

**THE EXTENT OF THE APPLICATION OF THE  
JORDANIAN COMMERCIAL BANKS TO THE  
REQUIREMENTS OF DISCLOSURE OF ACCOUNTING  
METHODS OF HUMAN RESOURCES**

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**Abstract**

This study aims to provide a necessary and essential information about manpower in the institution and to seeks to establish an accounting system that provides the appropriate data and information needed to make appropriate decisions which related to human resource accounting. This study also find results like : The values of human resources are affected by management leadership style ,and Information concerned with the human resources accounting beside the cost and value of the human resources are necessary for the effective and efficient management of the Bank ,and The report of the human resources should be within the reports that are subjected to audit by the external auditor. And this study recommended like : Its important to take care about a large portion of the original properties can be applied on human resources ,Its important to take care about human resources carry on the actual costs that have been incurred in order to obtain human resources selection , recruitment and training of staff, and Its important to take care about Disclosure of data concerned with investment in human resources in the board of directors report

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## Introduction

Knowledge available at the organization has become a competitive advantage comparing to other organizations, and it is defined in the availability of personnel who have the information, stored knowledge and different techniques.

As a result, the successful organizations are those which attract, select and develop personnel working in who can lead this organization, and successful organizations are those who care about their customers, their needs, desires, and take advantage of opportunities for different technologies in the surrounding environment, so the main challenge for organizations today is to ensure the availability of skilled personnel, training them and develop their skills.

Besides that, the developments and changes in the environment has led to a shift from a focus on money as the most important asset in the organization to that knowledge is the most important and greatest input to the success of the organization, as the Traditional accounting has focused on physical assets that is liable to be changed to cash during the activity cycle with the neglect of some intangible assets or the moral of the internal systems, customers, intellectual capital, this shift has led to the realization of researchers to the importance of investment in human resource, increase his knowledge, like other intangible assets, such as the reputation of the organization, organizational climate, job satisfaction, customer service, innovation and creativity.

Therefore, this study came to look at the efficiency of the Jordanian commercial banks to apply accounting and human resources to determine its impact on the financial statements.

### Problem of the study:

This study attempts to answer the following questions?

1. Do Jordanian commercial banks apply the accounting assumptions of human resources?
2. Do Jordanian commercial banks apply measurement methods of accounting for the cost of human resources?
- 3 Do Jordanian commercial banks apply accounting disclosure requirements for human resources?

### The study Objectives

This study attempts to achieve the following goals:

1. To provide a necessary and essential information about manpower in the institution.
2. Contributes in measuring the cost of human resources, to assist the administration in the selection of appropriate personnel, train and motivate them.
3. Seeks to establish an accounting system that provides the appropriate data and information needed to make appropriate decisions.
4. To identify the role of those in charge of human resources in the accounting disclosure of business-related human resources.

### Importance of the study

The significance of the study stems of the following:

1. Accounting of human resources provides important and trusted information to the related parties inside and outside the institution(stackholders)
2. Accounting of human resources helps the organization to carry out their social responsibilities by linking the achievement of the development and productivity goals.
3. Accounting helps the administration to provide a suitable work environment toward development of human resources and the development of innovative capabilities, and helps in

measuring human assets to identify the best ways of motivation and the establishment of peaceful relations between personnels and groups.

4. Accounting achieves planning and control advantages of human resources, such as the evaluation of training and development programs provided by the administration for personnel.
5. Accounting of Human resources contributes in transforming the perception of the workers as they are assets not costs, and so works on this kind of leading pattern interested in the development of human resources.

### Hypotheses of the study

1. Jordanian commercial banks do not apply accounting assumptions of human resources.
2. Jordanian commercial banks do not apply measurement methods of accounting for the cost of human resources.
3. Jordanian commercial banks do not apply the disclosure requirements of accounting for human resources.

### Previous studies

Reported information published by commercial banks whether in financial statements or their annexes are important for deferent parties interested on or dealing with any commercial bank, these information are used in making various administrated ,financing and investment decisions, furthermore provide the concerned parties with information about the entity's financial position, but recently these data must be appropriately completed by disclosing the social responsibilities, and this include the human resource activities, which accelerate many studies conducted on the importance of human resource disclosure.

(Subbarao and Zeghal, 1997)(1)indicated that many corporations claim that human resources are the most valuable resources that can improve and enhance competitiveness of a corporation, and they are intent to disclose the human resource information in annual reports which became an indicator to the public on the importance of human resources to a company. (Turban and Greening, 1997) explained that an effective human resource management can enhance employees' productivity, increase employees' morale and resulting a reduce of employee turnover, cost of recruitment and cost of training new employee, furthermore the disclosure of a company's behavior towards its human resource assists the corporation to retain and attract new employees.

Mamman (2004)(2) believes that the accounting information extended beyond the issues of environment to include business decisions on human resources, customers and the general public, furthermore accounting information is supposed to be responsive to the needs of society, and respond to the arising issues, such as disclose of the social activities of organizations in the annual report.

According to Peterson (2004)(3), employees who believe highly in the importance of social responsibility of businesses will demonstrate higher organizational commitment than the others. They will show positive work attitudes and behaviors and accordingly increase company's productivity and performance. Employees' attitude and behaviors also related to a company's reputation.

Iyoha (2010) (4) concluded that users of social accounting Information needs the data as much as the capital markets require financial information supplied by financial accounting system, which allow them to assess whether the entity is being socially responsible.

Ousama, Abdul Hamid, and Abdul Rashid,(2011) (5) focused on the effect of intellectual capital disclosure and part of the disclosure is about human resource information on market capitalization and found a positive significant relationship, the study indicates that intellectual capital information is valued by the market and that result an increases the importance of the human resource disclosure.

Salem Fadhel's study "how important is the measurement and disclosure of accounting for the cost of human resources and its impact on financial decision-making " ( Master Thesis , (University of Gaza 2008. (6)

This study aimed to analyze the measurement and disclosure of accounting for the cost of human resources through its elements and its impact on financial decision-making in Gaza Strip companies, and it's most important results were:

The existence of acceptable interest of data related to human resources of capitalization and disclosure, which increases the reliability of financial statements. One of the main recommendations: the need to differentiate between expenses and capital expenditure in human resources accounting , and the need to implement policies and procedures for the application of human resources accounting and paying more attention in issuing an accounting standard in order to develop full-frame to resolve the issues related to human resources accounting.

Jaber's study( 2007)" (7) design an information system accounting of human resources in economic units

This study aimed to highlight the importance of human resources accounting as a system of information in the economic organization to help organize data and run them out as a product in the form of information that may helps in making decisions regarding the most effective human resources.

The most important results of the study were:

The Accounting Information System of Human Resources is one of the subsystems of the accounting system and this contributes to the accuracy of the measurement of the cost of the human element in the company.

One of the main recommendations of the study is that the government would issue a special legislation to the human element in terms of costs and their financial impact on the financial statements and the interested institutions or business organizations to the human element as an instrument of investment because of its positive effects on the growth and survival of the company in the field of market competition and increase market share.

Almqrgi's study (2009) , (8) " Analysis of data correlation between the human resources information system and intellectual capital

This study has been Conducted on number of workers in the universities and institutes in Baghdad and aimed to introduce the concepts and basic dimensions for each of the information system for human resources and intellectual capital to determine the level of each of them in the organization and then analyze the correlation between them to establish a connect between the differences of morals among the answers of the study sample.

The most important results of the study is that the human resources information system is an integral part of the information accounting system and provides information to several parties to

help them in making decisions about the company and that there is a tendency to corporate attention to the human element in terms of the quality of investment and the quality of performance.

Among the most significant recommendations of the study:

The human information system has to be a part of the management information systems, and there should be an interest from all stakeholders in the company to the human element and thus rehabilitated professionally and functionally because of its positive effects on the performance of any company members.

**This study differs from previous studies in the following:**

1. It is based on the challenge of the extent to which the commercial banks benefit from the advantages of human resources to achieve differentiation in the provision of service to the customer.
2. It is based on the study of the application of human resource accounting assumptions and challenge the extent to which those assumptions contributes in measuring the cost of human resource
3. It is based on the analysis of the different ways to measure the cost of human resources and how to challenge the impact of that cost on human resources
4. It is based on a study of ways to enclose the human element in the financial statements

### **Theoretical Framework**

Human resources defined by the American Accounting Association (AAA) as :  
The process of identifying and measuring human resources to provide the administrative units concerned with this information. (9)

It also may be defined as:

the process of measuring and reporting on the dynamics of human organization , and it is the process of assessing the status of human resources at the establishment and measuring the change in this situation over time , it is also the process of providing information about personnel and groups for facility decision makers , both within the facility or outside .(10)

through the above definitions, we find that the basic idea of human resource accounting revolves around The economic value of human resources of the institution, which must be followed and measured and monitor changes in them over a period of time, through the provision of information and data necessary to assist management in decision-making processes on the workforce, such as increasing the skill and productivity application programs to educate and train workers.

### **Assumptions of human resources accounting:**

Human resources accounting is based on the following assumption:  
The human element is an important supplier of enterprise resources.  
It has an economic value directly and indirectly, the direct value appears in the effort and time that their human resources do for the completion of the work assigned to them directly, and provide a variety of services for now and future, while the indirect economic value is represented in the good use and benefit from the technological and material resources, as they are able to contribute to the achievement of the objectives of the institution.

If the administration fails in using the human element, his value will be decreased, since the successful administration has to attract good talented ones more than others.  
Information on the accountability of human resources at the side of the cost and value of the human resources necessary for the effective and efficient management of the organization, such

information is useful in planning processes for the selection and recruitment and human resource development , and that the information contained in the accounting of human resources are of great importance in the evaluation and control processes in both the short and long term , both for the management of the organization or to external customers.

The employment of human resources is considered as an economic cost incurred by the institution for the services and the benefits obtained in the future so you can translate these costs and services in the form of cash, and shown in the financial statements.

A large portion of the assets characteristics can be applied on human resources , the traditional concept of the assets stands as "rights and services which are owned and measurable in monetary units and are gaining as a result of the deal between economic units that are expected to get the future economic benefits or services.(11)

As a conclusion, assets have the following characteristics:

1. The possibility of accounting measurement of the asset in the form of cash
2. The presence of specific rights to the benefits and services of the future
3. These rights have to be owned by a person or an organization

Hence can be applied to a large portion of the assets characteristics on human resources since the benefits of its use are future benefits , as well as the ability to calculate the total costs incurred in attracting the human element , and regarded as a resource and not as an asset subjected to be fully appropriated as the rest of other assets , and the organization has the right just in the operation and use of human resources and guidance , and has a legitimate right to contractual obligations between the parties and the personnel and the institution.

And on this basis, human resources are considered as assets of the costs directly and indirectly from the acquisition, training and skills development and other costs associated with the production, where they are utilized for several periods, which leads to be depreciated over the expected productive life of the workers, and considering the value of the premium amortization such as salaries and wages and social insurance burdens as a variable cost

### **Opposing viewpoints:**

The process of collection and presentation of data related to human resources ,is a difficult process due to the large number of variables , which is difficult to measure all the changes in the Group, and in particular the human variables ( behavior , motivation , satisfaction ) . It also entails the difficulty of measuring the value of human origin presented in the budget which is neither change nor discloses the true value of this asset, it does not balance the benefits obtained from the use of accounting human resources with the cost of data collection and preparation of schedules and budgets. (12)

The Administration helps to further exploit the efforts of personnel towards economic objectives, as originally something perish and asset accounting includes work on the depreciation (of an asset in the most efficient way possible. (13)

It requires an effective human resource accounting system and a robust system for assessing the performance of employees, based on objectivity and justice, inclusiveness and this is what is not available in many cases, for the occurrence of errors in assessments as partiality, forgetfulness and fear.

## Methods of measuring the cost of human resources

### 1. Historical cost method (8)

They are intended to actual costs incurred in order to obtain human resources Calling, selection, recruitment, training of staff, and regarded capital expenditure utilized for several periods, which must be depreciated on the productive age of those human assets to determine the share of each period, including in the case of liquidation of the asset or layoffs before the end of their productive lives and the remaining balance is considered a loss

And so, to measure the historical cost (asset) of human resources, it must be classified into two components:

#### 1-1 The cost of obtaining workers:

It shows the sacrifice that must be borne by the institution in order to get hold of a certain status, and these costs may be direct or indirect, and consists of the following elements:

##### A -The Cost of polarization

It is the cost of attracting new members of the organization, and is the cost of advertising, the recruitment fees, and the cost of travel and other expense.

##### B - The cost of selection

Foundation bear the cost of choice and selection in order to determine who should have the job, as costs interviews and selections.

##### C –The cost of the assignment

Foundation bears the cost of the assignment in order to obtain a new element in the administrative management of the institution.

#### 1-2 The cost of Education

This cost refers to the sacrifice borne by the institution for the training of workers, and include direct and indirect costs such as rehabilitation and training for both, trainers or trainees.

This method is an easy and simple measurement, but it is flawed is that the historical cost of the assets of human does not reflect the capacity of basic individuals, which cannot be considered without it originally a human, and the value of the individual during the period of time are changing, whether the increase to the acquisition of new capabilities, or downward due to progress Age, or the disease, which leads to the existence of improper return value of the investment.

### 2. Replacement cost method (14)

It is defined as replacement cost of human resources as:

Sacrifice borne by the institution today to bring human resources rather than the existing ones now.

It includes two types of replacement cost:

#### 2-1 Career Replacement Cost

It is defined as:

Sacrifice borne by the institution at this time in order to substitute a person by another one who occupies a specific position in the organization , so that the alternative would be able to do the same burdens and provide the same services that are required for this function.

The Replacement Cost consists of three functional components:

1. The cost of getting individuals.
2. The cost of education.
3. The cost of quit.

#### 2-2 replacement cost of personnel :

It expresses the current sacrifice borne by the institution in order to bring a personal substitution that will be able to offer a range of services provided by the immediate person, and it includes the cost of replacing the individual or organization of the entire human capacity.

This manner differs from the historical cost method is that it calculates the cost of long-term assets on the basis of expected spending in the future, it also helps in the process of planning the human element by finding estimates for the expenses of getting a job for a different job, and rationalize the decision-making process and that means it sets the standards for the costs of collection, hiring and staff training, these standards are used also in the comparison of actual results as planned before, however, this way faulted by the lack of human assets identical with human assets to the project to be valued, in addition to this, the model replacement cost includes the opportunity cost, which is difficult to be used as a proxy measure of the value of human resources (1).

### 3. Opportunity cost method

It is known as "the value of the asset when it is in the use of alternative that differs from the current use." (15) The method is based on the division of employees of an organization into two groups (16).

**A** - The category of unskilled or ordinary workers whom their substitution seems to be easy with others, they are divided on the basis of the expenses of the call.

**B** – A class of skilled workers, which is a rare class be straightened as human assets that are being used in more than one activity or several alternatives to see their value in the best use of them and confirm a way that the director and investment centers in the organization are competing in order to get the hands working with rare skill, the foreman is the one who succeed in getting the highly skilled individual, and represents the opportunity cost of the human element and work to create the best conditions for attracting labor, but it does not bother unless category workers with high efficiency and rare.

### 4. Future returns method:

By using this method human assets are being evaluated on the basis of reaching the current value of salaries and wages paid to the human element in the future until the end of the useful life of the Organization, to be able to calculate the total value of the human assets of the reality of the average salary for a replica of the workers, but it does not take into account only one element of cost elements to reach the value of human resources, and the neglect of other factors such as the age factor and efficiency and seniority.

### 5. Economic cost method

Human assets are evaluated according to the rate of return which can be obtained from the use of, it means that it determines a person's value of the project equal to the present value of future profits relying on the contribution of the individual in achieving the objectives of the organization.

### Methods of disclosing the human resources:

There are several ways to declare Human Resources (17)

#### 1. Disclosure in report of Board of directors

According to this method data are disclosed related to investment in human resources in the report of the Board of Directors in terms of: the volume of investments in building and directing the human element and the impact of investment in achieving the goals of the company.

#### 2. Preparing a list of intangible investments:



This method requires the preparation of a list of moral investments to disclose investments in human resources this method is suitable for large companies that have employees who are patents and famous shop where technology is used heavily

### 3. Unaudited financial statements attached to the basic financial statements :

This method requires the preparation of supplements for the financial statements to clarify the business expansion in investment in human resources and these supplements are not audited by the external auditor.

### 4. Listing in the basic audited financial statements

This method requires that the human resources report within the reports that are subjected to audit by the external auditor and are subjected to audit procedures, and here investments are capitalized in the financial statements.

## Statistical Analysis and Results

### Reliability

The test of credibility "alpha" has been done to identify the degree of internal consistency (consistency) between the responses of respondents to the questionnaire, Alpha can be interpreted as the correlation coefficient between the answers and therefore the alpha can range between zero ,and 1, and value statistically Alpha is at least 60% for the dissemination of the results. the analysis of credibility showed that Alpha value of the questionnaire was 80% ,this value helps in that results of the study can be generalized as they represent a large proportion and a value greater than the minimum value of alpha that is statistically acceptable.

### Description of the sample

The following tables show the distribution of the sample of the study variables general information

**Table (1) Years of Experience**

Years of experience	frequency	Ration
Less than 6 years	25	22%
From 6 to less than 10 years	56	50%
From 10 to less than 15 years	17	14%
15 years and more	18	14%
Total	112	100%

It's clear from the table (1) that the members of the study sample includes the vast majority of them from the category of (6 - 10) years experience and this is a positive indicator to generalize the results to the rest of the categories of expertise as they are approximates.

**Table 2, certification**

Type of certification	frequency	rate
Community College	34	30%
Bachelor	51	46%
Advanced studies	27	24%
Total	112	100%

It is clear from Table (2) that the members of the sample for the study, most of whom hold a bachelor's degree, and this is a positive indicator to understand paragraphs of resolution and this may be a positive indicator of the sincerity of the answers of the study sample and therefore reflected in the findings and recommendations of the study.

**Table (3) scientific specialization**

Specialization	frequency	rate
Accounting	68	61%
Economics	21	19%
Administrative science	23	20%
<b>Total</b>	<b>112</b>	<b>100%</b>

As seen in Table (3), the members of the study sample, the vast majority of them have the degree of specialization in accounting, where the sample is external auditors, and this is normal to have the majority of those who have devoted to accounting and this is reflected positively on the tool at the study and thus sincerity and persistence.

### Questionnaire Responses and Testing Hypotheses:

#### The first hypothesis:

Which says that Jordanian commercial banks do not apply the assumption of human resource accounting?

**Table (4) the views of the study sample in the first paragraphs of the hypothesis:**

number	paragraph	average	rank
1	Human element in bank has an economic value which reflects on bank profit	2.48	5
2	The value of human resources are affected by management leadership style	3.73	2
3	Information concerned with the human resources accounting beside the cost and value of the human resources are necessary for the effective and efficient management of the Bank	3.07	3
4	Employment of human resources is an economic cost borne by the Bank	4.12	1
5	a large portion of the original properties can be applied on human resources	2.76	4
<b>average</b>		<b>3.23</b>	

As in the above table, members of the study sample tend to accept the fourth paragraph with an average 4.12, this paragraph shows that the process of employing human element in commercial banks is an economic cost and this means that the human element has costs related to the activity's operating bank and this means that he has to have his own accounts in the financial statements, the second paragraph occupies the second degree for admission to members of the study sample average of 3.73, higher than the central premise 3 and this paragraph shows that costs and the value of human resources are affected by leadership style of the bank, this may reflect positively or negatively on the bank according to regular environment in the bank. it also clear

that the first paragraph represents the lowest degree of acceptance according to members of the study sample, this paragraph also is represented by that human element economic value does not reflect on the earnings, the reason for this is that banks rely on technology tools that meet the wishes of the customer more than reliance on the human element, the arithmetic mean of the hypothesis is 3.23, which is greater than the center-premise and this indicates that individuals tend to sample the existence of the application of human resource accounting assumptions in banks in general.

### The second hypothesis:

Which says that Jordanian commercial banks do not apply the measurement methods of accounting for human resources in the financial statements.

**Table (5) the views of the study sample in the first paragraphs of the hypothesis**

Number	paragraph	average	rank
1	human resources carry on the actual costs that have been incurred in order to obtain human resources selection, recruitment and training of staff	4.38	1
2	The bank calculates the cost of human resources long-term assets on the basis of expected spending in the future	2.14	3
3	human assets are evaluated to reach the present value of salaries and wages paid to the human element in the future until the end of their useful life	1.79	4
4	The value of opportunity which is alternative to human asset is used when there is an alternative differs from actual use	3.19	2
<b>Average</b>		2.87	

The above table shows that the members of the study sample tend to accept the first paragraph with a high average of 4.38 which represents in that human element in the financial statements carries on all costs that have been spent on him until he is ready for the work that he was sent to, and this means the need to apply the historical cost method, which is consistent with international accounting standards whether in the costs of the appointment or employment, and others. It also clears the existence of the use of the method of opportunity for the human element through its use in more than one place so that it helps to achieve profitability or achieve the general goals of the bank. Also it is obvious that the method of the replacement cost is not implemented in the banks where the accepted average is 1.79, This shows that the actual cost follows the human element in the financial statements. It also notes that the members of the study sample tend to not accept the use of various accounting methods to measure the cost of human resources.

### The third hypothesis:

Commercial banks do not disclose the human resources in the financial statements.

**Table (6) the views of the study sample in the first paragraphs of the hypothesis.**

Number	paragraph	average	rank
1	Disclosure of data concerned with investment in	3.52	4

	human resources in the board of directors report		
2	a list of moral investments is to be prepared to disclose investments in human resources	4.37	1
3	Supplements for the financial statements are being prepared to clarify the business expansion in investment in human resources and these supplements are not audited by the external auditor	2.51	5
4	The report of the human resources should be within the reports that are subjected to audit by the external auditor	4.09	2
5	investment of human resources are capitalized in the financial statements	3.86	3
<b>Average</b>		3.67	

The above table shows that the members of the study sample acknowledge the acceptance of the second paragraph with the largest average and that the management of banks prepare a list of moral investments relating to patents, or copyright in a separate list, also the fourth paragraph represents the degree of acceptance of the second according to members of the study sample of through the existence of a special report on human resources which is being verified by the auditor as the rest of the financial reports that are subjected to the scrutiny of the external auditor, and this gives the importance of human resources in terms of the attention of the highest authorities in commercial banks, also there are reports of a private human resources which are not audited by the external auditor occupies the lowest average according to members of the study sample. It also notes that the members of the study sample recognizes the existence of Disclosure for human resources by the different ways in the financial statements which seems to be an indication of interest in the banking sector to the human element, and this is evident from the financial statements of the banks so that salaries represent the highest expenses within operating expenses in the commercial banks in Jorda Test hypotheses of the study.

The results of the test Hypothesis:

Results of The first hypothesis of the study

Which concludes that Jordanian commercial banks do not apply the accounting assumptions of human resources?

T test per one sample “One Way T-Test” has been used for the first hypothesis and the test results are in accordance with the following schedule:

**Table (7)**

The results of the first hypothesis

Calculated T	Tabular T	Statistical T	significance as a result of the hypothesis H0	mean
8.59	1.977	0.00	rejected	3.23

In Table (7) where the base of the decision is to accept the premise of nihilism (H0) if the calculated value is less than tabular value, and rejects the premise of nihilism (H0) if the calculated value is greater than the tabular value. And therefore reject the premise of nihilism

and accept the alternative hypothesis to the effect which says: " the Jordanian commercial banks apply the hypotheses of human resource accounting.

### The results of the second hypothesis test of the study:

It says that "the Jordanian commercial banks do not apply the measurement methods of accounting for human resources in the financial statements.

T test per sample "One Way T-Test" has been used for the second hypothesis and the test results are in accordance with the following schedule

**Table (8)**

The second hypothesis test results:

Calculated T	Tabular T	Statistical T	significance as a result of the hypothesis H0	mean
-4.83	1.977	0.00	accepted	2.87

In Table (8) where base the decision is to accept the premise of nihilism (H0) if the calculated value is less than tabular value, and rejects the premise of nihilism (H0) if the calculated value is greater than the tabular value. And therefore reject the premise of nihilism and accept the alternative hypothesis that the Jordanian commercial banks do not apply the measurement methods of accounting for human resources in the financial statements.

### The results of the third hypothesis test of the study:

It says that "Jordanian commercial banks do not apply the measurement methods of accounting for human resources in the financial statements.

T test per sample One Way T-Test for the third hypothesis and the test results are in accordance with the following schedule.

**Table (8)**

The results of the third hypothesis test:

Calculated T	Tabular T	Statistical T	significance as a result of the hypothesis H0	mean
17.69	1.977	0.00	accepted	3.67

In Table (8) and where the decision base is to accept the premise of nihilism (H0) if the calculated value is less than tabular value, and rejects the premise of nihilism (H0) if the calculated value is greater than the tabular value. And therefore reject the premise of nihilism and accept the alternative hypothesis where that the commercial banks disclose the human resources in the financial statements.

### Results and Recommendations:

#### results

- 1- Employment of human resources is an economic cost borne by the Bank
- 2- The values of human resources are affected by management leadership style.
- 3- Information concerned with the human resources accounting beside the cost and value of the human resources are necessary for the effective and efficient management of the Bank

- 4- human resources carry on the actual costs that have been incurred in order to obtain human resources selection , recruitment and training of staff
- 5- The value of opportunity which is alternative to human asset is used when there is an alternative differs from actual use
- 6- A list of moral investments is to be prepared to disclose investments in human resources
- 7- The report of the human resources should be within the reports that are subjected to audit by the external auditor
- 8- Investment of human resources are capitalized in the financial statements

**recommendations.**

- 1- Its important to take care about Human element in bank has an economic value which reflects on bank profit
- 2- Its important to take care about a large portion of the original properties can be applied on human resources
- 3- Its important to take care about human resources carry on the actual costs that have been incurred in order to obtain human resources selection , recruitment and training of staff
- 4- Its important to take care about The value of opportunity which is alternative to human asset is used when there is an alternative differs from actual use
- 5- Its important to take care about Supplements for the financial statements are being prepared to clarify the business expansion in investment in human resources and these supplements are not audited by the external auditor
- 6- Its important to take care about Disclosure of data concerned with investment in human resources in the board of directors report

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(1) ,as this concept is taken by some Arab countries such as Egypt , where the legislature implicitly acknowledged the annihilation of human assets when the text in the tax code to calculate the depreciation of human access to free professionals by 15 % of the net profit of Practice.

