
- 2- That he be without work, that is, he does not work for a fee or for his own account.
- 3- Willing to work for a fee or for his own account.
- 4- He searches for work and accepts the prevailing wage level, but he does not find this work.

There are many sources that can be used to determine the size of unemployment, such as labor offices and relevant government institutions, etc. (Maarouf, 2005).

#### 3-2 Types of unemployment

- Types of unemployment Unemployment occurs for various reasons mentioned and according to that, they are on different types as well, namely: (Jubeir, 2015)

3-2-1 Natural unemployment:

What is meant by the presence of a normal or normal rate for the unemployed ranging between 4% to 6% of the total workforce, and this rate is considered an average long-term hope that does not relate to the effect of economic cycles, as part of the workforce continues to avoid “after avoiding periodic unemployment of workers and absorbing the capital productive capacity Fully, that is, when the actual real GDP level or where The real product gap is zero.

3-2-2 Frictional unemployment: This type of unemployment arises because there are deficiencies that are reflected in the form of imbalances in some labor markets, the majority of which are not suitable for vacancies or required qualifications with the skills and qualifications present in the market.

3-2-3 Structural unemployment: It is voluntary or voluntary unemployment that occurs due to structural changes in the economy that lead to the disappearance or abolition of certain jobs and the creation of new jobs that do not match the qualifications and experience of the unemployed.

3-2-4 Seasonal unemployment: It is represented by an increase in the work supply during certain seasons of the year, such as periods of student graduation from universities and other education centers, or periods of completion of harvesting agricultural crops and the end of the tourist season in the countries concerned ... etc.

2-3-5 Masked Unemployment (Sagging Employment): - (Abd Ali, 2011)

It is unemployment characterized by being intangible and not quantifiable and represented by the presence of redundant or redundant labor in a particular work location and the marginal product of the worker reaches zero or below zero at certain times and this type of unemployment is common in developing countries.

Job or administrative slack, or what is called persuasive unemployment from the researcher’s point of view is a term that expresses the presence of a group of employees who receive wages or salaries without performing work or making an effort required by the job, which is a percentage of employees if they are withdrawn from work that does not result in their exit any Impact on performance or production in the institution or the ministry.

Sagging unemployment and disguised unemployment are two sides of the same coin, as disguised unemployment is more dangerous than the known and apparent unemployment that is the subject of concern and care of the competent authorities, while disguised unemployment is the presence of numbers of employees and labor that exceed the actual need of that body that affects the low level of productivity of employees and weakness Performance, competition, administrative chaos and overcrowding in offices, so the large numbers of disadvantages do not stop only when impeding the movement, but rather provide services to citizens of poor quality, and a form of bureaucracy rampant in our institutions.

It is impossible to find a country whose government institutions are free of administrative slack or disguised unemployment, and perhaps the phenomenon of administrative slack in the Arab countries is among the most challenging challenges that burden their economies. Also, Iraq is one of the countries whose economies suffer most from this phenomenon.

It is noted that the state mobilizes the annual vacancies for institutions and ministries, in contrast there are a number of those who have reached the age of retirement and a very large number of those who have reached early retirement, whether male or female are still at the head of their work. Also, the prevalence of the phenomenon of administrative slack in our government institutions will lead to a large case of insensitivity and inactivity at the work level. This phenomenon is more prominent within (Hussein, 2012: 93)

The industrial sector, given that Iraq is a consuming country and the local industry is almost nonexistent except some of the productive factories affiliated to the Ministry of Industry, which is a small percentage compared to the numbers of employees who receive salaries, bonuses and concessions while they work in factories and factories whose production is almost zero ..

- Government departments, and in particular when a decision is issued to the necessity of absorbing the largest possible number of graduates from universities and regional institutions within the aforementioned departments, and consequently, the surplus of need arises for the recruited.

The most important factors causing the emergence of slack career (disguised unemployment) are:

1. The presence of mediation, clinging to favoritism and favoritism in government departments, which affects taking the right or correct decision when appointing employees, and in a manner that leads not only to the lack of development of the department or department concerned, but to the

deterioration of the level of performance in it.

2. Substituting the principle of family, tribal, regional, or racial loyalties to the place of scientific and practical competencies, which causes a complete inconsistency between what is required of the job specifications and what is available (to be provided) with the applicant.

3. It may not be limited to only slack employment (disguised unemployment) to workers or productive areas or attraction, but it can also extend to the positions and centers responsible for decision-making as government officials seek to obtain those positions or centers and without merit (practical and scientific) This means that their true productivity decreases below the wage rate.

4. The effect of the type of department or organization (whether commodity or service), as this type of unemployment appears in the service departments

More general compared to their commodity counterparts.

5. The large or small size of the concerned department, as the greater the mentioned standard, the greater the probability of the appearance of disguised unemployment in it, depending on the ability of the new applicant in the relevant department to pretend productive work.

6. Lack of government oversight bodies, especially for the detection of such a situation or force majeure, and therefore this works to ensure that the person responsible for a concerned department is the most important one responsible for appointing relatives, acquaintances, etc., who will lead (appointment without need) to The emergence of disguised unemployment.

## The Fourth Section

### Practical Framework

#### The Research Sample

In the previous investigations, human resources accounting was discussed, its importance, goals and assumptions, and resource evaluation criteria.

Humanity and the research dealt with in another aspect of unemployment and its types, especially disguised unemployment, which is called (sagging career) and through the research sample that was touched upon in the research methodology, which is the General Diyala Company, data on production, costs and sales of factories or departments produced in the company have been studied. The data for the factories whose data were obtained (the metrics factory, the new mug candle plant, the new steam iron plant, the distribution transformer plant, the power transformer plant) and for a period of 3 years is (2017, 2018, 2019), and between the produc-

tion cost of the units produced for each plant Or A section of the company also showed the human resource costs from salaries to produce these units, and comments were made by researchers on the deviations that occurred during the three years of the study sample, as shown below:

Table ( 1)

The table explain the of the production cost for the metrics factory, and the amount of sales

The manufacturer	the year	Number of employees	Total annual salaries for workers	Production in units	Cost of production	The number of units sold	Sales value
<b>metrics factory</b>	2017	202	1658788603	38812	1976180000	46515	2537815000
	2018	145	1624892094	34379	2380745000	106697	5285109000
	2019	144	<b>1932582081</b>	98456	70948200007	56894	3923004000

We notice from Table No. (1) of (Measurements Factory) data that the production cost amounted to (1,976,180,000) dinars, including (1,658,788,603) for the year 2017, which is equivalent to (84%) of the costs are the salaries of employees, and that the value of sales for the same year was (2,537,815,000) Dinars, knowing that the value of sales does not represent the production of the year 2017 only, but units produced in previous years of (7703) units were sold and that the units produced in 2017 are (38812) and that the total units sold amounted to (46515) units.

As for the year 2018, the cost of production was (2,380,745,000), including the salaries of employees, which amounted to (68%), and the value of sales was (5,285,109,000) dinars for the sale of (106697) units, knowing that the number of units produced for the year 2018 was (34379) units, and the rest Of the units sold were from the production of previous years.

For the year 2019, production was different from previous years, as production improved to (98456) units, i.e. an increase rate of (287%) over the previous year with the same number of workers, and this is a good indicator for production, but the number of units sold decreased by (47%) From the previous year, this is a negative indicator that affects the company's production, as the value of sales reached (3923004000) dinars, and the cost of production was (7094820000) dinars, where the percentage of salaries from the total cost reached (27%) approximately, and this is a good indica-

tor where the number of workers has been reduced For the year 2017 and the production increased from the previous years.

Below is a chart that shows the deviations that occurred during the three years, comparing the value of production, including the cost of workers' salaries and the value of sales.

Scheme (1) shows deviations between cost and sales as in Table No. (1) for the years ( 2017, 2018 , 2019 )

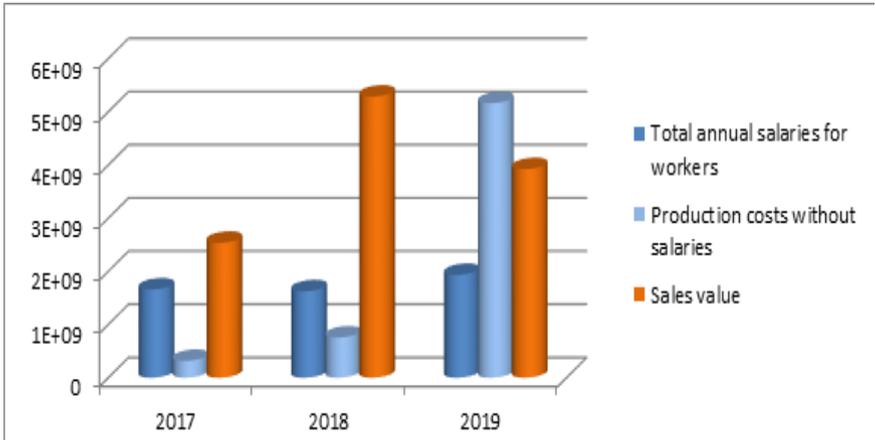


Table ( 2 )

The table explain the of the production cost for the lamps factory, and the

The manufacturer	the year	Number of employees	Total annual salaries for workers	Productio n in units	Cost of production	The number of units sold	Sales value
The lamps factory	2017	40	439832768	0	0	86424	27008000
	2018	37	399769038	0	0	103984	31695000
	2019	28	339023614	0	0	150512	46555000

We note from Table No. (2) that the number of units produced during 2017 in (Candle Factory) was zero and that the cost of production amounted to (zero) dinars, noting that salaries were (439,832,768) dinars for the year 2017, and that the value of sales for the same year was (27,008,000) dinars

Note that the sales value does not represent the production of 2017, but only previous years units were sold.

As for the year 2018, the units produced were (zero) and the cost of production was also (zero), and the value of sales was (31695000) dinars from the sale of (103984) units produced in previous years.

For the year 2019, the production of units as in previous years was (zero), and there were sales of (46555000) dinars on the sale of units that were produced in previous years.

We note from the data below that there are dangerous indicators where the production for three years was zero while, on the other hand, there were workers who received their salaries without any single unit production.

Below is a chart that shows the deviations that occurred during the three years, comparing the value of production, including the cost of workers salaries and the value of sales.

Scheme (2) shows deviations between cost and sales as in Table No. (2) for the years ( 2017, 2018 , 2019)

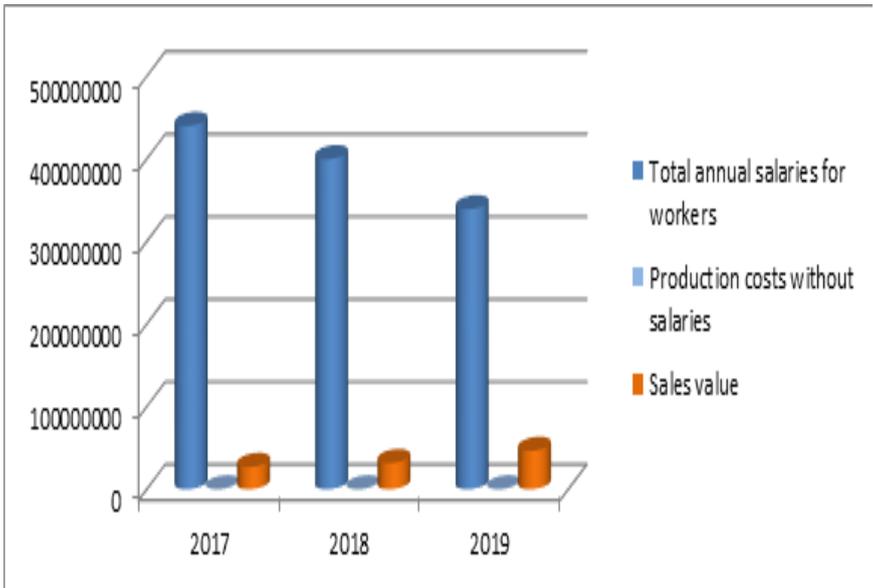


Table ( 3 )

The table explain the of the production cost for the New Steam Iron Factory , and the amount of sales

The manufacturer	the year	Number of employees	Total annual salaries for workers	Production in units	Cost of production	The number of units sold	Sales value
New Steam Iron Factory	2017	45	498137855	0	0	0	0
	2018	43	511662960	0	0	0	0
	2019	41	501748205	11300	282500000	603	15075000

We notice from Table No. (3) that the number of units produced in the (new steam iron plant) during the year 2017 was zero and that the cost of production amounted to (zero) dinars, noting that salaries were (498,137,855) dinars for the year 2017, and that

The value of sales for the same year was (zero) dinars.

As for 2018, the units produced were (zero) and the cost of production was also (zero), and the value of sales

It was (zero) and the salaries of workers were (511,662,960) dinars.

This is a negative indicator for the two years (2017, 2018), as there were salaries paid to workers for a period of two years without any compensation from production or sales of units produced in previous years. This is considered to be a 100% loss.

As for the year 2019, there was a noticeable improvement, as production per unit reached (11300) units, the total cost was (282500000) dinars, and salaries of employees (501748205) dinars, and there were sales of (15,075,000) dinars on the sale of (603) units.

And that the company paid three years' salaries to the workers in the iron factory for a little production that covers only 19% of the salary amount, and a sales rate of (1%) of the salary amount only.

Below is a chart that shows the deviations that occurred during the three years, comparing the value of production, including the cost of workers salaries and the value of sales.

Scheme (3) shows deviations between cost and sales as in Table No. (3) for the years ( 2017, 2018 , 2019)

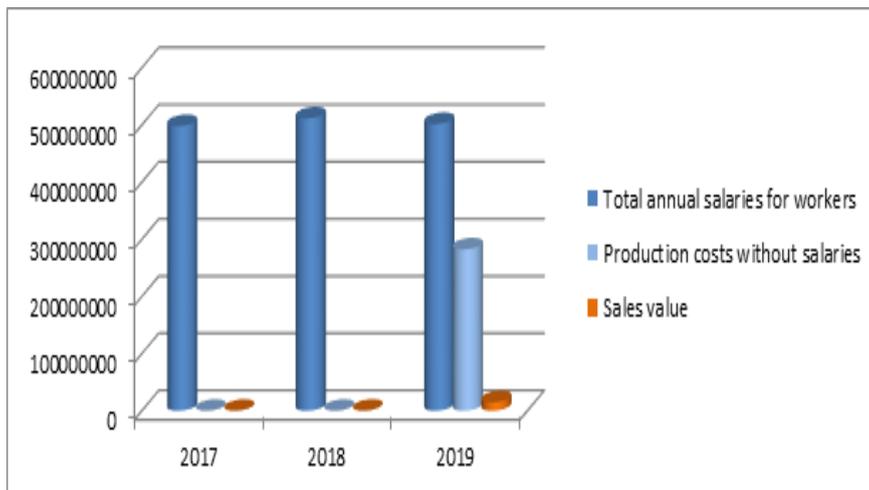


Table ( 4 )

The table explain the of the production cost for the electrical distribution transformers Factory, and the amount of sales

The manufacturer	the year	Number of employees	Total annual salaries for workers	Production in units	Cost of production	The number of units sold	Sales value
The electrical distribution transformers factory	2017	400	4350944280	2528	22244537000	1549	14547688000
	2018	399	4533376312	3215	26596200000	4344	36411482000
	2019	390	50144244922	5298	48133700000	5231	47814960000

We notice from Table No. (4) that the production cost in the (Electrical Distribution Transformer Factory) amounted to (22,244,537,000) dinars, including (4,350,944,280) for the year 2017, which is equivalent to (20%)

of the costs are the salaries of employees, and this is a good percentage and a positive indicator compared to the rest of the factories, and that the value of sales for the same year was (14,547,688,000) dinars, and that sales covered all costs and salaries and there was a high profit rate, knowing that the value of sales was about selling part of the total units produced for the year 2017.

We notice from Table No. (4) that the production cost for the year 2018 amounted to (26,596,200,000) dinars, including (4,533,376,312) for the year 2018, which is equivalent to (17%) of the costs are the employees' salaries, and this is a good percentage and a positive indicator compared to the rest of the factories, and that the sales value for the same year, it was (36,411,482,000) dinars, and sales covered all costs and salaries and there was a high percentage of profits, knowing that the value of sales was about selling units produced for the year 2018 and units produced in 2017 a previous year.

As for 2019, we notice from the above table that the production cost for the year 2019 amounted to (48,133,700,000) dinars, including (5,014,424,922) for the same year, equivalent to (11%) of the costs, which are the salaries of employees, and that this is the lowest cost percentage for previous years and compared to the rest of the factories or The company's departments are offset by sales estimated at (47,814,960,000) dinars, a good percentage and a positive indication compared to the rest of the factories, knowing that the sales percentage reached approximately (99%), but on the other hand, the selling price was close to the cost of production and the company did not achieve high profits for this year

We note here that the salaries (of the transformer transformer factory) were the lowest percentage of salaries compared to the value of production or the value of sales and this shows that the transformer transformer factory was the best factory present in the company in terms of production, annual sales and profits achieved compared to other factors.

Below is a chart that shows the deviations that occurred during the three years of the (Distribution Transformer Factory), comparing the value of production, including the cost of workers salaries and the value of sales.

Scheme (4) shows deviations between cost and sales as in Table No. (4) for the years ( 2017, 2018 , 2019)

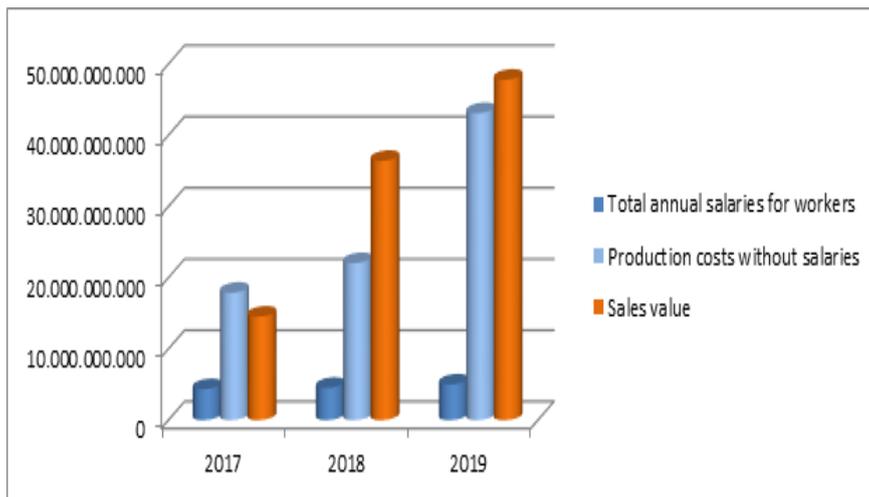


Table ( 5 )

The table explain the of the production cost for the Power transformer Factory, and the amount of sales

The manufacturer	the year	Number of employees	Total annual salaries for workers	Productio n in units	Cost of production	The number of units sold	Sales value
<b>Power transformer factory</b>	2017	238	2609722139	5	3738000000	5	302000000
	2018	230	2707832159	4	4251500000	8	5025000000
	2019	277	3077004203	12	9640431000	11	7855000000

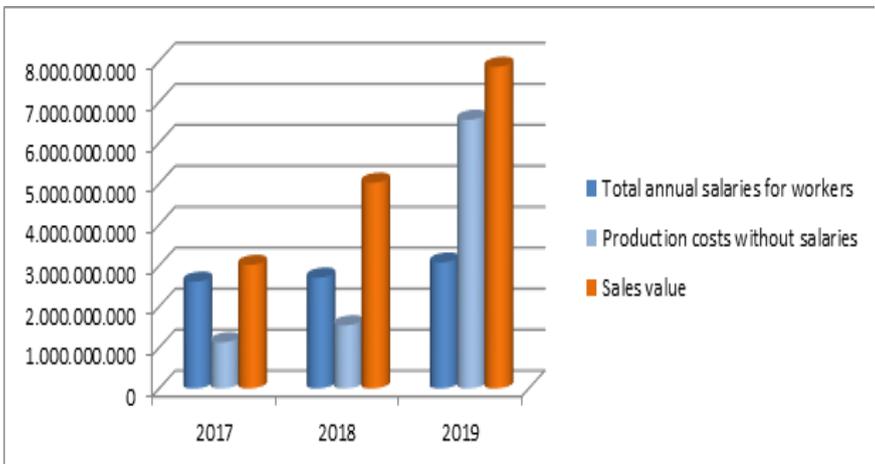
We notice in Table (5) of the data of the (Power Transformers Factory) that production is limited due to the magnitude and the high cost of these transformers, and in 2017 it was found that the cost of production was (3,738,000,000) dinars, the percentage of salaries of which was approximately (70%), equivalent to (2,609,722,139) dinars This is considered a high percentage compared to the volume of production, as the number of production units during the year was (5) power transformers, knowing that

the value of sales was (3,020,000,000) dinars for the sale of all the production units and they number (5) transformers, thus achieving a deficit of (19%), i.e. It achieved a loss and did not cover production costs.

As for production 2018, production costs were (4,251,500,000) dinars for the production of (4) units only, and the percentage of salaries from the total costs was (64%) approximately, equivalent to (2,707,832,159) dinars, and the value of sales was (5,025,000,000) dinars for the sale of (8) (Units, i.e. twice the quantity that was produced during the year 2018, i.e. sold from the production of previous years, here we note that the value of sales was twice the quantity produced, but at low prices, if we compare the cost of production with the sale price, it turns out that the percentage of loss on the sale of each unit amounted to) 41%). This is a negative indicator because the value of sales does not cover the cost of production and therefore a loss.

For the year 2019, the production cost in it was (9,640,431,000), and the percentage of salaries from the total cost is equivalent to (31%), which is a relatively good percentage, while the value of sales was sold per unit (transformed capacity) at less than its value by (11%), i.e. achieved a loss on Its total cost, and thus the selling price did not cover the total cost of salaries, raw materials, etc.

Scheme (5) shows deviations between cost and sales as in Table No. (5) for the years ( 2017, 2018 , 2019 )



## Conclusions and Recommendations

### 5.1 Conclusions:

1- The human resources in the Diyala State Company are an important component in production and the remaining elements that are considered auxiliary elements driven by the human component.

2- Through the study it was found that there is a persuasive unemployment (sagging job) through the presence of some employees and workers who receive their salaries and allowances annually against a very weak production level and even if there is production in some factories, it does not cover the cost of their salaries and wages.

3- Failure to apply an accounting system for human resources that organizes the distribution of human elements according to costs, the amount of units produced and the amount of sales.

4- We note from the above data that a high percentage of production does not cover costs, including salaries, and this is a defect that must be addressed by the company's management.

5- It became clear through the study and through the inquiries that the company adopts the self-financing system to cover the salaries of employees and employees of the company, and it was found that production does not cover their salaries and that there is a deficit with the company, which led to the company resorting to borrowing from the state to cover the salaries and expenses of working employees .

6- After hearing the opinions of the officials on the company's management regarding deviations that occurred during the three years and the low level of production in many factories and the lack of sales, it was found that this occurs as a result of importing merchants and owners of capital for the same products at a lower cost, which leads to the trend of buyers to buy these Products and dispensing with local production, knowing that local production is of high quality comparable to imported products.

7 - The lack of markets to sell products at good prices that cover the costs and achieve profits for the company due to the intense competition with imported products that negatively affect the local product due to its low prices and quality.

### 5.2 Recommendations:

1- Adopting a special accounting system that includes human resources accounting under it to deal with human resources in terms of distribution, measurement and disclosure.

2- Investing human resources enhances the value of the company and its

financial position as it leads to increasing the company's capital by investing their expertise in developing production or investing them in other companies that need their services to eliminate slack

Career (disguised unemployment).

3- Opening new production lines covering the market need for these products instead of importing these products because they are not available in the local market and investing the human resources in the factories that are stopping production in the new factories.

4 - approaching the concerned authorities to prevent the import of products that are manufactured locally, in support of local production and raise the value of the Iraqi economy.

5- Providing markets for selling the products of Iraqi companies producing through contracting with other ministries and providing facilities for these ministries to buy the local product instead of importing the same product, and taking strict measures against violators.

6- Supporting and encouraging the private sector and the common sector of factories and companies to work and produce in coordination with state-owned companies, to attract part of the employees and workers in the government sector with the same wages and salaries and social security, to encourage the workforce to go to the private sector when it is parallel to the government sector with the same rights.

## References

- 1- Al-Hayali, Walid Naji, and Fahmy, Bahaa El-Din, (2015), "Human Resources Accounting", Dar Al-Hamid for Publishing and Distribution, Amman, Jordan.
- 2- Ali, Sumaya Amin, (2003), "Accounting for Intellectual Capital (An Analytical Study with Application to Human Capital)" Journal of Accounting and Insurance Management.
- 3- Al-Sharif, Tariq Abdul Hafeez, (2013) "The extent of the applicability of human resources accounting in industrial companies (a field study on public industrial companies in the city of Benghazi), Al-Mukhtar Journal of Economic Sciences, No. 3, Omar Al-Mukhtar University, Libya.
- 4- Al-Saqr, Thamer Adel, (2013) "Human Resources Accounting: Concept and Importance: A Study on a Sample of Iraqi Companies in Basra, Journal of Basra Studies, No. 12, Iraq.
- 5- Arthur O sniliren and steffen, Macro (2002). chomic principle ant tools (U.S.A).
- 6-Belaidi, Abdullah, (2020) "The role of human resources accounting in

managing risks resulting from lack of capacity and knowledge competence in Islamic banks - Sharia speculation as a model”, *Journal of Research and Development Studies*, Volume (6), No. (1), Algeria.

7- Boudla, Youssef (2016), “Evaluating the cost of human capital and intangible assets by applying human resource accounting”, a case study of a sample of Algerian industrial enterprises, *Journal of Commercial Sciences*, No. (11), Algeria.

8- Bouqfa, Abdel-Haq, Damdoum, Zakaria, Marghani, Walid (2019), “The Importance of Applying Human Resources Accounting in Algerian Institutions” *Journal of Quantitative Economic Studies*, No. (5), Volume (1), Algeria.

9- Jabr, Noha Jabbar, (2015), “The relationship between forms of corruption and disguised unemployment”: An applied study in the Baghdad Provincial Council, *Journal of Administration and Economics*, No. 102, Baghdad.

10- Hussein, Saeed Clinic (2012), “Unemployment in Iraq: its causes and ways to address it,” *Anbar University Journal for Economic and Administrative Sciences*, Volume 4, No. 8, Iraq.

11- Abd Ali, Khaled Haider, (2011) “An economic study on the labor market and the disguised unemployment problem in the Kurdistan region - Iraq, *Journal of Administration and Economy*, No. (86), Baghdad.

12- Lakhsheen, Abeer, and Meziane, Nour El-Din, (2018), “The Impact of Applying Human Resources Accounting on Financial Statements (Case Study on Sonelgaz Company), *Journal of Economic Researcher*, Volume (6), No. (10), Algeria.

13- Maria, I.bullan, Kei-Ann Eyler,(2010),” Human resouces accounting and international developments: implication for measurement of human capital, *journal of international business and cultural studies*, vol 3,p.p.

14-Marouf, Hoshyar (2005) “Macroeconomic Analysis”, first edition, Dar Safa for Publishing and Distribution, Oman.

15- V.Kalpana,(2016),” Human resources accounting in Indian companies- importance and challenges, *journal of Scientifics Engineering and research*,vol 4,Issue.





**UNIVERSIDAD  
DEL ZULIA**

---

# **opción**

Revista de Ciencias Humanas y Sociales

Año 35, Especial No. 22 (2019)

Esta revista fue editada en formato digital por el personal de la Oficina de Publicaciones Científicas de la Facultad Experimental de Ciencias, Universidad del Zulia.

Maracaibo - Venezuela

**[www.luz.edu.ve](http://www.luz.edu.ve)**

**[www.serbi.luz.edu.ve](http://www.serbi.luz.edu.ve)**

**[produccioncientifica.luz.edu.ve](http://produccioncientifica.luz.edu.ve)**