

**HUMAN RESOURCE ACCOUNTING PRACTICES IN NEPALESE COMMERCIAL
BANKS**

**(A COMPARATIVE STUDY ON STANDARD CHARTERED BANK NEPAL
LIMITED AND NABIL BANK LIMITED)**

A Dissertation Submitted to the Office of the Dean, Faculty of Management in partial
fulfillment of the requirements for the Master's Degree

By

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Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “Human Resource Accounting Practices in Nepalese Commercial Bank; A Comparative Study on Standard Chartered Bank Nepal Limited and Nabil Bank Limited”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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Report of Research Committee

Mr. Subodh Kumar Majhi has defended research proposal entitled “Human Resource Accounting Practices in Nepalese Commercial Bank; A Comparative Study on Standard Chartered Bank Nepal Limited and Nabil Bank Limited” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Professor Dr. Bhoj Raj Aryal and submit the thesis for evaluation and viva voce examination.

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We have examined the dissertation entitled **“Human Resource Accounting Practices in Nepalese Commercial Bank; A Comparative Study on Standard Chartered Bank Nepal Limited and Nabil Bank Limited”** presented by Subodh Kumar Majhi for the degree of Master of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

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Abbreviations

AL = Assistant Level

CEO = Chief Executive Officer

HR = Human Resource

HRA = Human Resource Accounting

HRD = Human Resource Department

HRADI = Human Resource Accounting Disclosure Index

IASB = International Accounting Standard Board

ML = Management Level

NAS = Nepal Accounting Standard

NASB = Nepal Accounting Standard Board

NBL = Nabil Bank Limited

NFRS = Nepal Financial Reporting Standard

NRB = Nepal Rastra Bank

OL = Officer Level

PV = Present Value

SCBNL = Standard Chartered Bank Nepal Limited

SML = Senior Management Level

SL = Support Level

Abstract

Human Resource Accounting is as a modern concept in the field of accounting. It is a process of identifying and measuring data about human resources. Measurement of the investment in human resources will help to the organization to evaluate the expenses made in human resource over a period of time. For the betterment of the organizations, it is necessary to evaluate the value/worth of human resources in a systematic manner and record the information related to them in the financial statement of the organization to communicate their value time to time to the users of the financial statement. From the information of human resource accounting, management can take the proper decision about their future decision endeavor.

In this context, it is worthwhile to examine human resource accounting practices in Nepalese Commercial Bank. For the convenience of completing the thesis successfully, comparative study of two Nepalese Commercial Bank has been taken as sample bank and practices of HRA has been measured on five broad indicators which incorporates several sub indicators and HRADI has been calculated. After calculating the HRADI it has found that SCBNL discloses 69.23 percent and NBL discloses 76.92 percent which shows that the overall practice of HRA in both banks has not been yet at satisfactory level.

After going through the annual report of SCBNL and NBL it has found that both bank followed the Nepal Financial Reporting Standard to prepare the financial statement where both bank maintain the human resource cost under two heading i.e. Personnel Expenses and Deferred Employee Expenditure. So, it can be said that somewhat both banks account their human resource but the real human resource accounting means valuation of human resource had not yet been done by any bank under the study. So, the present study has tried to value the human resource of both sample banks by using Lev and Schwartz Model.

Keywords: Human Resource Accounting, Practices, Commercial Bank, Indicators, Lev and Schwartz.